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SCOMM 30

CONFERENCE ON ALASKA'S FUTURE FRONTIERS 1979

Conference Chairmen: Sen. George Hohman, Rep. Russ Meekins

This conference, sponsored by Legislative Council, was held on December 6,7,8,1979, at the Sheraton Anchorage Hotel. The program states that it "...is a continuation of a process begun ten years ago with the convening of the Legialtive Council/Brookings Institution Conference on the Future of Alaska."

The files consist mainly of transcripts of the meetings, correspondence and miscellaneous materials used before and after the conference.

Total volume: 1 cubic foot; 24 items

ITEMS

Item	Contents and Description of Materials in Folders	
1	Information folder	
2	Public papers submitted to Future Frontiers 12/79	
	Proceedings of Conference (19 vols. in all)	
	Alpha Group 3	v.1 (12/6) - 116p.
	4, 5	v.2 (12/7) - 262p. in 2v.
	6	v.3 (12/8) - 66p.
	Beta Group 7	v.1 (12/6) - 106p.
	8, 9	v.2 (12/7) - 284p. in 2v.
	Delta Group 10	v.1 (12/6) - 165p.
	11, 12, 13	v.2 (12/7) - 336p. in 3v.
	Epsilon Group 14	v.1 (12/6) - 106p.
	15	v.2 (12/7) - pp.107 - 193
	Gamma Group 16	v.1 (12/6) - 117p.
	17, 18, 19	v.2 (12/7) - pp.118-470 in 3v.
	20 Banquet (Buckminster Fuller, speaker) 12/6 (85p.)	
	21 Recommendations and Summary (52p.)	
22	Publication: "Conference on Alaska's Future Frontiers..." Legislative Council 12/79 (1 vol.)	
22a	—— supplement (1 vol.)	
23	Departmental and Executive Branch responses to Conference recommendations.	
24	Miscellaneous materials 1979-1980	

processed 3/84 (KHS)

11/27 Sen. George

SEMI ALPHABETIZED DELEGATE LIST

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AGBABA, Steve
ALEXI, Nels
ALFORD, Yvonne
ANDERSON, Chris
ANGASON, Ted
ANSAGOK, Georgianna
ARMSTRONG, Edna
ATWOOD, Winnie
AVAKHANA, Lloyd

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BELL, Don
BENNETT, Jill
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HOPE, Andy
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SCHURCH, Vince
SEIFERT, Rich
SHATTUCK, Curtis
(SHAY, Jack)
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WEYIOVANNA, Clifford
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WIDMARK, Emma
WILLIAMS, Ida
WOOD, Dr. William
WORL, Rosita

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Y

YAMASHIRO, Jane

SCOMM

#30:2

ALASKA STATE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811

REGIONAL INFORMATION OFFICE
1024 West 6th Avenue
Anchorage, Alaska
99501
(907) 278-3668

TO: Legislative Reference Librarian November 28, 1980

FROM: Marcie Sharrock Marcie
Anchorage Legislative Information Office

The attached original Future Frontiers, Public Papers, were unearthed in our reference library and should be included with the official project papers in your custody. No-one here is sure how we came about to have these reports in our files.

LAA 11
(1-26-79 M)

CO-CHAIRMEN
SENATOR GEORGE HOHMAN
REPRESENTATIVE RUSS MEEKINS

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3880
(907) 465-4849

Alaska State Legislature

A Conference on Alaska's FUTURE FRONTIERS

Dec. 4, 1979

Planning for the next 10 years

Index of Public Papers submitted to the Future Frontiers Conference:

Marilyn Dudley Rowley	Independence-An Alternative Future
William R. Hunt	Hot words over the Cold Land
Claus M. Naske	The question of the State Income Tax
Ronald K. Inounye	letter regarding the Council on Science and Technology
H. Lamar Gray	letter regarding the Buy Alaskan Comm.
Thor Brandt-Erichsen	Mineral development
J. B. Barry	Institutional health care
Thomas M. Peetz	letter regarding utilities
Gloria Thompson	letter regarding rents
Jose Peguero	regarding railroads
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Dan C. Hadley	An agriculturally strong independent nation
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Robert B. Gibson	Alaskan resources and economic development

Clay McDowell	Mom, Apple-pie and Education
William E. Bedsworth	regarding limited entry
Margaret Fischer	Frontier Children
Dick Swainbank	Mining in Alaska
William B. Fredson	Permanent Fund
Verda Marie Jones	Admission to Bar/limited entry
Jorgen W. Bogdanoff	Fisheries limited entry

INDEPENDENCE--AN ALTERNATIVE FUTURE FOR ALASKA

by Marilyn Dudley Rowley

27 November 79

BACKGROUND INFORMATION

Independence--An Alternative Future for Alaska was written by Marilyn Dudley Rowley, co-author of the upcoming book, Alaska--Energy Lands: The Inside Story.

Rowley has spent some three years researching modern Alaska--its people, resources, and position in the world. Her background as feature editor of an Army magazine published by the 172d Infantry Brigade, ad agency work in Anchorage, and news director of KRXA Radio in Seward have contributed to the research which went into Alaska-- Energy Lands.

The paper she submits here is the start of her second book which will be about Alaskan individualism and the Independence Movement in The Great Land.

The author is currently working on a graduate degree at the University of Alaska at Fairbanks and recently was elected to the secretary's position of the Political Action Arm of Alaskans for Independence at the first Alaska-wide convention of that organization.

In addition to her graduate work, she continues to write on Alaskan issues and does media consulting work for friends.

A former South Carolinian, she came to Alaska in the early seventies with the U.S. Army where she became the first woman to successfully complete mountain combat training at Eklutna Glacier.

She holds a B.A. degree in English from Winthrop College, Rock Hill, South Carolina. She has done graduate work at the University of Alaska at Anchorage and Washington State University. She is legislative chairman for the Fairbanks Business and Professional Women's Club and holds an award from the Mathematical Association of America. She is 26 and married to Eugene Arthur Rowley of Fairbanks.

The author wishes to acknowledge her co-authors of Alaska--Energy Lands since some of the material in this paper was taken from that book. Her co-authors are P.M. Ivey and Helen Bailey, both of Fairbanks. Also, the author would like to acknowledge the efforts of Barry Jackson of Fairbanks who made numerous suggestions and helped edit the paper.

INDEPENDENCE--AN ALTERNATIVE FUTURE FOR ALASKA

by Marilyn Dudley Rowley

In Alaska, for the past five years, "Independence" has been synonymous with the name of Joe Vogler of Fairbanks. This identification can be attributed to the Alaskan press, especially the electronic media, who in their haste to get a three-second actuality on the air, latch on to the short, spicy comments of Mr. Vogler. Most Alaskans do not hear the complete report. Few know that Joe Vogler is an attorney. Little do they know that this man has explored the legal avenues of Alaskan Independence in a sane, rational manner.

Yet, the media caricature of Vogler is all the Alaska public has to remind it of an historic notion--the notion of a Republic of Alaska.

Historical Background

The spirit of political Independence in Alaska is a phenomenon with a heritage nearly as old as the American Revolution. In 1790, the young United States still had no specie. So, Boston merchants and shippers turned to the Alaska fur trade to build the new nation's economy. At that time, Alaska was a part of Russian America. Before long, however, the Russians were astounded at the number of Yankee ships plying Alaskan waters. In the ensuing years, businessmen lobbied Congress fiercely. The push was on to separate Alaska from Russia. Some historic events arose in part over the Alaska question --the first Russian ambassador came to the United States and the Monroe Doctrine was drafted.

People from several nations poured into Alaska, all seeking fortune and adventure. With them came the power of individualism and democratic ideals. During this period, a group of Russian workers at Kodiak tried to enlist Yankee aid in a revolution attempt. Unfortunately, the Americans they approached were more interested in the profitable relationship they had established with the Russian American Company. The revolutionaries found their trust had been misplaced when the Americans turned them over to colonial authorities.

However, as mentioned before, the United States was more interested in separating Alaska from Russia. Lobbying Congress was not the only tactics used. The Yankees traded all sorts of weaponry to the Tlingits of Southeastern Alaska to aid in Native resistance against the Czar. The Russians found themselves hard put to turn a blind eye to the heavy cannonry in Tlingit arsenals which had been forged in the United States.[1]

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1. For further reading into these events see Howard Kushner's Conflict on the Northwest Coast, H.H. Bancroft's History of Alaska, and James Gibson's Imperial Russia in Frontier America.

In 1861, negotiations began between Empress Catherine of Russia and U.S. Russian ambassador Cassius Clay. By 1867, a document had been hammered out which gave the United States only the right to govern Alaska.[2]

A week after transferral ceremonies in Sitka, Secretary of the Interior, O.H. Browning sent word to Alaskans saying that any attempts to acquire land were illegal and anyone who tried would be forceably evicted.[3] This was indeed a strange order from a nation which had made a policy of blessing those who delved into the wilderness of Kentucky, Oklahoma, and Oregon! This warning suggests that the Interior Secretary of 1867 understood that the United States did not own Alaska. The U.S. government evidently could not parcel out land even to those who resided in the territory.

Moreover, in 1867, American Indians were still being exterminated to make way for settlers from the East Coast. General Custer had not yet made his last stand at Little Big Horn. Therefore, it is doubtful the Interior Secretary locked up Alaska back then out of deference to the Alaska Native.

To keep Alaska from hanging out in political limbo, the Fortieth Congress (1867-69) made Alaska a customs district, which made foreign goods subject to the same duties as other U.S. ports, extended laws for commerce and navigation, and made importing and selling distilled liquor illegal. In 1884, Congress passed an Organic Act for Alaska, making it a civil and judicial district, provided for a governor and court system, and also allotted $25,000 for education. Although none of the land laws of the U.S. could be applied to Alaska, Congress established a land district with land offices in Sitka to disburse land they were prevented by law from disbursing.

An 1885 treaty gave Alaska Natives jurisdiction over lands they "claimed or possessed."[4] Yet, this simple clause caused undue legal haggling in later years.

All government offices were Federal and appointive. Alaska became a preserve for the payment of political favors. Regulations for Alaska were suffixed by "as prescribed by the Secretary of the Interior."

Congress extended coal land laws to Alaska in 1900 which left the country open to subsequent decisions about coal lands in the contiguous United States. In 1906, President Theodore Roosevelt withdrew all coal lands in the United States, including Alaska. In that same year, Congress also passed the Antiquities Act, giving the President the

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2. For further information on Russian-American agreements see "Imperial Russia Didn't Rule Alaska Natives," Tundra Times, 17 Oct 79.

3. Letter of Secretary of the Interior O.H. Browning to the Commissioner of the General Land Office, Joseph S. Wilson, July, 1867.

4. This treaty was influenced by Ramona, a book on the taking of California Indian lands, written by Helen Hunt Jackson.

authority to establish national monuments on public lands to protect historic and cultural values.[5]

In 1911, exasperated Alaskans had had enough. Spurred to action by the government's failure to act on Alaska coal land cases, 300 Cordova businessmen and citizens marched to the docks, boarded a ship of imported coal from British Columbia and proceeded to throw several tons of it overboard.[6] In 1912, Congress granted Alaska territorial status. It provided for a legislature, an appointed governor, and a non-voting delegate to Congress. Yet, it prevented the territorial legislature from passing any land laws or laws regulating fish and game, or altering or repealing any Federal laws. It was a much more limited self-government than was given to any other territory of the United States.[7]

Gradually, many Alaskans began to arrive at the notion that statehood might solve the problem of the restrictive Federal hand.

In 1943, Alaska's Congressional Delegate Anthony Dimond proposed statehood, but did not succeed. This bid came during a period of time which saw the near pull-out of the American military in face of what authorities believed to be a Japanese invasion of the Alaskan mainland.[8] In 1951, after more requests for statehood, some citizens became impatient. During that year's territorial legislative session, a House memorial, although withdrawn, asked that Alaska be granted statehood or be given its independence from the government of the United States and be permitted to form the "Republic of Alaska."[9]

In January 1957, a group of Alaskans journeyed to Washington, D.C. and started compiling informational and personal data files on each member of the 85th Congress, delving into their attitudes on Alaskan statehood. C.W. Snedden, publisher of the Fairbanks Daily News-Miner, hired a detective agency to deal with those senators and representatives who remained doubtful or opposed to statehood. The agency managed to unearth a few instances that would compromise certain political careers. To gain leverage, the news was leaked to some of the nation's top columnists. The columnist would then call the Congressmen involved and trade the information for a vote in support of statehood.

Alaska was granted statehood in 1959.

The last territorial governor, Mike Stepovich, commented in the winter of 1979 that the Alaskan people, with the exception of a few old timers, did not understand the contents of the statehood contract. Events in the seventies indicate that the Alaskan understanding of the statehood contract is different than the Federal view.

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5. See appendix. 6. "Cordova Has Boston Tea Party," Cordova Daily Alaskan, May 4, 1911, p.1. 7. Ernest Gruening, The State of Alaska, Random House, 1954, p. 158. Italics mine. 8. Army field histories record the indecision of General Buckner and others to remain and defend The Great Land. 9. John R. Noyes, Commissioner of Roads to Joe T. Flakne, Chief, Alaska Division, Office of Territories, file 9-1-63, Territorial Legislative--General Classified Files, 1907-51, Box 449, Records of the Office of Territories, RG 126, NA, May 7, 1951.

Present-day Summary

The idea of Alaskan Independence has gained momentum since Fairbanksan Joe Vogler kicked it rudely awake in 1973. Alaskans have come to the end of the line with the Federal cycle of neglect and exploitation. Many who thought statehood would relieve economic and political oppression have since changed their minds.

In 1974, Ernest Gruening, before his death, wrote Vogler that he wasn't ready to join Alaskans for Independence until all other neans were exhausted in fighting the U.S. Government over the D-2 withdrawals. He ended his letter by writing that Vogler deserved a medal for starting Alaskans for Independence.[10]

On November 17th of this year, in Anchorage, former state attorney general Edgar Paul Boyko, told the first Alaska-wide Alaskans for Independence convention that although he had been a co-founder of Alaskans for Statehood, during the statehood effort in 1956 he became a minority of one in insisting on Independence.

The first Alaska-wide Alaskans for Independence convention in November brought members together from as far away as Cooper Landing and Eagle. For the first time, the movement could put selling bumper stickers and demonstrating into a back seat. Reviewing promising public surveys and organizing the movement were the prime orders of business. Public opinion surveys taken at the 1979 Anchorage Fur Rondy and the 1979 Palmer State Fair were not scientific in that those who answered them were not randomly solicited by AFI members. Instead, the surveys reflected the opinions of people who walked up to AFI information booths of their own accord. Both surveys show strong support for Independence and the Palmer survey indicates that half of some 1200 who answered the survey favors a commonwealth status or a break with the United States. This figure has encouraged increased Independence activity within the Alaskans for Independence organization.

A strong theme which came out of the November 79 meeting was that the majority of Independence-minded people view Alaska as an emerging colony of the United States, not as a disobedient state that expects to use revolution to achieve its goals. It is evident that Alaskans prefer Independence to proceed along the same peaceful path as the Carribean and African colonies of Great Britain.

The Future of Alaskan Independence

There are obstacles in the procurement of Alaskan Independence. First, is the inability of the average individual Alaskan to comprehend the makings of a nation-state. The task looks too large to him.

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10. See appendix.

This is primarily due to the individual's conception of government as a necessarily burgeoning bureaucracy. This notion will be overcome only when the individual is convinced that Alaska doesn't need a huge bureaucracy to operate. Persuasion will be difficult as long as one-third of our population remains on some form of government payroll.

In the author's book, Alaska--Energy Lands: The Inside Story, now in press, Dr. Milton Friedman, a Nobel Prize-winning economist said, "In principle there is no reason why an independent Alaska would not be entirely viable and why it could not have great prosperity if it adopted a free-market libertarian government." However, Friedman pointed out that an independent Alaska might move the Alaskans "from the frying pan into the fire." He described his reasoning, "If you look around at countries of Alaska's size which have some element of representative or democratic government, they have almost all invariably gone in for protection, government welfare-state activities, and the like." He compared Taiwan and Hong Kong to The Great Land as an example of this statement.[11]

Another obstacle to gaining Independence is fear. Unlike Australia, which after some political ceremony, allowed a few wheat farmers in Western Australia to secede and form the Principality of the Hutt River Province, the United States have been known to deal severely with separatists. One only need look to the lessons of Fort Sumter and Wounded Knee. Yet 1980 is not 1860, and peaceful separation has been the rule for most colonies since 1950.

The fear of Alaskan separation from the U.S. is summed up by one Fairbanksan, "If it came to Independence, I don't know if I could go along with it. How would we make it with no allies?"

A Federal worker commented, "Who will protect you from Red China and Russia?" Alaskans are wondering who is protecting them from the Federal bureaucracy.

The advantages of Alaskan Independence seem to outweigh the disadvantages. The general consensus in political quarters world-wide is that the system of governance in the South 48 is out of control.

Specific instances are the inability to deal with the energy crisis, inflation, and the problems Alaskans suffer from as an offshoot of inflation. As these problems escalate, the colonial treatment of Alaska can be expected to get worse. With some 20% of the land, but only two-tenths of a percent of the population of the United States, Alaska will be trampled by the special interests and the Federal bureaucracies. It would behoove The Great Land to break away before it must as a matter of survival.

If Independence can be negotiated, Alaska would come into its own on the international scene. As the United States struggles to

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11. Friedman seems to be referring to Alaska's population in this analogy. However, both Taiwan and Hong Kong have several million people each, a great deal more than Alaska's population. To be remembered, moreover, is that many African and Carribean nations have lesser or similar populations in relation to Alaska.

retain its power, Alaska could rise as a buffer state between the Soviet Union and western hemisphere Free World countries. To fill this role, Alaska would have to be a neutral, yet relatively strong member of western hemisphere defense. A vigorous trade policy would complete the picture.

Further, the United States would have a friendly vote in the U.N. in Alaska. If a member of OPEC, Alaska could help balance out the internal goings-on of that organization in regard to the United States.

For a free world losing sight of the United States as a model for growing democratic nations, Alaska would rise to meet the need.

In the words of Interior Secretary Cecil Andrus, "Alaska has a lot going for it." It sure does.

There is absolutely nothing Alaska cannot grow or build to support itself. The agricultural potential is phenomenal. In addition to its yet untapped agricultural lands, Alaska with its periods of continuous sunlight has a longer growing season than Iowa. Improved technology in greenhouse construction, geothermal energy, and waste heat from pipeline systems could boost that potential even further.

In Alaska's current predicament of restricted mineral exploration and in view of the fact that no comprehensive mineral survey has ever been made of the subcontinent, there is no way to sum up Alaska's mineral potential other than to say "rich." We can reach some kind of estimation by looking at areas adjacent to Alaska where mining proceeds at a brisk pace. There are six operating mines and 24 major mineralized areas in Eastern Siberia. In Western Canada, there are seven operating mines and 35 major mineralized areas. Mining engineers say that the fact Alaska is located between Eastern Siberia and Western Canada indicates that Alaska could now have at least 13 operating mines instead of just the Nome Gold Dredge and the Usibelli Coal Mine.

In the areas of meat and fish production, present-day inquiries have led the state government far afield. The Alaskan fisheries are a major world protein resource. Current projections of Alaska bottom-fisheries potential indicate that Alaska could have an international market in Europe once the effort is launched. While it is doubtful moose and caribou will ever be domesticated enough to provide us with a meat industry, Alaskan game management, rather than game management from 5,000 miles away, could increase the number of these large game animals enough to continue to provide supplemental and subsistence food for our small population. Other large animals, such as reindeer, are already domesticated and could form the basis of a substitute red meat industry in Alaska for world markets.

Lastly, but not least, there is the human resource. Our population is small and Alaskans tend to want to keep it that way. But, our inventiveness and individualism mark of a different breed of cat.

Some say the Alaska Native cultures are dying. Not so. Had it not been for the Native, the Chilkoot pioneers would have died out. Their lessons for the non-Native have been incorporated into the mainstream of Alaskan life and are here to stay. The Native culture will be part of the new Nation's customs and distinctiveness. That culture is the vital heat in a land where winter is nine months long. For this reason, Independence-minded Alaskans lean heavily toward

honoring all commitments the U.S. government has made with the Alaska Natives. Perhaps with this foresight, a prominent Native Corporation head has indicated that he is in favor of Independence.

The small businessman may well be king in the new Nation. In essence, every Alaskan is a businessman. In his life, he has had to trade or sell something to make a go of it here. Alaskan self reliance will prevail over the American propensity to dish out government paychecks to feed its population. Alaskans will, no doubt, create a national charter containing provisions for free enterprise and opposing government takeover of the work force.

History is being made here in Alaska now and will continue to be. World events and historic trends constantly shape its destiny. Greenland is becoming independent. Canada's western provinces currently are resisting the cheap sale of petroleum to the eastern provinces. For many years there has been a citizen movement in Canada to ally the western provinces with Alaska. What with the possible vote of separation of the eastern province of Quebec next year, the western provinces may see its own separatist movement as a solution to eastern Canadian exploitation.

Such an alliance would make Alaska the second or third largest nation on the face of the Earth.

Actions in Iran and inside OPEC are weaning the United States of foreign oil dependence. Although higher technology energy sources are promising, the United States have not even begun to devote a concentrated plan to develop those sources with the same dedication accorded the Apollo moon landing program in the sixties. It is evident through statements made by the Carter administration that Alaska is the next spot where the American neo-colonialist mosquito will land. The Alaskan insect is big, but this American variety has been working hard since historic times to place 95% of The Great Land in restrictive land classifications. In the next few years, all Alaskans will be aware of the huge charade of the boomers vs. the greenies battle which raged in Alaska in recent times.

Doing research for Alaska--Energy Lands, the author and her co-authors discovered that many large environmental organizations invest their considerable income in stocks, bonds, and securities. In 1975, the National Audubon Society owned 10,000 shares of Dana Corporation, a manufacturer of truck parts. Also, the Society owned 5,800 shares of International Paper Company, 2,200 shares each of Exxon and Mobil Oil and 300 shares of Caterpillar Tractor Company, makers of the "D-9 Cat." The Society also held a $250,000 corporate bond on Sohio-BP, one of the principals in the Alyeska Consortium which built the Trans-Alaska Pipeline. The Wilderness Society has stocks and debentures, notes or mortgage bonds on such companies as Standard Oil of California, Arco Pipeline Company, Minnesota Mining and Manufacturing, J.P. Morgan and Company, Weyerhauser and others for a total investment asset picture of $442,773.

The list of other preservation groups and their alliances with major companies that chop trees and drill oil go on and on. The question comes "Where does the difference between, say, a big oil concern and an environmental group begin and end?" For Alaska there is no difference. As Congressman Don Young has said again and again, "This year it's the environmentalists. Next year it's the rape, ruin,

and run boys."

Our ancestors saw this moment coming. Citizens of Alaska, the colony, are beginning to resist in larger numbers the idea of being the United States' storehouse. Within the next few years, Alaska will begin negotiations with the United States to throw off its "name-only" statehood alias colonial status.

With the Alaskan rugged individualism, the challenge of the land, and our entrance into world politics, the Republic of Alaska will be a reality. With the use of higher technology and the synthesis of Alaskan ideas, that Republic will endure. "North to the Future" will be a world-wide phrase.

APPENDIX

ERNEST GRUENING
7926 W. BEACH DRIVE, N.W.
Washington, D.C., 20012

1/23/74

Dear Joe:

Alaskans for Independence is a natural and praiseworthy reaction to an act of incredible usurpation and invasion of Alaska's rights by Congress and the Interior Department.

But I'm not ready to join yet: not until we have exhausted every effort to undo this outrage. We must settle for nothing less than a total rescission of the 80 million acre provision in the Native Claims Settlement Act, where it had no business whatever to be.

The project is even far worse than it appears to be --like Watergate, increasingly revelations will disclose the monumentalness* of this folly.

My views were set forth in the enclosed letter to the Juneau Chamber of Commerce.

Keep me posted. Let me know what the reactions are to "Alaskans for Independence."

You deserve a medal for starting it.

Cordially yours

Ernest Gruening

* I don't know whether there is such a word. But there ought to be for this monstrosity. So stet.

ERNEST GRUENING
7926 W. BEACH DRIVE, N. W.
WASHINGTON, D. C. 20012

1/23/74

Dear Joe:

Alaskans for Independence is a natural and praiseworthy reaction to an act of incredible usurpation and invasion of Alaska's rights by Congress + the Interior Department.

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The project is even far worse than it appears to be — like Watergate, increasingly revelations will disclose the monumentalness* of this folly.

My views were set forth in the enclosed letter to the Juneau Chamber of Commerce.

Keep me posted. Let me know what the reactions are to "Alaskans for Independence"

You deserve a medal for starting it.

Cordially yours

Ernest Gruening

* I don't know whether there is such a word. But there ought to be for this monstrosity. So stat.

fairfield
PROCESSING CORPORATION

88 ROSE HILL AVENUE
P.O. DRAWER 1157
DANBURY, CONNECTICUT 06810
(203) 744-2090

May 2, 1979

Mrs. Marylou M. Christenson
SR #50447
5 Mile Chena Hot Springs Road
Fairbanks, AK 99701

Dear Mrs. Christenson:

Thank you very much for your recent inquiry; we appreciate your interest as we go through great lengths to make POLY-FIL® brand products the finest on the market.

Unfortunately, we are not set up for export. Therefore, we could not ship to any location outside the United States Mainland. Also, our products are so popular in the United States, that it is quite difficult to fill even the requirements of the domestic market.

We, therefore, do not foresee any change in our policy in the near future and regret that we cannot give you a more favorable reply. However, we could ship our goods freight prepaid to any point of embarkation within the boundaries of the United States. This point could be designated by you-it is usually a customs broker.

The customs broker could handle all export formalities, as well as repackaging materials for overseas shipment; freight; storage; etc. Of course, you would have to assume all financial responsibilites after delivery of our goods to the broker.

In the event that you wish to pursue this matter as outlined above, we will be happy to be of further assistance.

Sincerely,

FAIRFIELD PROCESSING

Fred Menkes
Customer Service Manager

FM:ns

P.S. Enclosed please find a POLY-FIL® hang tag, which can be easily fastened to your handiwork. These tags are available to you in quantity at no charge, upon request.

Section Two of the Antiquities Preservation Act 16, USC sec. 431 (1906)

"The President of the U.S. is authorized, in his discretion, to declare by public proclamation historic landmarks, historic and pre-historic structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the U.S. to be national monuments, and may reserve as a part thereof, parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected. When such objects are situated upon a tract covered by a bona fide unperfected claim or held in private ownership, the tract, or so much thereof, as may be necessary for the proper care and management of the object, may be relinquished to the Government, and the Secretary of the Interior is authorized to accept the relinquishment of such tracts in behalf of the Government of the U.S."

Recd 11/29/79

Hot Words Over the Cold Land

by William R. Hunt

The uproar among Alaskans over the Interior Department's classification of lands does not reverberate around the nation. But the fighting is intense with those involved with the struggle in Alaska and in Washington, D.C., although its ramifications are dimly perceived elsewhere.

Huge land dispositions have been an American western phenomenen. If Frenchmen had to confront real estate transactions of comparable scale, the resultant trauma would reduce the land pinching nation to hysteria.

Americans have a different heritage. We can give or take ten million acres without batting an eye. It does not really matter whether sixty, eighty, or one hundred million acres are up for grabs in Alaska. Such quantities of land are meaningless, even when acreage is defined in terms of other states. If the U.S. Park Service wants a chunk the size of Washington and New York, less a New Hampshire sized piece, with maybe the Texas Panhandle shoved in for spice, and leave out a wedge of Rhode Island--it sounds o.k. In fact it sounds like a John Owen recipe.

Our interpretation of the land fight depends upon our particular image of Alaska. Currently there are five major distinct views which derive from regional orientation rather than knowledge or good sense.

Number one: Alaska as seen by Grand Rapids and places like that. "Alaska is cold and far away. Anyone who lives there needs his head examined. But don't give us that underdog talk: you got the oil!"

Number two: Seattle's Alaska. "Alaska is part of our backyard. We understand what you need, probably better than you do yourselves. 'Scoop' has to fix you up with a few parks and refuges. It won't hurt too much. Those ecology boys are pushing hard."

Number three: Alaska of California and New York. "It's about time Alaska did the country some good. What's so bad about a few parks? Anyway, you people have been ripping off the Eskimos for too long. You should be flattered. Don't you realize we can save the nation by protecting your ecosystems?"

Number four: Washington, D.C.'s Alaska. "You can't believe the pressure here. We know Alaska. Things are going to hum when we reassign administrative staff up there to manage the lands. It will mean a big payroll and save you from Wally Hickel and those Teamster bulldozers."

Number five: Alaskan's Alaska. "This is the grossest land grab in history. We pioneered here. Nobody gave a damn, now they want to take our land away. Nobody knows how to protect the environment like we do."

Obviously, these five views could bear further definition and allow for more diversity, but they summarize issues well enough for illustrative purposes.

Now let's get to the crunch. What is the truth about Alaska's situation? Are Congress and Interior doing the right thing?

My personal view, as an Alaskan, is that right and wrong are not really issues. In a better world Congress would find a sensible compromise between the vociferousness of conservationists and the Alaskans who demand opportunities for future development. It may prove that Senator Ted Stevens was correct in believing that Alaskans got the best deal possible under the circumstances with the compromise he and Senator Henry Jackson worked out last spring.

What has really disturbed me about the long debate is the extent to which arguments are based upon misconceptions of national experience. The righteous, arrogant, and evangelistic uses of specious references to "Last Chance," "Last Frontier," and "Lost Wilderness" approach the level of earlier national crusades against booze and reds.

When Secretary of the Interior Cecil Andrus and others insist that Alaska represents a last chance for America to do things right for the first time, I am alarmed. God help us if we have to depend upon Alaska to save the nation from its past mistakes, or if "doing the right thing" now in Alaska is a panacea for the future. Besides that I worry about Andrus's family sentiments and humility when he argues that our ancestors fouled everything up. And that his duty is to avoid the reproach of his grandchildren. Probably someone has to be sacrificed in bridging generation gaps. Veneration of

ancestors has not recently held a high place in our culture.

Recently Ralph Nader introduced a book entitled The Last Frontier: the Marketing of Alaska (by Hanrahan and Gruenstein) with a remarkable sentence. "It would be tragic not to have our largest state benefit from the full lessons of human experience, only to find itself plunging into the vortex of corporate determinism." Well, all right. If we now have mastered "the full lessons of human experience," the proper disposal of Alaskan lands is a bagatelle. Surely the solutions to our major social and international problems must be near at hand.

The "Last Wilderness" and "Last Frontier" schools are related. Together or independently the phrases are evoked as if they explained something about Alaska.

Years ago in Virgin Land: the American West as Symbol and Myth, Henry Nash Smith explained some complexities of the wilderness in popular consciousness. Our veneration of the wilderness contained the negative doctrine that civilization was wicked, and the positive doctrine that untouched nature is a source of strength, truth, and virtue. True or not, these doctrines have dominated in western literature. Closely related to the wilderness symbol is the Myth of the Garden, the Jeffersonial ideal of the sturdy, self-sufficient farmer who sustains democracy. Sometimes the Wilderness and Garden symbols conflicted. Was Daniel Boone the standard-bearer of civilization on the frontier, or the child of nature fleeing into the wilderness before the advance of settlement? The duality caused some confusion; yet we needed both images, and western heroes had to accommodate both requirements. It worked pretty well because we had free roving trappers expressing their untrammeled freedom in the vanguard while settlers followed behind to create the Garden.

Everything was going well until historian Frederick Jackson Turner in 1893 announced that the frontier was closed. Although he was optimistic, others deplored the vanishing of free land. Now both symbols were in jeopardy: no more wilderness for our innocent primitivism, and no more free land for development by individuals. And it was not as if Americans were much more enchanted with cities and industrialization in the nineties than they are today.

So what did they do? Did they accept vast Alaska as an interrupted extension of the frontier? Indeed not. They stampeded for gold in person or in literature, and then tucked Alaska away somewhere. It was too cold and desolate even as a ground for wilderness adventures, and certainly it was no Garden.

Now we are told that Alaska is "our last wilderness." A wilderness is good, and presumably, gardens are bad.

I suppose people within and outside of Alaska can have conceptions of wilderness without doing any harm. The problem is in determining the number of acres needed to satisfy the collective wilderness longing. My own needs are very modest, but it may not be easy to give everyone in the nation his own exclusive wilderness. Some may have to rely upon the wilderness of their minds.

The "Last Frontier" expression is no more helpful than "Last Wilderness" as a guide to meaning about Alaska. The term "frontier" suggests the familiar pattern of settlement and development followed by other regions of the West as people flowed in and transportation linked them to the nation. Alaska did not follow this pattern. From the mid-18th to the late 19th century it remained a fur and fish colony. Briefly the gold boom gave the region's development the look of other frontiers, but as mineral production declined so did settlement. Neither agricultural, cattle, or any other industry developed to maintain growth. Profits from fisheries went to Seattle and San Francisco with the salmon, and even most of the cannery labor was imported seasonally. It took World War II defense construction to end the decline and spark new growth.

This boom and bust cycle accounts for the attitude of many Alaskans. Except when outside capital flowed in to exploit a resource, residents depended upon government payrolls. Traditionally citizens have longed for sustained development and clamored for means to keep some of the gains in the region.

Alaskans are not keen on a development which would reproduce New Jersey, nor is there any likelihood of it. Yet they are aware that the closure of land to development can prohibit a post-oil boom development. North Slope oil will not flow forever and thus far Gulf of Alaska explorations have not been encouraging. Now, for the

first time since the gold era, the state has an economic base in petroleum. When production stops, where will the next boom come from? Climate, distances, and costs will remain constants as inhibiting factors to development. If minerals or other resources are not found in sufficient quantity to justify the tremendous costs of production and transportation to market, Alaska will bust once more.

Within this historic framework the land use issue becomes very touchy. It is national land and the nation can dispose of it as it wishes, but it is not unreasonable to leave opportunities for some kinds of development on lands not reserved for special uses or protection.

A steady economic base would be a good thing for Alaska and the nation. Few of us can live off the undeveloped land, and neither a federal payroll nor a federal dole attracts everyone. Either we work here or go back to Seattle or Grand Rapids. There is little other choice.

Once we bannish all fuzziness of the "Lost Frontier" imagery with its echoes of innocence, a pristine nature, and manly virtues, we might begin to assess the region intelligently. Jack London fixed a strong image of the North in his books, and it is not too useful to the nation today. London passed through Alaska as swiftly as the Yukon River current permitted after his short sojourn in the Klondike, and we should not be transfixed by whatever romance his gifted pen created. Save his books, for heaven's sakes, but resource policies should emerge from colder calculations.

If patriotism is the last refuge of a scoundrel, calling up the last or lost frontier, or wilderness, is the recourse of the woolly-minded. For decades Alaska has been a predominately urban society hungering for substantial economic development. Now it has development and some new problems. Environmental protection is one of these, and it may seem a relief to turn from the Southwest's water shortage, or from New York's many travails, to the ripping up of Arctic tundra. But if Alaska causes alarm and does not teach us anything, and if we cannot gain any perspective on the national experience, the change of scene contributes little.

For years writers and government investigators have been rediscovering the "last frontier." More recently the writing trend is to lose the Alaskan frontier as an incident to finding it. It must frustrate Americans who have not been too keenly aware of Alaska to learn suddenly that the "last frontier" is lost. It is not lost--or last--or even a frontier.

But right now it is a battleground. The struggle is not between good guys and bad guys. There is some legitimacy on each side of the development-conservationist debate. Alaskans have no "right" to a land settlement which meets their dreams. And conservationists need not talk about "doing things right" as if they have understood the nation's history accurately, and understood Alaska's relation to their hopes for the future. They can reflect on their power since their misconceptions and propaganda fill some need of the nation's soul.

The Question of the State Income Tax

by Claus-M. Naske

The dramatic increases in the price of petroleum have given the state treasury an unexpected windfall, amounting to hundreds of millions of dollars. Close on the heel of the announcements that the state treasury would enjoy surplus funds have come demands for the abolition of the state income tax. Such proposals, on the surface, sound great. Who, in his right mind, would oppose lower taxes or no taxes at all. What most proponents seemingly ignore is the fact that oil income is a one-shot deal. Alaska boasts of the massive Prudhoe Bay field, destined to decline in the 1980s, and declining Cook Inlet oil fields. No replacements are in sight. Yet state spending has become dangerously dependent on oil revenues. Less and less services are paid for from general taxes. This is an unhealthy trend. Furthermore, while abolishing a general system of taxation may be easy, adopting one is extremely difficult. The history of tax reform in Alaska certainly illustrates this.

In the late 1930s territorial Governor John W. Troy had asked the territorial planning council to make a tax study. The research was not completed until the fall of 1940. The research concluded that an annual revenue of $10,000,000 was entirely feasible. They recommended the adoption of a modern tax system, and urged that the revenue obtained be invested in a soundly planned and economically executed program of permanent improvements such as roads, schools, hospitals, and public buildings. Ernest Gruening, Troy's successor, enthusiastically endorsed these proposals, made them his own, and

fully intended to push them through the legislature. The plan the governor presented to the 1941 legislature for adoption would abolish all obsolete mercantile taxes and license fees, imposing instead a very moderate income and profits tax, plus a nominal levy on property outside of incorporated towns.

Governor Gruening, however, had waded into deep water with his proposal for a streamlined tax system. The scheme immediately mobilized the ever-alert economic interests, such as the canning and mining industries who were in no mood to relinquish their privileged status in Alaska. Many residents, depending for a livelihood on these industries, were unwilling to antagonize them. These feelings were reflected in the mood of the legislature which flatly rejected the governor's tax proposals in every legislative session between 1941 and 1947.

Gruening called a special session of the legislature to convene in March 1946. The purpose was to have measures enacted designed to aid Alaska's veterans. Meeting for thirty days, the legislators passed most of Gruening's proposals. And although the governor was pleased, he was alarmed by a senate memorial which asked the President and the new Secretary of the Interior, Julius A. Krug, "to remove the present governor from office with all possible dispatch." It passed the senate by a vote of nine to six. Thereupon Steve McCutcheon, a Gruening supporter in the house, introduced a long memorial praising Gruening unqualifiedly. It passed by a vote of sixteen to seven. "The opposition," Gruening confided to E. L. "Bob" Bartlett, Alaska's Delegate to Congress, "are going to do everything to smear me in Washington."

Bartlett, however, reassured the governor that he "should not attach any particular importance to any Senate memorial so far as its influence here (Washington, D.C.) is concerned."

Complaints about the governor, however, trickled into Washington. Walter P. Sharpe, the territorial Commissioner of the Department of Labor told Robert E. Hennegan, the Chairman of the Democratic National Committee, that the governor had done everything to split the Democratic Party in Alaska. "Put in anyone, but get rid of this 'pinko' who has no ties in Alaska," Sharpe counseled. The commissioner essentially resented the fact that Gruening made appointments based on ability rather than party affiliation. But despite sniping from various quarters, the governor survived in office. When talk about his replacement once again revived late in 1947, Bartlett persuaded Robert S. Allen of the Boston Daily Globe to analyze Gruening's predicament. Such an article, Bartlett hoped, might help to force the president's hand. On January 30, 1948, the Globe carried the piece entitled "Next on List of New Dealers to be Dropped by Truman?" Allen stated that Gruening, one of the few Roosevelt appointees still holding high office, had only an outside chance of being reappointed for another term. "As of now," Allen claimed, "President Truman does not intend to rename Gruening." That could change, however, continued Allen, because the governor had strong Alaskan backing as well as powerful administration support both in and out of Congress, including "equally powerful Democratic opposition," most of it centered in Washington State, particularly in Seattle. For years the governor had been at loggerheads with Seattle business and transportation interests, accusing them of exploiting the territory like a colonial possession. Washington's Governor

Mon Walgren and Nick Bez, Seattle shipping and fishing magnate, both Truman cronies, led the opposition to Gruening. The president faced a dilemma, Allen concluded, for he needed West Coast support in the upcoming election. Replacing Gruening, however, would upset the New Dealers whose support he needed as well.

It may have been the piece in the Globe which prodded Secretary Krug to see the president and urge the reappointment. In any event, on March 12, Truman sent Gruening's name to the Senate Interior and Insular Affairs Committee for confirmation. Bartlett was happy. "I won't forget ever," he told Krug, "that you went to the White House today and successfully urged President Truman to reappoint our friend, Ernest Gruening, as Governor of Alaska. It was a noble stroke of work." Unhappily, however, an informal poll of the committee revealed that the Republican majority favored "pigeonholing action until after the November election." One Republican member of the committee succinctly summed up majority opinion. "Why should we give a Democrat--and an ardent New Deal Democrat at that--a four year term when after the Presidential election we could put in a good Republican?"

Territorial Republicans were not satisfied with mere delays. The Fairbanks Daily News-Miner, owned by Alaska's foremost entrepreneur 'Cap' Austin E. Lathrop, long a Gruening opponent, urged that the governor be denied a third term. Lathrop argued that Gruening had enjoyed ample opportunities to prove himself as governor of Alaska yet he had failed. Instead of fostering a sound legislative program for Alaska during the last five sessions of the legislature, he had "tried to promote tax legislation which was not acceptable" to the

legislators. As a result, the territory's finances "are now as near complete disorganization as they have ever been." Even more disturbing, biennial territorial appropriations had increased from a modest $3,511,510 in the 1939-1940 period, the last before Gruening took office, to a record $8,476,309 appropriation passed by the last legislature. In short, Gruening had attempted "to use the power and presitge of his office and the resources of the federal government to transfer to himself the initiative and law-making powers of the citizens." Lathrop left unclear how the governor had appropriated to himself all of these powers. In fact, Lathrop's editorial was transparently self-serving, for he was a chief beneficiary of Alaska's totally inadequate tax system. His many enterprises, ranging from banks to motion picture theaters, and from construction companies to a coal mine paid only negligible taxes to the territory.

In any event, the anti- and pro-Gruening forces quickly lined up for battle. While Lathrop urged his friends and associates to communicate their opposition to the Senate committee, the pro-Gruening forces similarly gathered support. Lathrop, for example, praised territorial senator Chas. D. Jones for the fine letter he had written to U.S. Senator Arthur H. Vandenberg, a member of the committee considering Gruening's confirmation. Lathrop was convinced that a sufficient number of protests had reached the Senators to convince them that "right or wrong, he (Gruening) has engendered so much bitterness and dissension in the Territory that very little of a constructive nature can be expected until there is a new governor." Foremost among Gruening's friends, Bartlett solicited support.

Among many others, for example, he asked the Rt. Reverend John S. Bentley of the National Council of Protestant Churches to lend his ehlp in the impending confirmation struggle. Despite all the efforts, Senator Hugh Butler (R., Neb.) decided to allow Gruening's unconfirmed nomination to die.

In the meantime, however, territorial finances had run into trouble. On December 31, 1948, the general fund contained only $6,289.40 and the auditor held legitimate claims against the territory amounting to $758,209.59. It was only through individual and corporate pledges of $200,000 of interest free loans, for example, that the doors of the University of Alaska had been kept open. Earlier on, the governor had rejected pleas for calling a special session, hoping that angry citizens would vote delinquent legis a-tors out of office. Gruening's hopes were largely fulfilled when Alaskans trooped to the polls in October and "threw the rascals out." At that point, the governor summoned the newly-elected body, not the lameduck legislature, into special session. Its only task was to consider the tax bills which territorial Attorney General Ralph Rivers had prepared in his capacity as legislative counsel. From the extraordinary session which convened on January 6, 1949, and the regular one which followed on January 24, there emerged, at long last, a basic tax system.

The first element of the new system consisted of a territorial income tax based on ten percent of the federal tax. A property tax of one percent was credited against the municipal and school district assessments, thus avoiding duplication. At the same time the territorial legislature took over and streamlined the old system of license

fees from the federal government. For each separate business an initial application fee of $25 was charged. Beyond the initial fee, a sum equal to one-half percent above $100,000 received during the income year were to be remitted to the territory. This levy applied to those concerns which, so far, had paid no monies whatever to the Alaska territorial government. These included steamship companies, air and bus lines, lighterage companies, banks and motion picture theaters, oil and construction companies, garage and service stations, newspapers, radio stations, and logging operations. Professional registration, examination and insurance levies were to be collected by the various professional boards. The legislature changed the tax on the fishing industry from a case tax to one based on the wholesale value of the pack, amounting to four percent of the value of the raw fish processed for salmon canneries to one percent of the value of raw fish for herring processing plants. Fishermen's license fees increased from $1 to $5 for residents, and from $25 to $50 for nonresidents. Fishing gear, such as traps, gill nets, and seines were also taxed. Excise taxes on liquor were raised, and establishments serving alcohol were regulated by fees which varied from $75 to $5,000, according to the type of business, the size of the town, or the volume of the business. In addition, the usual motor fuel taxes, vehicle and drivers' licenses and tobacco and various other miscellaneous taxes were modernized.

Gruening was jubilant, and understandably so. It had been a long battle, finally crowned with victory. The special interests were furious. When word reached Alaska that Senator Joseph O'Mahoney (D., Wy.), the new chairman of the Committee on Interior and Insular

Affairs, intended to hold hearings on Gruening's confirmation, a number of former legislators asked the committee to postpone any action until the territorial legislature had adjourned. Residents of Alaska, they maintained, should be given an opportunity "to present evidence and data supporting contention of many substantial citizens of territory that present governor's policies not only definitely destructive to territorial development but will almost stop flow of badly needed investment capital from stateside sources." These disgruntled ex-legislators also asserted that the "present session being quarterbacked by governor is travesty of American tradition and legislative procedure." But despite heated opposition, the Senate confirmed Gruening's nomination for another year.

Rec'd 11/29/79

TO: Future Frontiers
308 G Street, Suite 301
Anchorage, AK 99501

I would like the Alaska State Legislature to consider broadening the scope of the current Alaska Council on Science and Technology and to provide sufficient annual funding to meet more of the unique research needs of the state.

I would urge that the scope of the current Council be broadened, inclusive of the social sciences, the arts and humanities. The Council on Science and Technology was created to meet the unique research needs of the state in science and technology, as such information is indeed necessary for guiding the public policy and assisting the state's decision-making. I believe there are research questions in the humanities, the arts and social sciences which are of equal and vital importance to the state and which should be state supported.

As one who is involved in education, I am aware of the disadvantage researchers from our state encounter when applying for national research funds. Even when the national funding coffers are full, Alaska researchers have a difficult time justifying research expenses to proposal reviewers who know little of the state's needs nor of the costs of doing business in this part of the world. Nationally funded research is presumed to benefit large numbers of people directly and at little cost; these conditions, while appropriate in Lower 48 settings, are virtually impossible for us to meet in a state with a small population and high costs. Additionally, the benefits of research in Alaska are oftentimes unique and not applicable to the other states, diluting the possibilities of federal financing.

I believe that our state could benefit from according the social sciences, the arts and the humanities with the recognition as areas of importance in state-funded research.

Thank you.

Ronald K. Inouye

Ronald K. Inouye
3036 Riverview Dr.
Fairbanks, AK 99701

Recd 11/29/79

Buy Alaskan Committee

4604 BUSINESS PARK BLVD.
ANCHORAGE, ALASKA 99503

Co-Chairman:
Senator George Hohman
Representative Russ Meekins

November 26, 1979

Future Frontiers
308 G Street, Suite 301
Anchorage, Alaska 99501

Gentlemen:

The Buy Alaskan Committee is dedicated to promote Alaskan Businesses to Alaskans. Unfortunately, Alaskan Businesses are in a bad state of affairs, as is graphically illustrated by the following:

1. High unemployment
2. Record numbers of business failures
3. Slumping realestate sales
4. High business space vacancies
5. More families moving out of the state than into it

One of the solutions to the problem is for ALL Alaskans to purchase goods and services within the state whenever possible. When we say ALL Alaskans, we definitely include state and local governments.

Right now, the State of Alaska is legally spending tens of millions of dollars for goods and services outside of the state, which could and should be spent in Alaska. We would like to emphasize that these purchases within the state would support payrolls, inventories, warehouses, office space, vehicles, and taxes of all types.

While we realize that some goods and services are not available locally, the large majority ARE available on a very competitive basis right here in Alaska.

Several state agencies are also abusing their purchasing regulations by specifying "sole source" and "convience" purchases that are not within the bounds of the law. Several of these instances have appeared in the newspapers recently.

A very good bill already exists that would correct many of these problems. Last year Senate Bill 114 was approved by the Senate by a margin of 17 - 2. The bill now rests with the House of Representatives Finance Committee.

We were hopeful that the bill would be approved by the House during the 1979 session, but the last minute rush to pass the budget prevented the bill from being considered.

Gentlemen, we urge you to support and promote the Alaskan Businessman through Senate Bill 114. The sooner the bill is passed, the sooner the Alaskan business community and the citizens of Alaska will enjoy the benefits of doing increased business with the State of Alaska.

May we count on your support?

Sincerely,

BUY ALASKAN COMMITTEE

H. Lamar Gray
Chairman

Ltr 11/30/79

Thor Brandt-Erichsen
P.O. Box 1766
Anchorage, Alaska 99510

November 29, 1979

Future Frontiers
308 G Street, Suite 301
Anchorage, Alaska 99501

Gentlemen:

In response to your call for "papers" dealing with Alaskan issues worth addressing, the status of mineral development, its contribution to providing employment and a program of evaluating the economic potential of Alaska's mineral wealth in a cost-effective, timely manner comes to mind. To be specific, for the purposes of this paper, mineral development pertains only to the exploration, extraction and utilization of naturally occurring metallic and non-metallic mineral substances, excluding hydrocarbon constituents of the earth's crust.

Historically, at a time when modern day geology, geophysics and geochemistry were yet to emerge as scientific tools for mineral development, Alaska presented a romantically enticing place to forage for gold, when the price was less than $20 per troy ounce. The history of gold mining in Alaska is rich in the tales of men enduring the hardships of life in a primitive setting, when transportation of supplies and machinery entailed months and years of endeavor instead of our air freight methods used today.

Lifestyles, scientific methods, and mineral prices have changed markedly since those historic days of mining on the beach in Nome, in the Iditarod district, at Kennecott and in the many other mineralized areas of common knowledge throughout the State.

As a matter of record, Exhibit A, attached hereto [illegible] a summary of "Trends of mineral production of Alaska, 1890-1939" from U.S.G.S. Bulletin 926-A, "The Mineral Industry of Alaska in 1939," as well as a figure depicting "Annual value of all mineral production--Alaska 1900-1965" from State of Alaska Department of Natural Resources, Division of Mines and Minerals Report for the Year 1965.

As an [illegible]-year resident of Alaska, I have personally witnessed our population growth as well as economic change, but the growth in the metallic mineral mining industry has not paralleled the state's growth in other areas. It is my opinion, based on 18 years of observation,

that Alaska represents a storehouse of mineral wealth large enough to provide the Lower 48 states with raw materials to keep their economy rolling along, despite mineral shortfalls elsewhere in the world.

Repeatedly, I have asked myself the question: "If Alaska has this mineral wealth, why are there not more active mining enterprises providing employment for our citizens and helping develop a self-sufficient, stable economy in Alaska?" The only answer that comes to me is that the proper environment, incentive and utilization of available knowledge is not currently being provided by the Alaska Legislature.

Problems in the area of mineral development have been well publicized. Currently the most difficult area deals with land ownership, the D-2 issues and environmental vs. development considerations. It seems foolish to me that the land issue has ballooned out of proportion, when parties concerned with the issues have not inventoried the land on a broad and detailed basis as to its mineral composition and potential for economic mineral development.

The earth's crust is basically composed of only nine elements--namely oxygen, silicon, aluminum, iron, calcium, sodium, potassium, magnesium and titanium, which all together represent 99.25 per cent of the rock globe we call our world.* The 3/4 of one per cent of the crust remaining represents all the other elements available to man. My view is that 3/4 of one per cent of the rock mass in Alaska is of vital economic value to mankind, and particularly to United States citizens and Alaska residents. Therefore, I feel it is urgent that a complete geological inventory is undertaken throughout the state at the soonest possible time.

Since private industry has shown a reluctance to pursue this endeavor due to lack of economic incentive, and the federal government seems more anxious to dwell on hydrocarbon resources within Alaska's borders, while environmentalists would prefer not to learn the truth about economic values at stake in the vast Alaska wilderness, the result has been a continuing lack of precise knowledge in the area of Alaska's economic mineral potential.

As a solution to this problem, and an aid toward expediting the pursuit of a realistic assessment of Alaska's land, I propose that the Alaska legislature proceed to set up a corporation for the purpose of carrying out mineral exploration in the state of Alaska, with the right to participate with others in mine exploration and

development, and to participate in bringing properties into production.

The organization of this corporation should have a guaranteed annual budget from the Alaskan Legislature in the neighborhood of 2 or 3 million dollars per year for a period of at least 10 years. Future production agreements could undoubtedly repay this venture capital.

This is not a new concept. The provincial government of Quebec formed such a corporation in 1965 under the name "Quebec Mining Exploration Co. (SOQUEM)" and has continued to this day with marked success.**

With this approach, the vast exposures of precambrian rock in Alaska could be thoroughly examined through geochemical means, as well as more detailed exploration of the mineral-rich provinces in the state that have yet to see diamond drill core sampling beyond a depth of 200 feet, when Outside there are active mines that go well below 800 feet below sea level.

This proposal is presented with the hope that a detailed examination of its potential will be immediately undertaken by our state legislators in an effort to pursue the future of a self-sufficient, viable economy for our state.

My interest and expertise in the area of mineral exploration is derived from the study of geology at the University of California at Santa Barbara and more than a decade of prospecting in the Alaska bush.

Sincerely yours,

Thor Brandt-Erichsen

References:

U.S.G.S. Bulletin 926-A, The Mineral Industry of Alaska in 1964, by Philip S. Smith

State of Alaska dept. of Natural Resources Div. of Mines and Minerals report for the Year 1965

* Principles of Petrology, by G. W. Tyrrell, E. P. Dutton & Co. Inc., p. 46

** Canadian Mines Handbook, pub. by Northern Miner Press, Ltd., 77 Mowat Street, Toronto 3, Ontario

EXHIBIT A

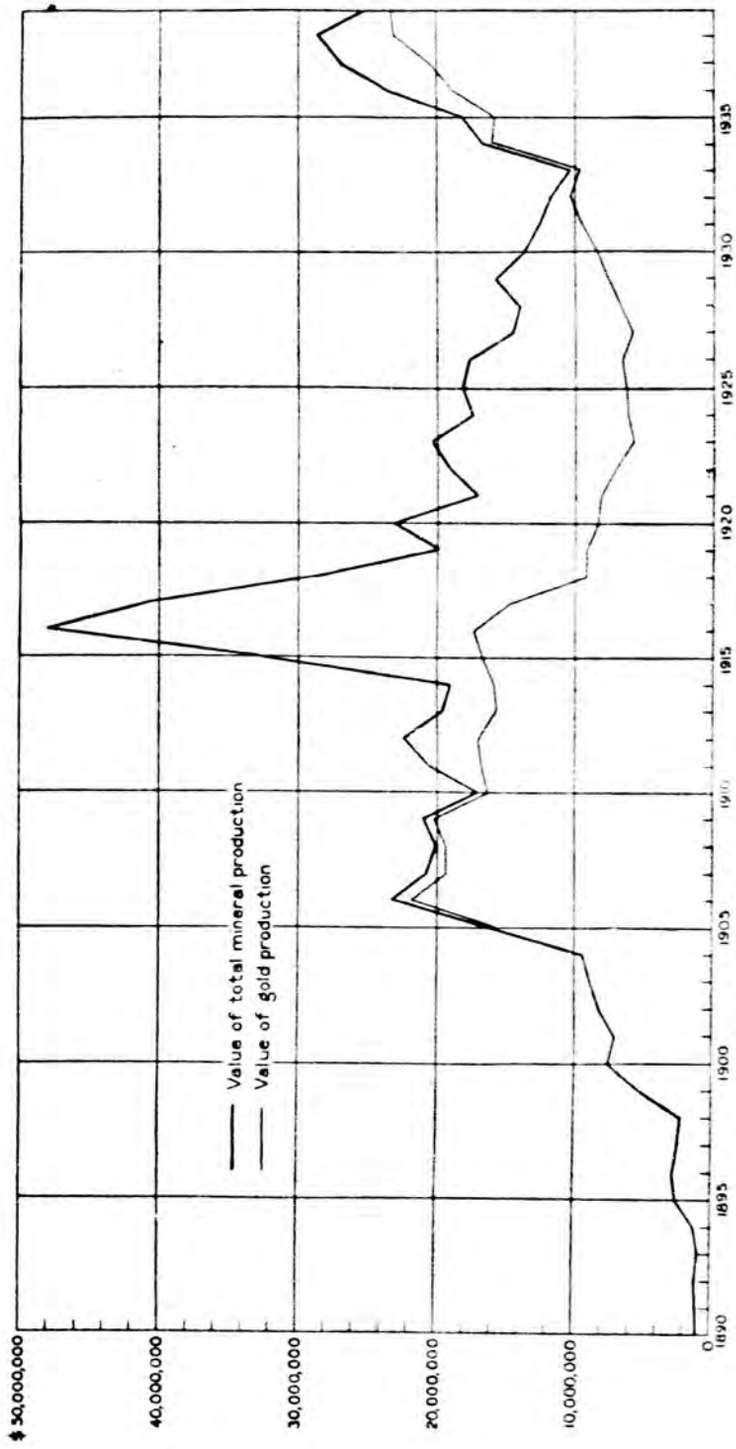
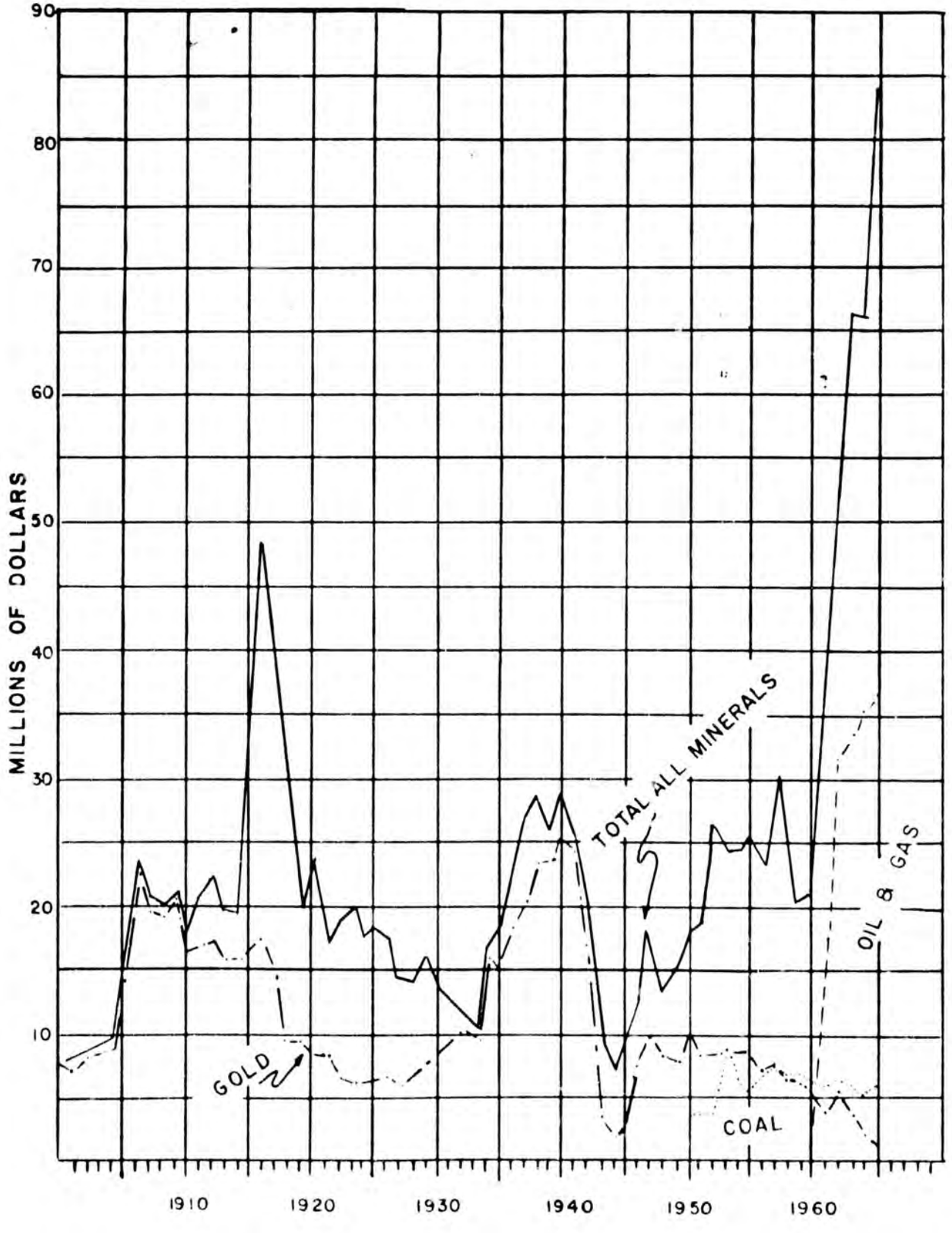


FIGURE 1.—Trends of mineral production of Alaska, 1880-1939

Figure 1 - Annual Value of All Mineral Production - Alaska 1900 - 1965



Rec. 11/20/79

7111 East 20th Avenue
Anchorage, Alaska 99504
November 26, 1979

Future Frontiers
308 "G" Street, Suite 301
Anchorage, Alaska 99501

ATTENTION: Senator Hohman and Represenative Meekins

Dear Sirs,

Former Health, Education and Welfare Secretary Joseph Callifano stated the cost of health care in the United States is rising at the rate of one million dollars an hour. The costs will double and re-double in the coming decade of the '80s according to the estimate of the former Secretary.

The figures reflect "private" medical care. The high cost of getting sick in America.

The following chart and presentation will show the private sector falls far behind in costs when the State or bureaucracy assumes the administration of care to a handicapped individual.

Sincerely,

J. B. Barry

J. B. Barry
337-6718

BASIC COST OF CARE EXCLUDING MEDICAL AND ADMINISTRATIVE EXPENSES

Program and Location	Number of clients	Ages	Locations	S.S.I. and Aid to Disabled/mo.	Cost of Care Per client Per day	Cost of Care Per client Per month	Cost of Care Per client Per year	Cost of Care Per year x Total served	Presently on Waiting List
Hope Cottage Anchorage	18	over 18	8	$334	$42	$1,594	$19,128	$344,304	
Hope Cottage	24	under 18	6	$220	$44	$1,540	$18,480	$445,520	50
Hope Cottage Foster Care	15					$402	$6,030	$72,360	
Hope Cottage Intermediate Care Facility	30	under 18	2		$100*	$3,000	$36,000	$1,080,000	4
Harborview Valdez	92	all ages	1		$100*	$3,000	$36,000	$3,312,000	0
Satellite Home Program Anchorage	3	all ages				$1,075	$12,900	$38,700	60
Dev. Center Anchorage a) Day Care	45	under 18	1		paid by parent				0
b) 24 hour Respite	8	under 18	1		$65	$1,950	$23,400	$187,200	0

*Funding is based on I.Q. It averages $140 to $160 per day according to figures compiled by Satellite Home Program.

THE REAL COST OF OUT-OF-HOME CARE

The State of Alaska taxpayers could save a minimum of $10,000 a month if the resident population of each Hope Cottage and Harborview were reduced by ONE. This is a minimum of $120,000 a year. These figures reflect only the basic cost of care.

The $10,000 does not include Medicaid, (another taxpayer expense) the burgeoning bureaucracy deemed necessary to administer to a handicapped individual or the special education expenses incurred by students from other school districts being placed in Anchorage or Valdez.

Currently at Harborview Developmental Center in Valdez, the State operated institution for the mentally retarded, 92 clients are served. In FY 7[illegible] 130 positions were funded for Harborview at $5,566,800! That's over $60,000 in salaries per client!

The $5,000,000 is above and beyond the daily amount charged for the care of each resident, funds derived from Supplemental Security Income, Aid to the Disabled (more taxes) or any of the other extras listed. (still more taxes)

Additionally, Hope Cottages, Inc. maintains 14 cottages. These cottages need houseparents. Two additional cottages require houseparents and twenty four hour nursing care. There is also an administration building on Bering Street. To provide a more "home like" atmosphere, Hope is constructing two new 10 bed intermediate care facilities to replace an existing 20 bed facility.

Who pays for the upkeep, maintenance, the purchasing and building of all these physical plants? WE DO. Either by taxes or direct contributions, it's all coming out of the same pocket.

A good example to consider is the Satellite Home Program. They place only moderate to severely handicapped individuals presently residing in institutions. They pay $1,075 per month to foster parents. Fantastic savings to the taxpayers compared to the tremendous cost of institutionalization. Sounds too good to be true, doesn't it?

It is true, but there is a major flaw. The program has been in operation for three years and has placed only three individuals. Three in three years!

It is safe to assume the level of payment to foster parents has remained constant in three years. Want to bet the administrative costs of the program have remained the same?

When I mentioned the possibility of giving the $1075 to the biological parents to enable them to take their child out of the institution, it was greeted by the administrators with an abundance of silence. However, assurances were made that as soon as the foster network was perfected, the very next step would be home placements. At the rate they have established in the last three years, not many of us will still be on this earth to see it happen, nor will the royalty oil payments be here.

WHY IS CARING FOR THE HANDICAPPED SO LUCRATIVE?

Like too many aspects of government or welfare programs, the situation concerning the retarded and handicapped and its terrible consequent costs to the taxpayers, families, children and society evolved from the humanitarian ideal to provide care for the disadvantaged.

Follow the ludicrous evolution. First, lacking support services for the family, the child must be placed in an institution. Level one is created. The institutions are filling up.

Create a network of mini-institutions and call them "group homes". The public has an impression of the handicapped in a cozy home like setting and they just "eat up" that idea. Level two is created.

Now the bureaucrats are really getting somewhere. If "group homes" went over so great with the public, let's try foster homes. Take people out of "group homes" and put them in "for real" homes. One child per home. What a novel idea! John Q. Public falls all over himself applauding the concept. The bureaucrats are delirious! Level three is created.

Now they sit back and maintain nothing could possibly be missing from this plan of total and complete care for the handicapped.

THE IMPACT OF OUT-OF-HOME CARE ON THE FAMILY UNIT

Oh yes, the family. That pesty group of folks that have given hard working bureaucrats headaches and ulcers from day one. This very same group even has the audacity to demand the needs of their child take precedence over form filling and paperwork. Therefore, a plan must be perfected to put these pests in their rightful place- out of our hair!

First we place the institution so remote physically that it will be a real hardship to drive or fly to. (e.g.Valdez) The hotel rooms in the town would be $56 a day. Of course, in the winter the rooms are only $48 but that would by no major problem. The drive in the winter would be so hazardous, few would ever attempt it.

For those hardy souls that do make it to the institution on a winter weekend, we will make sure only substitute administrative personnel will be on duty. These people would know nothing of the weekday activities of the child and would write down all the parent's questions for us to answer by mail in due time.

To further discourage these family ties, there would be no private room available at the institution for visits. If they want to be alone with the child, let them take him or her to their hotel. If their room happens to be on the second floor of a hotel without an elevator and their child is 105 pounds and non-ambulatory, that's their problem, not the administration's.

They are welcome to visit in the resident hall. These parents realize what personal contact means to their child or else they wouldn't be there making pests of themselves. Why should they, of all people, begrudge the other twenty residents of that hall pulling, shoving and clammoring for their attention? Those other children need affection too, you know.

By really trying, we can make these parental visits so stressful they will soon cease altogether. The State can not bother with parental feelings of guilt, frustration, loneliness or anxiety. We have our priorities. We must make sure an increase in funding makes it through the Legislature this session.

Disgusting scenario, isn't it? It happens very day across the United States. Alaska is no exception and may very well be the leader.

The dehumanizing effect of institutions transcends the family to the child. The child is rewarded for following the "pack" Any individuality becomes "unacceptable" behavior. Children must fit the molds established by the institution. The change from the child the parents knew to the "institution child" adds to the stress and sense of failure to the parents. All their work with their child ends up with "proper, regimented institutional behavior".

Some parents turn to alcohol to ease the pain. Others block emotionally all reference to the child ever having been in their lives. Still others, unable to stand the combined strain any longer, get divorced.

Oh, but wait, you say! What about "group homes" close to the parents? That way the parents could have the child on weekends and holidays. How would you like such visitation rights with your child? Ask the thousands of divorced parents with these very rights about their frustrations. How many eventually stop the visits and the monthly checks usually stop shortly thereafter. Anyone can check the welfare rolls for verification.

The child has become a visitor to the life they once lived, confused and disoriented by two sets of people and two different locations.

What to do then?

THE MOST COST EFFECTIVE SOLUTION TO OUT-OF-HOME CARE

It should be fixed in the mind of every taxpayer that institutions and "group homes" are outrageously expensive and definitely deficient alternatives to home care and not vice versa.

The absurdity of foster placements must be made absolutely clear. How can money and support services be given to complete strangers for care of a child without even the slightest thought given to the parents?

No amount of training can teach a foster parent the subtle nuances of a child's behavior that signal an impending ear infection, the cutting of a new tooth or the beginnings of discomfort with a too snug orthopedic brace. The parallel would be a new baby's cry. The parents can tell if the baby is wet, hungry, scared or just lonely. To the outsider, it all sounds like squalling.

Perhaps all families are not able to care for their child in the home. No one knows. No one has ever cared enough to ask. It has become "against the system" to keep the family intact. Out of home care has become the first, not the last, alternative.

The following is a true story of what happened to an Anchorage family.

After 12 years of struggle in a system that harks you to "Walk For Hope", give to the less fortunate, support this, support that, etc., etc., ad infinitum, there comes a day you can no longer cope. To reach this point you can no longer do it alone, emotionally, physically or financially.

You call Hope Cottage. The only person who can help you with your questions is out of the office. He will return your call.

A very nice man tells you he will send a packet of forms to fill out and return. He then asks you about your child. You hear yourself reciting the terms you have heard and used for 12 years.

A 105 pound, 12 year old Caucasian female, multi-handicapped from Rubella Syndrome, including mental retardation, cerebral palsy, seizure disorder in the right hemisphere, non ambulatory without the aid of orthopedic appliances.

No matter how many times you have used this description, it always strikes you as an odd way to describe your beautiful, loving daughter whose one misfortune in life was being born of a mother that contracted German measles.

The nice man expresses surprise that you have kept your child in the home for such an extended period of time. However, since your daughter is non-ambulatory, there are only two cottages that could help her but--those two are full, of course. You will be placed on a waiting list. The waiting period? Six weeks to two years.

In desperation you cry out at this complete stranger. You tell him you can't make it another six weeks or two years. You need help now or you wouldn't be calling. One doesn't plan two years in advance for the day of desperation to get in!

He suggests the foster home program run by Clyde Farrington and Harborview in Valdez. You thank him quietly and hang up. You feel

like a fool for breaking down to a complete stranger. You mentally kick yourself for losing control and pick up the phone again.

You call Clyde first because you have known him for a long time. Your daughter was his first student when he came to Alaska on a Vision and Hearing Impairment Grant your organization had helped to secure. When a parents group was formed for the V.H.I. children, you were the first one called to lead it. You attended conferences on leadership, copeing, advocacy and assertiveness on behalf of the group. Your home was the overnight hotel for out of state conferees to Anchorage workshops, parent advocates and special education people. Your relationship was expanded and ongoing with Clyde, not just the typical parent-teacher one.

He comes on the phone and expounds on the Satellite Home Program. Being such a fantastic program, there is a waiting list of 35 at that time. When you express shock at the program being around for three years and you never hearing about it the reply is simple. Their thrust is to get children out of institutions and into homes. You reply your thrust is to keep your child out of the institution and in the home.

Impasse established. No precedent for operating in such a logical manner. Not enough public support salaries will be generated if this revolutionary idea of home care catches on.

Out comes the phone book again. You call everyone in town who has been to or knows anything at all about Harborview. The opinions vary: never been there, too far away, better than it used to be, it's clean, an insane asylum, good school program, and nice place to visit but--.

The people you have spoken to are parents, legislators, advocates and medical professionals. The questions take on new meaning to all of them for they have witnessed your struggle all those years. So they answer your questions and they express regret that no alternatives are available.

You make the trip to Valdez already feeling the loneliness. You hold your daughter close, stroke her hair, memorize her every move and you cry.

But none of this prepares you for the trip home. The uncontrollable weeping as each mile takes you that much farther from your little girl. The opening of the door to a house that used to be a home. The bed she slept in two nights ago. Scattered toys. An idle rocking chair. Stuffed animals awaiting her return.

You take it a painful day at a time, knowing eventually the pain will have to lessen. The confusion on the faces of friends not knowing what to say when they realize she is gone. The stammering

of the person who says "She's better off there with her own kind" when they see the crushed look that lightly tossed remark has caused. So you see, the real cost of institutionalization and the destruction of a family unit does indeed become most expensive to everyone concerned.

Let's put the astronomical wast inherent in this system aside. Take the $1075 a month presently being given to strangers and offer it to the parents of children in institutions, group homes or on waiting lists. Let them purchase the services required to keep their child home. The money will be spent more efficiently by a caring parent than a paper pushing bureaucrat.

The most expensive institution care is for a multi-handicapped, non-ambulatory child. This care tilts the cash register at a minimum of $36,000 a year for basic costs excluding medical. There is at least one family in Anchorage that would use the money to purchase a van with a hydraulic lift, drive Thompson Pass in the dead of winter and bring their child home. That one purchase by this family would save the taxpayers of Alaska over $23,000 that year. The other benefits speak eloquently alone.

For the parents of the marginally or moderately handicapped, this money might provide enough income to allow a parent to stay home without wrecking the family budget. This in turn would provide the continuing support and encouragement needed for their children to become young adults with the self-confidence and abilities to hold jobs in our community. These young adults break the cycle. They become tax payers instead of tax burdens.

We don't need high priced consultants to figure out how to do this or to tell us "it should be done". There is a wealth of free talent here in Anchorage. The parents of the handicapped are doctors, attorneys, accountants, insurance agents, Labor leaders. They have volunteered their time before and will be glad to do so again.

CONCLUSION

We can no longer afford to allow institutions, "group homes" or foster programs to flourish behind the banner of "Helping those unable to help themselves"! Preying on the sympathies of the public has been too lucrative for too long. This vicious cycle of waste for out of home care must be stopped. The taxpayers can no longer be over burdened with three layers of bureaucracy to support an unwieldly system that will never be as cost efficient as the good old American family.

ALASKA UTILITIES ASSOCIATION

2300 Spenard Road • Anchorage, Alaska • Phone 277-6591

ROBERT B. SMITH
President

NORMAN C. BANFIELD
First Vice President

WILLIAM CORBUS
Second Vice President

THOMAS M. PEETZ
Secretary-Treasurer

November 30, 1979

Future Frontiers
308 G Street, Suite 301
Anchorage, Alaska 99501

Dear Legislators and Delegates:

We would like to suggest to the Future Frontiers symposium that consideration be given to providing a loan fund for all utility companies both publicly and investor owned, operating in Alaska particularly the smaller utilities. There were 211 certificated utilities in the state as of December 31, 1978. Of this number, only 21 had gross revenues in excess of $1,000,000, and only 11 had gross revenues in excess of $5,000,000.

The greatest problem facing utilities in Alaska is the difficulty in obtaining financing that has a term comparable to the life of the asset being acquired. In almost all cases, smaller utilities are limited to bank financing of 5 to 7 years maximum, even though the asset may have a life expectancy of 30 or more years. The utility, of course, is required to depreciate the asset over its useful life, not the life of the loan. The result is similar to someone buying a house. Instead of being given a 30 year mortgage, the homeowner is given a 5 to 7 year mortgage, but because his "family" is increasing, he is also expected to made the additions to his house every year. That is the experience of a utility operator today. Although we are now in a temporary slow growth period, future demands for increased and expanded services are anticipated.

Utility operators are basically "cost-plus" contractors. Their costs are submitted to the Alaska Public Utilities Commission, and after due process a rate is established. Included in those costs is the cost of capital. Although it is of greater concern to the utility companies to obtain a more realistic term (time

period), if the state desired to make loans to utility operators at a rate lower than market, the savings would accrue to the rate-payer, since the cost of service is now lower.

Our proposal is to create a procedure whereby utilities, both public and investor owned, could obtain monies from the permanent fund with a term to coincide with the estimated life of the asset being acquired, with a maximum term of 25 to 30 years. To reduce administrative costs, perhaps a bank's participation in a portion of the loan would be desirable. The utility would be responsible to show it could repay the loan. The major advantages to this proposal are:

1. The money is spent in Alaska by Alaskans for the providing vital utility services.

2. Utilities which are forced to make purchase decisions based upon the lowest acquisition cost could now evaluate "lifetime costing". A sound procedure not available to those who do not have access to reasonable financing terms.

3. There is an opportunity to reduce the utility's cost of capital, hence its rates, to the Alaskan people, if the legislature wishes to make loans at a reduced rate of interest.

We would be willing to meet with this group, or any other legislative group at any time. We feel Alaskan utility operators provide vital services to the people of Alaska and that the legislators need to understand their problems.

Very truly yours,

ALASKA UTILITIES ASSOCIATION

Thomas M. Peetz

Thomas M. Peetz
Secretary-Treasurer

mb

Please note that our new address is 1301 E. 80th Avenue, Anchorage, Alaska 99502, and new telephone number is 349-6444.

Thursday, Nov. 29, 1979

Future Frontiers
308 G Street
Suite 301
Anchorage, Alaska 99501

What constitutes a "month's rent" for a rental apartment? Is it a half month's rent..the deposit..part of the deposit or the full month..? Can three kids under 18 years of age move into a $350.00 a month apartment, paying $100 only and remain in the apartment with the protection of the police against the house owner? The answer is, unfortunately, yes. Because of the looseness of the prevailing rental laws here in Alaska, actual crimes are being peppetrated against landlords and much cheating owners of their due payment exists. Once the renters obtain ANY KIND of a receipt at all (even for the $100 which was PART of a deposit) they cannot be put out without much expensive legal work, i.e. obtaining an eviction notice, serving them and then waiting out the 10 days for them to vacate...also an attorney must be hired to write the letters and set all of this in motion.

While I was in Florida during the months of April and May, 1979..I instructed my son to advertise (I wrote the ads) the nicer upper apartment of my duplex and try to get suitable renters..The ad read, "$350 a month, $150 deposit." FURNISHED A girl 16 and a boy 17 answered the ad and said that they only had $100 but would come up with the rest after they had moved in on June 1st...My son didn't know how to handle this and he got a friend, 58, to come over and this friend accepted the $100 and made the girl, 16, sign a note saying they would pay the rest by June 8th.. He gave her a receipt for $100...They said they were sister and brother but the boy was Jewish. TWO young men, another kid of 15, moved in at the same time as these two...They in turn, accepted some rent money from 3 other young people and put down mattresses in one of the two bedrooms of the apartment...sublet it, if you please..

I came back from Tampa on June 11th after a very long trip and many hours..I asked my son, "did you get the rest of the rent"..he said, "NO, they are sleeping up there"...this was 4:00 p.m....I went up, knocked on the inner door and much movement ensued..there were 4 of them resting in order that they might be able to perform much activity during the whole of each night that they were in my home...I asked if they had the rest of the rent money..$400. They said they hadn't. I very calmly told them that they had enjoyed 11 days of free rent for 6 people and would they now just pack up and leave..The girl said, "We have a receipt!"...She got some counselor on the phone who screamed at me that "YOU CAN'T THROW THEM OUT, DO YOU HEAR!" I told everyone that they had not really RENTED MY PLACE AT ALL...that it did not constitute a real rental. I called the police to bear me out..They sided with the kids and said , "No, you will have to go down and get an eviction notice"..and then serve it and they can be evicted 10 days after serving this notice..I told them I did not have the money for any of this action..No matter..that was the way it had to be..

The police let me remove some fine books, afghans, Beethoven records, books, linen, pillows and quite a few nice things that had been left up there..This big moving business up and down the basement stairs I performed with asthma making my lungs ache and very short of breath, up and down, while the kids laughed...

They said they had paid $200, not $100...In two days time, I obtained the real receipt that this friend had them sign..It read that they would pay $200 more on June 8 (which date had come and gone) and that they would have the entire $500 paid "by June 31st". So, they had lied about having paid more than the $100 for which they had a receipt. When I got home, I told them the news, ringing the front door bell and standing courteously outside on the porch. They excitedly told me that I had to get an eviction and that I could not turn off the hot water and heat and that I had to let them use the laundry room. They told me how I was going to run things or else. I called the police again..I stayed outside and did some weeding in the front yard and it needed it..

The police came out to tell me that they could not be evicted without the whole legal megilla and "don't turn off their heat and hot water either"...I said "Could I go in and get that large painting from over the couch"..It does not go with the apartment".. "NO" said Officer Shambaugh (?) I said, "You come with me, we'll go in there together".. He proclaimed, "Don't go in that apartment, don't touch that painting, put down that painting"..and with that last statement, he handcuffed me and put me under arrest, strongarming me and shoving me back and forth in front of 7 strangers..The girl's father and uncle had come over to see that this mean old landlady did not harm their amateur prostitute.

Officer Shambaugh rushed, shoved and dangled me outwards towards the door and in so doing my foot struck the handle.."Oh" cried the arresting officer, "Assault and battery"..and lo, and behold, he took me to the station, I was before a woman judge there, who said, "It seems as if the kids paid part of the deposit and NONE of the rent"..this zealous officer said, "there was a promise to pay"..and I was taken to the womans prison and booked and fingerprinted, the whole thing. It was an exhausting, humiliating and physically abusive experience. I was released in custody of my 26 year old daughter who has her own apartment on Barrow St.

Officer Shambaugh turned my duplex and all my possessions over to these strange and wayward kids. There was no relative of mine present during all this... He made large black and blue bruises on my arms which lasted for over 2 weeks...My thumbs were so numb that I could put pins in both of them (or either of them) and not feel it and this condition lasted over a month.

Socially I have suffered more than emotionally...friends of my two boys have taunted me with "Well, I have never been arrested". People tell me, "You can't be such a good Christian, I saw your name in the paper for assault and battrey." One so called friend said, "A lot of people saw this in the paper,"..I replied, "and a lot of people didn't"...Besides shame there was expense as I saw two lawyers.. Mr. Charles Tulin who said it was about the rottenest thing that could happen to a woman alone..that it would NOT have happened if I had been a couple or a man..The other attorney charged me $97.50 for writing a letter, using strong terms to threaten the kids to move, which I never used with them.

LETTER

I endured their nightly party noises for 6 nights thereafter...so much banging and fighting going on that I called the police 2 more nights..I was alone in the basement apartment and afraid of them and of their conditon. I've had no experience with any of this sort of person before..the police came once after 2 hours and the 2nd time did not respond at all..they told them to "quiet down" and then left.

They moved, in part, the following Monday, leaving so much behind that I was afraid to go in and begin to clean up..they did not turn in a key BUT PASSED IT AROUND TO ANYONE WHO NEEDED A PLACE TO GO FOR THE NIGHT..I would hear footsteps at night , either one person or two persons, and they would bed down. This also frightened me plenty. Finally, I changed the locks on the two front doors and packed up their things. A man, 24, came to get the boxes on June 24th..He had to come down and ask me to gain entry. He said he knew nothing about the whole thing, but had given the kids money to sleep in the apartment. He was not the same type as they were.

I have not rented the place again and have done without this extra money. I was a widow who remarried in 1970...this husband went to work on the pipeline and did not return after April 10th, 1977...We had a complicated 3 day divorce trial where he claimed half of my home here and other land. Therefore, I am not well off, but live mainly on my late husband's Social Security death benefits as my youngest son is 15. I could use a little financial help from a renter, but am too scared to rent anymore. P.S. Officer Shambaugh was named "Officer of the Year" much to my consternation.

It is up to the State Legislature to spell out and think it through "just what constitutes a renter"..present law does not answer the question.

Please be advised that I had rented to others, off and on, since Nov.1977 and received as much as $400 for the apartment and it is worth this. However, never did I run into anything like this last adventure. It goes without saying that had I been in command of my home these renters would not have moved in at all.. But, with apartments empty, there are many no-goods who are pulling this same stunt.

Please take it under consideration in the 1980 legislature session.
Respectfully,

Gloria Thompson

Gloria Thompson (Temple)
617 N. Irwin St.
Anchorage, Ak. 99504

277-9954

Note: I verbally reported this incident to the panel on the recent Commission on the Status of Women in September...violence against women in Alaska.

Copies to: Sen. W.E. Bradley
Rep. Randy Philips

Alaska need railroads, and the railroads need Alaska, But most important, Alaska's rate of growth may depend on rail carco transportation, and planning as well as investing for cargo freight from Canada and the lower 48 is vital now.

We cannot talk about Alaska, without mentioning the Alaska population. That population is along the railbelt. The Alaska population boom will keep unfortunately, along the railbelt. For whatever reason, the Federal Government is not going to open up the land. If the Federal opens the land, the railroad is the cheapest, fastest, and most efficient way to open that land.

It is more than utopian to think that the Federal Government will contribute to extend a railroad link from Alaska to Canada, when the Federal does not want to open the land now. In order to push the Federal against the wall to open the land, the state has to take concrete measures, to start building by its own effort and resource the railroad link. That will give a very good idea to the Federal, from where the state is coming from. If the most important problem for the Alaskan is to open up the land, we should forget about capital move, in which Alaskans are splited, and start concentrating on the railroad.

Without a railroad line that link to the lower 48, no mining will take place in Alaska. Without no mining, there is not too many reasons to open up the land. No private investors group will start to build a railroad without fiven to them the traditional so many acres as a grant along the entire line of rails. Nowadays, far from the railroad tycoon's age, nor the state, neither the

Federal is willing to give such a grant.

The railroad has to keep running in order to make per ton/mile costs meaningful. A railroad to be profitable MUST be interstate. And the same apply for almost any means of transportation, shipping, airline or trucking. And the more combination there are of all of them no t excluding the railroad, the more benefits to everybody, mainly the consumers.

I think behind the government regulation and project lay not a big brother brand of creeping socialism, but always a private vested interest. Unfortunately, or fortunately, we do not have enough private vested interests. Otherwise, we will have seen not just one, but a few railroad links to Canada and the contiguous lower 48. After so much heresay by every body in Alaska, the only one that have suited the Federal Government is a mining company. With so many diversity of private vested interests. Behind environmentalism, such a company looks like David and Goliath.

I propose that we should forget about the capital move and concentrate in building a railroad link to Canada and the Lower 48. Because the benefit will be greater to the railbelt area without harm to the southeast.

Jose Peguero
c/O Alaska Skill Center
P.O. Box 615
Seward, Alaska 99664

Jose Peguero

Anchorage, Alaska

Nov. 30 1978

First I would like to express my appreciation to the sponsorship of "Future Frontiers" by the State Legislature, the Chairmen, Senator Hohman and Representative Meekins, the Delegates present and of course an invaluable staff to ingest this task and putting it into a functioning product.

It is with great need that a huge and diverse country, with so much natural and human Resource, have a forum Review over such rapid strides since statehood. And to project and plot some of the best courses possible for our immediate benefit and to those Alaskans yet to be.

My thirty-Five years in Alaska have been exciting and fullfilling. I have traveled to at least 90% of this tremendous country and have lived in all the climatic zones with the exception of the Arctic Slope.

I have arrived at a few conclusions, and will do so given this Forum opportunity.

First I highly recommend to the Alaska State Legislature that it form and fund with impetus a Blue Ribbon (panel) Committee to study Certain (viable) resources, labor, markets-State, National, International for Manufactured Alaskan Products.

The flattening local, and national economy is something of a reminder (Anchorage) of being back to the pre-pipeline days, where nearly half of the local economy is generated by Government programs and jobs. This is often the continual case thru out the State.

To some extent this has been counterbalanced with great sales of Raw-Resource, fish, timber and now a strong state income on sales of Crude Oil.

Herein lies the problem, there simply is not a 'middle level', that can insulate us against permanent disabilities of sale of non-renewable resources including the permanent exclusion of vasts amount of land to the use of Alaskans. Monuments are definetely an example OF non-use resource or otherwise.

We certainly conform to the prevailing opinion of ecological use maximizing our preservation of the natural enviroment, but to our absolute exlusion?

I do know what the lack of controls can leave and as a youngster played among the desolute tailing piles of the Gold fields and the Copper pits of Kennecott, to name a few.

Again Alaska's contribution to the Gross National Product is indeed a pecularity among the fifty states, basically hostage by small population and vast resource.

We simply manufacture little or nothing.

We leave it to economists who say labor is too expensive.

We leave it to entrepreneurs who wind up making the immediate dollar, retailing from national outlets.

We leave jobs,jobs-as catch phrases for political candidates or office holders as campaign fodder, but all to often basic devlopement plans are lost in the work load of Legislature.

I just simply believe that our degree of technology, computer wizardry and the strong Spirit of Alaskans - is falling far short of the challenge.

It has become a 'state of mind', well " this certain product, is being shipped in by Sea-Land or Tote carriers." Self sufficiency of good Alaskans certainly sounds good but just isn't there in the material sense.

Well I feel we are sitting on this one.

The Nordic countries with numerous costs are simply more productive and spirited to these ends.

It is Manifest for us, writing Alaskan history, a state moving into its third decade to produce hand-machine made goods, rather than bear such a tremendous raw resource outflow.

Please, we must examine this and put it to Resolve, before the state and private sectors.

I would like to represent one other position briefly here. That is the possibility of a redistribution to Alaskans in some form a 'windfall' royalty from Alaskan crude oil.

The Governor's office has been in huddle and critized with regard to discontinuing the state income tax, or a viable tax credit (energy) to Alaskans.

I urge that an Energy Tax Credit be put on line on a sliding scale.

The Alaskan home owners would be receiving the maximum tax credit benfits and rentors, leasees and down the line.

We must consider the homeowners as a prime target of energy tax credit. they support ultimately the many services that comprise our many cities and towns statewide. Consideration may also be given to the length of residency and home ownership such as given to Alaskan pioneers.

Again I cannot emphasize enough, giving the Alaskan homeowner a strong incentive in an energy credit not solely on energy used but saved!

Perhaps there will be a chance to expand on this during the Forum, thank you,

John Nystrom,Anch.Ak. 99502
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To: Future Frontiers

From: Natalie Brooks
S.R. Box 520, Chugiak, Ak. 99567

Date: December 1, 1979

Subject: Problems Of Re-Entry After Incarceration

I have been involved with prisoners for the past five years because of the following activities: founder of a Visitation Ministry to Eagle River Correctional Center by the United Methodist Church of Chugiak, chairman since its inception of the Citizen Advisory Committee at Eagle River Correctional Center, and music teacher in the Arts in Prison Program at Eagle River Correctional Center and Ridgeview Correctional Center. As a result of these activities I have become involved in the lives of many prisoners and have experienced with them their difficulties in re-entering society upon release. I have become acutely aware of the near-impossibility of "making it" on the outside. The roadblocks in their way are nearly insurmountable and I am always amazed when someone is able to overcome the odds. What is being done in Alaska to help newly released offenders only scratches the surface of the need. The following programs are a sampling (some of these are not just for ex-offenders):

Glenwood (Halfway House) - Can only take a small percentage of those released on work or school release

Studio Club (and other alcohol and drug abuse programs) - can take only a small percentage

Jaycees Helping Hand Project - small

New Start Center - tries to find jobs for ex-offenders but it is difficult

National Alliance of Businessmen - provides a few jobs

Bean's Cafe - provides food and a warm shelter for Anchorage's street people during daytime hours

Criminal Justice Center TV Ads for hiring ex-offenders - Excellent in giving the public a different perspective and have helped the job situation

Office of Vocational Rehabilitation - helps a limited number of handicapped individuals in job training

Volunteers in Corrections - Has established one-to-one relationships with many prisoners and may carry over when they're out

Probation and Parole - Don't seem to have much impact on ex-offenders lives; have large case loads; not all ex-offenders have to report to them

Prisoners who do not go through other community residental programs (like Halfway House) are typically released with little or no money, no job, no skills or training, no place to live, no appropriate winter clothing. They often have no family to go to, no friends on the outside, no social connections. They have been totally dependent on the state for all their needs and suddenly they are expected to cope with meeting all their own needs. Imagine yourself in this situation: You are taken to a city in a foreign country where you know no one; you can't speak the language very well and you have only $20.00; the customs and culture are strange; when people find out you are an American they refuse to have anything to do with you; you don't know your way around the city and must walk; no one will hire you and you can't find a place to sleep. That is the kind of situation many ex-offenders find themselves in. Its no wonder that many do something that will return them to security (i.e., jail) as soon as possible.

This may seem like an exaggeration but it is an accurate picture of many ex-offender's situation. I have experienced the frustrations, anger, fear and pain right along with several ex-offenders in this situation. And because of the high cost both in money and human suffering I would like to explore some of the causes of the problem and offer some suggestions.

I see at least eight reasons why people fail in their attempts to re-enter society. The first two are the most basic, with several relating to #2.

1. Lack of Money

None of us could survive very long in our society, particularly in Alaska, without cash, credit or collateral. Why do we expect ex-offenders to be able to do it?

2. Poor Self-Image

This is the root cause of many problems ex-offenders face. Subconsciously many feel they deserve failure (or only limited success).

3. Loneliness and Broken Connections

Often the only acceptance an ex-offender gets is from his peers. If he has been in jail long or if the jail is remotely situated his family and friend connections are often broken. Humans need social contact to survive and he may get this only in bars, from "street people", and from other ex-offenders.

4. Cultural Shock

Some kind of decompression experience is needed to make the transition from regimentation and dependency to a free society (which may be very different from the one he left on entering jail).

5. Reverting to Script

Also known as force of habit, or the familiar. Without strong support in changing behavior patterns or reinforcement of changes made while incarcerated it is almost inevitable that he will revert to his previous life script.

6. Despair, Depression, Giving Up

Only a very strong person could endure the rejection and hostility that come to an ex-offender daily. And it is my experience that none feel good about themselves to begin with.

7. Society's Refusal to Mark the Debt "Paid"

People convicted of crimes never stop paying for it. Our society is extremely stingy with forgiveness.

8. Miscellaneous Character Defects

Underdeveloped value systems, hostility, lack of coping skills, alcohol or drug dependency, etc. - the things that put him in jail the first time.

SOLUTIONS

There is no one magic answer. It is a highly complex problem which may be ultimately unsolvable unless prisons are eliminated (except for those who are a clear danger to society and probably wouldn't be re-entering). The problem exists because prisons exist. Accordingly, it follows that anything which keeps individuals out of prison is a solution. There are a number of alternatives to incarceration. One of the most sensible is restitution, which not only helps the victim, but relieves the victim and his fellow taxpayers of the $30,569.00 a year cost of maintaining an inmate in an Alaskan prison. Several others exist, such as probation, drug and alcohol treatment centers, and community service.

Another sensible solution is shorter sentences. It is axiomatic that the longer a person is incarcerated the harder it will be for him to adjust upon release. Incarceration by its nature is psychologically destructive, so no matter how good the program within an institution it can't counteract the harm that being isolated from society does.

Anything that works to prevent dehumanization withing an institution is helpful. When security is a major emphasis and people are treated like dangerous wild animals, they tend to fulfill that expectation. And of course when people are caged they tend to want revenge on the society that does this to them. When institutions are adequately staffed, when policy is consistent and not capricious, when trust exists and people are not labeled, then prisoners are able to have some dignity and feeling of worth.

Anything that gets the community into an institution and the inmates into the community will be a help in the adjustment process.

Some specific suggestions, some long-range and others more immediate, follow:

1. Child abuse programs. Studies show that a large percentage of prisoners were abused children; child abuse repeats itself, generation after generation; Alaska has one of the highest rates of child abuse in the country; and yet our legislature doesn't give funding enough to scratch the surface of the problem.

2. Money upon release. Alaska is one of only four states that gives no money to released prisoners. This is surely the hardest state to survive in without money. This is scandalous and incomprehensible to me.

3. Family sponsorship program. Several states have similar programs. A prisoner is assigned to a volunteer family before release. They can visit him and he can visit them on a furlough. They provide assistance in job hunting, perhaps lodging briefly, moral support, someone to turn to, a sort of "family connection". I tried to start a program like this four years ago but gave up when necessary legislation died after the Anchorage Times labeled it "the prisoner vacation bill". An example of the power of the media and the lack of courage of elected officials.

4. Halfway houses. Anchorage's halfway house doesn't begin to meet the need. Several are needed. If people must be locked up they need a place to adjust gradually to freedom.

5. No remote prisons. If any new prisons are built (which I personally am against) they should be in Anchorage when inmates can keep in touch with their family and friends. This is crucial to keep connections unbroken. It is even more important for the women, many of whom have children, that they not be moved to Palmer. There is no public transportation there and few prisoners' families can afford any other kind.

6. A chance to earn money while incarcerated. Inmates are presently limited to a maximum wage of $3.00 a day. That amounts to slave labor in a country that abolished slavery quite a while ago. Inmates should be paid decent wages for work they perform and be given more opportunities to earn money. Some form of prison industry would seem to be the answer, but this could also be achieved by much wider use of work release. Prisoners could be a good source of manpower of state park projects but they should be paid adequately. A percentage of wages would go for room and board (as it does now) but decent wages would keep some prisoners' families off welfare and enable others to save for release.

7. Volunteer programs. There are many creative, successful projects with prisoners across the cojn try. If the Division of Corrections were more cooperative, less concerned with rules and red tape, and had a Coordinator of Volunteers position I'm sure several programs would develop here. Some of the best work done with prisoners domes from volunteers, who are not hampered by cynicism, worries of job security, bureaucracy, etc. Volunteers bring enthusiasm and idealism and have been lifelines for some prisoners. The more "straight" people an inmate knows the better his chances of success on release.

8. Family Support. A program to help families of prisoners is desperately needed. Their needs fall into two categories:

(1) Basic Survival - warm clothes for the kids, how to get food stamps, how to get to the jail to visit, medical aid, energency food, rent money

(2) Emotional Support - how to cope with having a family member in jail, teaching the kids how to cope with being teased about having a father in jail, feelings of shame and failure, someone to talk to

9. Peer Support Group. These could function something like AA: people who've been there helping each other. This could not be possible unless the law against associating with known felons is changed. This has the potential of being one of the greatest helps an ex-offender could have.

10. Public Education. Better communications (not just PR) from and withing all Criminal Justice agencies is needed. The public must be educated about the realities and the possibilities of the Criminal Justice system. The Criminal Justice Center as hade a good start in this area. If the public were better informed it would be easier for legislators and administrators to make good decisions and to stick with a philosophy that works. As it is now every time there is public (or media) pressure the Division of Corrections changes course.

11. Education for legislators and key state officials (including: governor, attorney general, commissioner health and social services, commissioner public safety) These are the people who make the decisions and often act from ignorance. The Criminal Justice Center could provide a good two or three day training even that would vastly expand perceptions on criminal justice issues.

12. Advisory committees. Each major state correctional center should have a citizen advisory committee and there should be a statewide committee with a member from each center committee. These people could function effectively as liasons between the public and the institutions and assist in developing good relationships between them.

The constitution of the State of Alaska specifies that the purposes of imprisonment are protection and rehabilitation. It does not mention revenge or punishment. If we followed the direction po inted by the constitution we would have far less re-entry problems, a much lower recidivism rate, and a more crime-free society. In Alaska its not too late to do it right!

ALASKA FRONTIERS CONFERENCE - 1979

ALASKA
AN AGRICULTURALLY STRONG INDEPENDENT NATION

DAN C. HADLEY

ALASKA IS EITHER ON THE VERGE OF A BRILLIANT AGRICULTURAL FUTURE WITH THOUSANDS OF PROSPEROUS PRUDUCTIVE FARMS INCORPORATING MILLIONS OF FERTILE ACRES: OR WILL BE RELEGATED INTO A FEW THOUSAND ACRES, WATCHING ITSELF GRADUALLY DIE-OFF WITH LESS AND LESS VITALITY EACH YEAR. IN THIS ARTICLE I WISH TO SHOW: WHAT CAN BE GROWN HERE, HOW MUCH, WHAT QUALITY, WHERE IT CAN BE GROWN, HOW MUCH YEALD, HOW MUCH ACREAGE COULD BE INVOLVED, AND THE TREMENDOUS DOLLAR VALUE.

I HAVE LIVED IN ALASKA NEARLY 10 YEARS AND LOVE THIS PLACE CALLED ALASKA. ALTHOUGH I HAVE ONLY LIVED IN PALMER 5 YEARS AND FARMED A SMALL 5 ACRE FARM THERE, I HAVE STUDIED ALASKA AND ITS INCREDIABLE RESOURCES AND POTENTIAL SINCE I WAS IN HIGH SCHOOL. THE MOST REMARKABLE AND LEAST HERALDED PROSPECT IS ITS EMINENCE AGRICULTURE POTENTIAL.

MY FIELD ACERAGE IS SMALL, BUT EVERY YEAR WHEAT, BARLEY, OATS, RYE, RAPESEED, AND BUCKWHEAT MATURE IN BOUNTIFUL QUANTITIES WITH HIGH QUALITY. I GROW LETTUCE, ZUHCCINI, CAULIFLOWER, AND BROCCOLI COMMERCIALLY, BUT I LIKE TO EXPERIMENT TOO. I HAVE SUCCESSIVELY GROWN WATERMELLONS, CANTELOPES, BELL PEPPERS, SWEETCORN, TOMATOES, EGGPLANT, AND CUCUMBERS; ALL OUTDOORS. ALMOST ALL OF THESE HAVE TAKEN FIRST AND SECOND PLACE RIBBONS AT THE STATE FAIR IN PALMER. IN OUR HOME GARDEN WE GROW PRACTICALLY EVERYTHING WE EAT. BESIDES THE USUAL ALASKAN VEGETABLES LIKE CABBAGE AND CARROTS, AND THE WARM WEATHER THINGS MENTIONED ABOVE, WE GROW MANY TYPES OF SQUASH, POP-CORN, STRAWBERRIES, DRY ONIONS, ACORN SQUASH, NAVY BEANS, GREEN BEANS, GOURDS, AND SUGAR BEETS. WE ARE PROBABLY THE ONLY COMMERCIAL PUMPKIN GROWER IN ALASKA GROWING BETWEEN 50 TO 100 LARGE ONES EACH YEAR IN THE STUMPROWS BETWEEN THE WHEAT FIELDS. IF ALL THIS WASNT ENOUGH, THERE ALSO BEEN VERY INCOURAGING RESULTS IN EXPERIMENTS IN APPLE, CHERRY, APRICOT, PEAR, AND BUSH BERRY PRODUCTION. IT HAS BEEN MY GOOD FORTUNE TO HAVE ASSISTED IN A SMALL WAY IN THIS EXCITING AND SUCCESSFUL EXPERIMENT.

ALL THIS IS NOT INTENDED TO IMPRESS YOU ABOUT MY POWERS AS A FARMER AND GARDENER, BUT RATHER TO DEMENSTRATE TO ALL ALASKANS JUST WHAT CAN BE DONE UP HERE IF SELECTED U OF A TESTED OR SPECIALLY DEVELOPED SEEDS AND ROOT STOCK ARE USED ALONG WITH PROVEN AND NEWLY ESTABOLISHED CULTIVATING PROCEDURES.

AMONG THE SOURCES I USED TO COMPOSE THIS ARTICLE, I FOUND THE FOLLOWING PUBLICATIONS MUST HELPFUL:

1. ALASKAS AGRICULTURAL POTENTIAL, RURAL DEVELOPEMENT COUNCIL
2. SOIL CONSURVATION SERVICE 1973 SUMMARY
3. CREATING A NORTHERN AGRICULTURE, INSTITUTE OF AG. SCIENCES
4. VARIOUS AGRIBOREALIS PUBLICATIONS, U OF A DIV. OF AG. SCIENCE

OTHER SOURCES WERE MOST HELPFUL AS I HAVE TRIED TO KEEP UP WITH RECENT DEVELOPEMENTS, AND HAVE DONE SOME RESEARCH ON MY OWN.

MOST FOLKS FROM THE "OUTSIDE" ARE SHOCKED TO LEARN THAT ALASKANS ONLY PROCUDE 5 PERCENT OF THE FOOD THEY EAT, IMPORTING THE REMAINING 95 PERCENT. ITS SHOCKING TO NOTE THAT THE DELICIOUS LUNCH TODAY WAS ALMOST COMPLETELY IMPORTED. THIS IS NOT THE GREENLAND ICECAP. WHAT IS THE PROBLEM? IT SEEMS THAT INAVAILABILITY OF LAND, GOVERNMENT STRANGULATION, AND ADVERSE MARKETING SYSTEMS COMBINED WITH RESULTING SMALL SCALE OF PRODUCTION (MAKING IT IMPOSSIBLE FOR FARM SUPPORTIVE BUSINESSES AND CO-OPS TO SURVIVE) ARE THE CULPRITS. THE STATE GOVERNMENT IS AS GUILTY OF ALL OF THIS AS IS THE U.S. FEDERAL GOVERNMENT. IT HAS BEEN THE FEDERAL POLICY IN REGARD TO LANDS AND DEVELOPEMENT TO "INIHIBIT AGRICULTURAL DEVELOPEMENT SO AS NOT TO BECOME COMPETITIVE WITH IN-PLACE AGRICULTURAL SYSTEMS IN THE LOWER 48 STATES"

JUST HOW MUCH LAND IS INVOLVED, ESPECIALLY IF WE LOOK AT THE WHOLE PICTURE EXCLUDING THE ARBITRARILY DRAWN LINES ON THE MAP FOR CONSERVATIONALIST WITHDRAWALS? AT ONE TIME IT WAS STATED THAT THERE WAS ONLY SEVERAL THOUSANDS ARES THAT COULD SUPPORT AGRICULTURAL DEVELOPEMENT, AND THAT NEARLY ALL THIS ACREAGE WAS ALREADY DEVELOPING ON THE KENAI PENN., THE MATANUSKA VALLEY AND IN THE TANANA VALLEY NEAR FAIRBANKS. SINCE THE SOIL CONSERVATION SERVICE (SCS) DID THIER STUDY IN 1972 AND 1973 (AND SUBSEQUENT FOLLOW-UP WORK IN THE YEARS SINCE) LITERALLY MILLIONS OF ACRES OF PRIME AGRICULTURAL LANDS HAVE BEEN IDENTIFIED. THIER FIRST REPORT STATED THAT THERE WERE SOME 16 MILLION ACRES OF LANDS CONTAINING CLASS I, II, III SIOLS. SINCE THEN THE FIGURE HAS RISEN TO: 17.5, 20, AND 21 MILLION ACRES. THIS LAND, BESIDES BEING FERTILE ALSO IS CLIMATICALLY SUITED FOR THE MATURING OF ALL SMALL GRAINS (IE. WHEAT, BARLEY AND OATS) AS WELL AS THE USUAL ALASKA VEGETABLE VARITIES.

21 MILLION ACERS OF LAND IS EQUAL TO 32,815 SQUARE MILES, AND IS A TREMENDOUS AMOUNT OF LAND. THIS IS APPROXIMATELY EQUAL IN SIZE TO: THE STATE OF INDIANA, SOUTH CAROLINA, NORTH AND SOUTH IRELAND COMBINED, AND LAKE SUPERIOR. ALTHOUGH ONLY IOWA FARMS MOST OF ITS ACREAGE, MOST OTHER STATES TILL ONLY THE FARMAPLE LANDS WHICH ARE ONLY A PORTION OF THEIR STATES. FOR EXAMPLE: CALIFORNIA FARMS ABOUT 10 MILLION ACRES,

OREGON ABOUT 5M PLUS, AND WASHINGTION STATE LESS THAN 5M. COMBINED THESE THREE STATES FARM LESS THAN THE LATENT AGRICULTURAL LANDS IN ALASKA. ALASKA NOW FARMS ABOUT 17,000 ACRES OUT OF THIS 21 MILLION, WITH THE DELTA BARLEY PROJECT (SEMI-PRIVATE-GOVERNMENT OWNED) SOON ADDING JUST 65,000 ACRES. IN ADDITION TO THIS TREMENDOUS ACERAGE THERE IS ALSO ANOTHER 10 MILLION ACRES OF PRIME GRAZING LANDS, AND APPROXIMATELY 100 MILLION ACRES OF REINDEER LANDS.

JUST WHAT COULD BE PRODUCED ON 21 MILLION ACRES OF TILLABLE AND REINDEER LANDS? HERE IS JUST ONE PROJECTION OF WHAT COULD BE ACCOMPLISHED. KEEP IN MIND THAT ALL THESE ITEMS AND QUANTITIES ARE COMBINED TO FORM A WHOLE; THEY ALL ADD TOGETHER TO FORM A COMPLETE 21M PRODUCRTION. (HELPFUL SOURCE: CREATING A NORTHERN AGRICULTURE, INST. OF AG. SCIENCE).

2,152 MILLION POUNDS BEEF
3,135 MILLION POUNDS PORK
.8 MILLION POUNDS LAMB
13 MILLION POUNDS REINDEER
530 MILLION POUNDS MILK
18 MILLION DOZEN EGGS
.4 MILLION POUNDS WOOL
11 THOUSAND TONS OATS
17 MILLION TONS HAY
1 MILLION TONS VEGETABLES
2 MILLION TONS FRUIT AND BERRIES

SOME PROJECTIONS AS TO AREA AND PRODUCTION PER YEAR:

(IN MILLIONS OF POUNDS)

AREA	BEEF	PORK	MILK	GRAIN
UPPER YUKON VALLEY	1,164	2,444		90
TANANA VALLEY	671	1,247	400	50
MAT-SU AREA	353	421	200	22

THE TOTAL DOLLAR VALUE FROM THIS AGRICULTURAL PROCUCTION IN 1975 DOLLARS WOULD TOTAL 5,415,680 DOLLARS. THIS WOULD ALSO EMPLOY A YEARLY INVENSTMENT OF 73,882 MAN YEARS OF LABOR, PROVIDING EMPLOYMENT TO MANY MORE THAN THIS FIGURE SINCE FARMING WOULD UTILIZE PARTTIME HELP. TOO MANY OF OUR YOUTH ARE GOING JOBLESS, BUT WHY COULDNT THEY BE HELPING THE FARMING ENTERPRISE WHILE EARNING AND LEARNING.

THE BUSINESS SPIN-OFF FROM ALL THIS IS EQUALLY EXCITING. JUST TO SUPPORT SUCH AN EXISTING FARMING STRUCTURE, THE FOLLOWING WOULD BE NEEDED ANUALLY:

3.8 MILLION POUNDS OF FERTILIZER

278 THOUSAND GALLONS DIESEL FUEL AND GASOLINE

2,500 TRACTORS

627 PLOWS

275 COMBINES

THE EQUIPMENT,SUPPLIES AND SERVICES NEEDED FOR THIS MASS FARMING ENTERPIRSE WOULD ALSO EMPLOY THOUSANDS OF PEOPLE AS WELL AS MAKE POSSIBE THE EXISTENCE OF MANY LUCRATIVE BUSINESSES IN THE SUPPLY AND SERVICE AREAS. WE COULD SUPPLY 20 PERCENT OF THE RED MEAT CONSUMPTION IN THE UNITED STATES AND PROVIDE FOOD AND FEED GRAINS TO MOCH OF EAST ASIA. THIS WOULD ENABLE ALASKA TO DO MOCH TO ALEVIATE THE STARVATION AND SUFFERING IN ASIA AND THE WORLD, AS WELL AS ASSIST OTHER DEVELOPING NATIONS WITH THESE NEEDS.

ALASKA HAS 430 MORE HOURS OF SUNSHINE THAN THE CHICAGO ILLINOIS, THAT IS THE EQUIVALENT OF 36 - 12 HOUR DAYS. THEREFORE WHEN CONSIDERING

THE LOWER 48 STATES AND THE 3 MONTHS OF SUMMER THERE: WHILE THEY ARE HAVING 3 MONTHS OF SUNNY WEATHER, WE HERE IN ALASKA ARE ENJOYING 4 MONTHS IN JUST 3 MONTHS. ALSO WHEN YOU CONSIDER THAT VEGETABLES ALSO GROW IN TWILIGHT OUR PLANTS NEVER STOP GROWING IN THE SUMMER (SUMMER NIGHTS ARE DARK DOWN THERE). NO WONDER OUR CABBAGES REACH 70 POUNDS AND MORE UP HERE AND OUR TURNIPS GROW TO OVER 40 POUNDS.

YIELDS PER ACRE ARE ALSO HIGHER. HERE ARE JUST SOME EXAMPLES.

AVERAGE YIELD COMPARISON PER ACRE BETWEEN ALASKA AND THE U.S.A.

	ALASKA	LOWER 48
CABBAGE (6467)	69,604	21,800
BROCCOLI (GEM)	17,338	7,700
BEANS (PROVIDER)	19,213	4,720
CUCUMBERS (TRIPPLE PURPOSE)	57,182	9,380

(ALASKA CUCUMBERS GROWN THROUGH CLEAR PLASTIC MULCH)

THE QUALITY OF ALASKAS AGRICULTURAL PRODUCTS IS ALSO MARKEDLY HIGHER. WHILE SMALL GRAINS YIELD HIGHER AVERAGES PER ACRE THAN THOSE IN THE LOWER 48 (OCCASIONALLY BREAKING NATIONAL RECORDS), THESE SMALL GRAINS ARE CONSISTANTLY VERY HIGH IN PROTIEN AND MILLING QUALITY. RECENTLY ONE OF OUR WHEAT VATITIES WAS TESTED IN THE UNIVERSITY OF NEBRASKA MILLING INSTITUTE. ON A SCALE OF 100 POINTS, CHENA WHEAT GROUND FINE ENOUGH TO RATE 98 POINTS. ONLY ONE OTHER WHEAT EVER TESTED THERE SCORED HIGHER (99), AND OUR WHEAT WAS SAID TO BE THE SECOND BEST EVER TESTED THERE. VEGETABLES HAVE ALSO HAD SIMILAR SUCCESS. A TEST DONE AT THE MATANUSKA EXPERIMENTAL STATION A FEW YEARS AGO TESTED CELLULOSE THICKNESS (THE OUTER PROTECTIVE FIBER LAYER THAT CAN MAKE VEGETABLES TOUGH), AND SUGAR CONTENT. THEY FOUND THERE TO BE A SUGNIFICANT DIFFERENCE IN CELLULOSE THICKNESS, AND THE SUGAR CONTENT TO BE ALMOST HALF AGAIN THE U.S. AVERAGE IN MANY VEGETABLES.

WHAT DOES ALL THIS MEAN TO ALASKA AS AN INDEPENDENT NATION? FIRST OF ALL IT MEANS THAT WE CAN VERY WELL FEND FOR OURSELVES BY PROVIDING MOST OF THE MEAT, CEREALS, BREADS, DAIRY PRODUCTS, VEGETABLES, SUGAR, AND EVEN SOME FRUIT. WE CAN ALSO EXPORT A SUBSTANTIAL PORTION, FURTHER ENHANCING THE BALLANCE OF TRADE IN OR FAVOR. THIS CONCEPT WILL ALSO ENCOURAGE SETTELMENT OF LAND BY TURNING THESE VALUABLE ACRES FROM GOVERNMENT OWNERSHIP TO PRIVATE OWNERSHIP, AND THUS BECOMING TAX-GENERATING INSTEAD OF A TAX BURDEN. THE SETTLEMENT AND USE OF OUR RICH LATENT AGRICULTURAL LANDS WILL ALSO CONTRIBUTE TO OUR NATIONAL DEFENSE. BY SPREADING THE POPULATON OVER THE LAND A POTENTIAL ENEMY WOULD HAVE A MUCH HARDER TIME SWEEPING OVER THE LAND TO ELIMINATE DEFENSE INSTALLATIONS. A PEOPLE WOULD BE MUCH MORE RELUCTANT TO FIGHT TO PROTECT A HUGE PARK THAN THIER OWN PRIVATE PROPERTY FARMS.

ALASKA INDEED HAS A BRILLIANT AGRICULTURAL FUTURE. EVERYTHING WE USE NEED NOT BE GROWN HERE, BUT THERE IS NO REASON FOR ANYTHING LIKE THE PRESENT SITUATION TO PRESIST. WITH MALNUTRITION RAGING AROUND THE WORLD AND THE ALASKAN PEOPLE STARVING FOR LAND AND OPPORTUNITY, IT IS A CRIME NOT TO UTILIZE THIS IMMENSE RESOURCE IN LAND. IM TIRED OF LAND PLANNERS CLASSIFYING PRIME LANDS INTO PERPETUAL MOOSE-PASTURE, BUREAUCRATS HIDING FACTS FROM THE PUBLIC, AND SEEING CONDOMINIUMS SPRINGING UP LIKE MUSHROOMS IN ANCHORAGE AND FAIRBANKS.

WE HAVE EVERYTHING WE NEED TO BE A TRUELY "GREAT LAND"...WE HAVE BOUNTIFUL OIL, MINERALS, FISH, TIMBER AND RICH AGRICULTURAL LANDS -

WAITING FOR THE PRUDENT AND HARD WORKING FARMER. EVERYTHING THAT IS EXCEPT THE OPPORTUNITY TO ACCOMPLISH THESE GOALS. ALASKA AS AN INDEPENDENT NATION WOULD BE IN THE BEST POSSIBLE POSITION TO ENSURE ITS PEOPLE THE FREEDOM, LIBERTY AND LAND THEY NEED TO BUILD ALASKA INTO THE NATION THAT WE ALL DREAMED OF WHEN WE ASPIRED TO BECOME A STATE IN 1958. INDEPENDENCE IS GROWING IN POPULARITY AT A RAPID RATE AND WE NEED TO PLAN NOW A GREAT, STRONG AND FREE NATION KNOWN THE WORLD OVER AS "ALASKA"

DAN C. HADLEY
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THE LAND IMPERATIVE

by JOSEPH E. VOGLER

NOVEMBER 30, 1979

Alaskans for Independence

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BIOGRAPHICAL SKETCH

Joseph E. Vogler is a Real Estate Developer and Placer Miner.

He is a graduate of the University of Kansas, has a L.L.B Degree and a Juris Doctor Degree.

He has been an Alaskan since 1942 to the present time.

Joseph E. Vogler is the organizer of Alaskans For Independence and has been the Alaska National Chairman since its origin of February 3, 1973.

THE LAND IMPERATIVE
By Joseph E. Vogler

Alaska will have her land and Alaskans will use it. This is as inevitable as the march of the pioneers across America to the Pacific Ocean.

This will not be done as it was in the 48 by an endless path of broken Indian treaties and promises. The Alaska Native Land Claims Settlement Act has assured there will be no repetition of those injustices; but let all who would deny our people, their God given right to land, beware of the actions of people too long denied their due.

The nature-proven prime compulsion of all creatures for an exclusive territorial area for their life-need is too well recognized for argument. Ardrey's - Territorial Imperative, will explain this to the uninitated!

Only the drivel of Bureaucratic fools will dispute this. It is to both this group and the citizens of Alaska, that this is directed; lest it become necessary that the people enforce their God-given unalienable rights by extreme measures.

Alaskans are a hard core of individualists and land oriented individuals. The desire for privacy, individual expression, the opportunity for the do it yourselfer, for self-reliance is rampant in Alaskans. It might well be well described as endemic.

Except for those individuals who come to Alaska to do a job on the people and the land, the majority of Alaskans either own or are looking for a piece of land that he or she can afford. Ask any subdivider or person fortunate enough to own land, what it is that our people want most. Only the shortage of private land or the price bars the vast majority from the land.

To see that this is not a recent development, let us examine our State Constitution. Article 8, Sec. 1 is most explicit in its declaration. "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with public interest."

Many officials in the executive, legislative, and judicial departments have taken their oath to uphold and defend this Constitution. What has been their performance? Miserably poor is the best that can be said for them, at the worst it is outright betrayal of trust. Dr. Mike Beirne tried in vain to remedy twenty years of inaction, only to have the Supreme Court, confuse the word appropriate with the obvious intended connotation, "to expend money for a particular use," a shameful dodge of words.

The Governors, six ways to get land, broadcast to the four corners of Alaska, just before the last election, borders on use of public funds for a personal campaign use and amounted to a despicable deception of the land hungry populace of the great land.

The sale of public lands, certainly is not making lands available for maximum use consistent with the public interest, especially when seniority made a shamble of our young peoples hopes.

The legislatures have hedged, dodged and ignored their duty, to their eternal shame.

The long time honored practice of granting homesteading, headquarter sites, trade and manufacturing sites, and homesites, under well established rules for use, occupancy and development, worked wonders in America and is a good example for the State to follow.

Until our Constitution is amended to mock the present "Lock-up" policies of the United States, it is nothing less than treason of our governors, judges, and legislators, to fail to make our lands available to our people. This must include the development of our resources, the minerals, timber, water power and all that goes with human utilization of this earth to promote a healthier fuller life for our people with less of the privations and difficulties, so prevalent just a short century ago even in America, and still so evident in the third world developing nations where human toil, want and misery are the lot of the multitudes.

I have difficulty in finding an example in the animal kingdom for such a shameful denial of living space to its own kind. For want of a better example, I can only reach back to my boyhood task of slopping the pens of hogs, when I found it necessary to rout with my boot, some of the fat sows, who delighted to lay lengthwise in the trough while swilling down the grain and denying the younger and weaker a space at the trough and their share of food.

Our people will have the land and its resources to provide sites for homes, work and recreation. Jobs, except at the public trough, come only from the use of our land, the harvest of our renewable timber and waters, or the wresting of our mineral wealth from the plains and hills and its processing.

The ongoing robbery of jobs from our people by exporting our oil without all refining processes is a crime against every able bodied man and woman in Alaska who wants to work. Many of our government employees are quick to say that the only reason they work for some branch of government is quite simple, their government jobs are the only ones available. They are just putting beans on the table with the employment that is available! No gas should leave Alaska without full processing for petrochemical uses to make jobs for Alaskans. Payrolls are the feed stock for other service businesses.

Many Alaskans, Native and non-native, who have been forced outside for employment would like to return home, if the opportunities were here for them to work!

This is the result of the culpable and criminal failure of our elected officials to carry out the mandate of our Constitution. When 28,000 Alaskans signed Dr. Beirnes petition, it is consistent with the public interest! And <u>if</u> it was not well-drafted, where was the legislature? And Governor?

We must utilize every gallon of water that runs back to the sea, it is a renewable energy source. As the Shah of Iran said years ago, "petroleum is too scarce and valuable to be used for energy or heat, it should be saved for pharmaceuticals and petrochemicals." Our coal must be fully utilized.

We must make homesteads available of at least 640 acres, in areas beyond the region surrounding population centers needed for habitation, including both industrial and recreation purposes. Only this will offer opportunity to our young potential farmers!

Our timber must be harvested, our minerals mined and processed, our farming developed to feed our people as well as other peoples not so fortuniate in arable land. We must become efficient producers from the bounty of our land, as stewards to the world, to justify our position among the landed nations of the world.

Our land titles must grant both surface and sub-surface rights lest bureaucrats continue in the pattern of paternalistic squandering of our wealth. It worked in America and built the most noble nation. The individual is the best judge of the use of his or her land and its wealth.

If you doubt the truth of these statements listen to the people a bit, while they are still patiently waiting for their God-given dues. Why do they distrust, hate and damn every branch of government?

Read the opening paragraph of the Declaration of Independence and let it soak in, all of it, and tremble at the awesome truth of this noble document, lest it must be carried to its fearsome conclusion when the peoples, patience exhausted and tempers thinned beyond the breaking point, carry out their "duty"; to throw off such government and to provide new guards for their future security."

Let every elected official, every appointed hireling understand that the land belongs to individual people and not to the "Nation" so affectionately termed "the people" by all socialists.

Let every member of the news media realize that it is his or her duty to bring this understanding to fruition lest they be judged as partners in the conspiracy to deny land to the people.

Let every Alaskan become aware of this impending treachery so that he or she can prepare for any eventuality necessary to undo this revolution so brazenly announced in the policy clause of the B. L. M. Organic Act of October 21, 1976, wherein two centuries of magnificient demonstration of "land to the people" in the United States was terminated, 43 USC 701, Declaration of Policy, Sec 102: (a) The Congress declares that it is the policy of the United States that (1) the public land be retained in Federal Ownership.....

If America would trod the blood and tear soaked trail to socialism, it is a very sad day for history, but this should not sway Alaskans from the eternal truths of the Declaration of Independence and the exercise of all their unalienable rights among which are Life, Liberty and the Pursuit of Happiness.

The land of Alaska rightfully belongs to the peoples of Alaska and individuals! It is their right to grant such lands and powers to their government as they see fit! The government has no right to parcel out land and land use to the people! It is the peoples! How can one be granted or given something which one already owns?

The essence of slavery is the denial of land ownership. Only by thwarting the Territorial Imperative can a people be fully controlled, herded and harnessed to the will of an elitist minority enshrined in bureaucratic security, it is the Territorial Imperative against the Bureaucratic Imperative. If Alaskans would make slaves of themselves and their descendants, they need only submit to the tryanny of Federal Government by failing to demand their God-given right to land by failing to hold their unlawful masters bound by our contracts with the government.

Now for those who still have hopes that the United States will return to the principles which made her a shinning example for all the downtrodden peoples of the world, it is only necessary to examine the course of nations through the pages of history. It will truly take a miracle of untold proportions to alter their course from seeking mass security, to once again seek individual opportunity. The ultimate security from birth to the grave is attained in the institution of slavery, the most degrading of all social systems.

The hope that 400,000 Alaskans can influence 228 million Americans is as if the last hair on the tip of a St. Bernards tail could bounce the rest of the dog up and down like a yo-yo.

As Abraham Lincoln said in his first inaugural address, March 4, 1861, "<u>This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government they can exercise their constitutional right of amending it, or their revolutionary right to dismember or overthrow it.</u>"

Alaskans <u>inhabit</u> Alaska - <u>NOT</u> the masses of the 48! It belongs to us! Let Alaskans determine our destiny. Let Alaskans control our land in individual

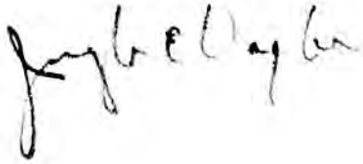
ownership with fee simple, surface and sub-surface rights, but if Alaskans disagree, let it be Alaskans and not outside special interests that determine our destiny. Push all government back in its cage, the limits of the Constitution, and subject to the will of Alaskans.

If America no longer esteems private ownership of land and espouses socialism, it is Alaskas destiny to preserve the original motivating force in Americanism, the private ownership of land and the only practical route to this end is Independence for Alaska with full and complete Sovereignity over the Great land!

Let all in the position of leadership in Native Organizations, business, government, education, the Church, labor, step forward in this rightous battle, as Alaskans seeking self determination for Alaska.

The urgency of 1776 is here today, but the route to its solution is a different path. A peaceful plebiscite, as man struggles upward from the day of the club in the relations between peoples of separated lands!

Colonialism is dying throughout the world; America born of the abuses of Colonialism must not be the last carrier of this malignancy of civilization.



ALASKA'S FUTURE

INDEPENDENCE and DEFENSE

ONE OF THE MOST COMMON QUESTIONS POSED WHEN INDEPENDENCE FOR ALASKA IS DISCUSSED IS, "WHAT WILL WE DO FOR DEFENSE?" TO ANALYZE THIS QUESTION PROPERLY ONE MUST DETERMINE, WHAT IS OUR PRESENT DEFENSE?

NAVAL

TO THE BEST OF OUR KNOWLEDGE THERE ARE NO U.S. NAVAL VESSELS STATIONED IN ALASKA. EVIDENTLY SOME FEW NAVAL AIRCRAFT, MEANT FOR SUBMARINES SURVEILLANCE, COME AND GO IN THE ALEUTIAN AREA. FOR ALL PRACTICAL PURPOSES, ALASKA WITH A LONGER COASTLINE THAN THE ENTIRE LOWER 48, AND A CONTINENTAL SHELF LARGER THAN THAT OF ALL OF THE OTHER 49 STATES, HAS NO NAVAL DEFENSE WHATSOEVER. ACROSS THE BERING STRAITS, IN SOME PLACES A MERE 2 1/2 MILES FROM ALASKA'S SHORES WE ARE FACED WITH THE MOST POWERFUL MILITARY FORCE IN THE WORLD, THE UNION OF SOVIET SOCIALIST REPUBLIC.

THE SOVIET UNION HAS IN THE LAST 15 YEARS BEEN ENGAGED IN A BUILDING PROGRAM WHICH HAS RESULTED IN THE SOVIET NAVY BEING THE MOST MODERN NAVY, AND PERHAPS THE WORLD'S LARGEST. BUT THE UNITED STATES APPEARS TO HAVE OTHER AND MORE STRATEGIC PROBLEMS WITH WHICH IT WISHES TO AMUSE ITSELF, RATHER THAN THE DEFENSE OF CITIZENS OF ALASKA, THE FEDERAL UNIONS LARGEST STATE.

AIR DEFENSE BY THE UNITED STATES AIR FORCE IS WOEFULLY DEFICIENT. THE AIR DEFENSE OF ALASKA EVIDENTLY CONSISTS OF BETWEEN 18 AND 36 PHANTOM II JET AIRCRAFT. THESE AIRCRAFT WERE DESIGNED 21 OR MORE YEARS AGO. THIS SQUADRON OF PHANTOMS IS NOT EVEN PERMANENTLY STATIONED IN ALASKA. SINCE ALASKA STRETCHES OVER SUCH A VAST AREA (FROM ATLANTA TO SAN DIEGO AND NORTH AS FAR AS WISCONSIN) IT IS APPARENT THAT THE U.S.A. CANNOT DEFEND ALASKA WITH THESE PITIFULLY FEW, OLD AIRPLANES. BY CONTRAST, ISRAEL IS 180 MILES LONG BY ABOUT 50 MILES WIDE AND THE ISRAELI GOVERNMENT CONSIDERS 500 AIRCRAFT AS A BARE MINIMUM FOR AN ADEQUATE DEFENSE. AND WE MIGHT POINT OUT, ISRAEL IS NOT A MERE 2 1/2 MILES FROM THE SOVIET UNION. THE TRUTH OF THE MATTER IS THAT THE FEW AGED McDONNELL DOUGLAS PHANTOM IIs ARE PART OF THE EARLY WARNING NETWORK FOR THE LOWER 48 STATES, AND ARE NOT AND COULD NOT MUSTER A DEFENSE FOR ALASKA OR ALASKANS.

IN TERMS OF GROUND TROOPS, ALASKA IS DEFENDED BY A SINGLE INFANTRY BRIGADE WITH SOME SUPPORT UNITS. THAT IS SIGNIFICANTLY LESS THAN ONE DIVISION. FURTHER THE QUALITY OF THESE TROOPS ARE IN SERIOUS QUESTION, WHICH BECOMES EVEN MORE EVIDENT WHEN ONE VIEWS THEIR NUMEROUS WAR GAMES LOSSES TO THE ALASKA NATIONAL GUARD. THIS FORCE COULD NOT CONTAIN OR DELAY EVEN A MODEST SOVIET ATTACK, MUST LESS ONE THAT IS WELL ORGANIZED AND DETERMINED. WE MUST NOT FORGET THAT THE SOVIET UNION HAS A GREAT DEAL OF EXPERIENCE IN "FROZEN WARFARE".

FREQUENTLY IT IS MENTIONED THAT THE FUNCTION OF THE ARMY IN ALASKA IS TO HOLD THE AGGRESSORS OFF FOR A FEW HOURS OR DAYS, WHILE A RETREAT TO ALBERTA IS ORGANIZED. ALL VISIBLE EVIDENCE POINTS TO THAT AS BEING THE PROPER ANALYSIS. IT IS APPARENT THAT ALASKA'S PEOPLE, THEIR HOMES, CHILDREN AND BUSINESSES ARE NOT DEFENDED UNDER PRESENT U.S. DEFENSE POLICY. INDEED, NORTH AMERICA'S BACK DOOR IS WIDE OPEN. IT APPEARS THAT IT IS INTENDED TO BE THAT WAY, FOR ALASKA DOES NOT EVEN HAVE THE TACTICAL AIRCRAFT TO SUPPLY ADEQUATE GROUND SUPPORT FOR THE SMALL GROUND FORCES STATIONED HERE.

AN INDEPENDENT ALASKA WOULD HAVE A BETTER DEFENSE, FOR ALASKANS WOULD BE MORE WILLING TO PROTECT THEIR HOMES AND FAMILIES. THE PRESENT SITUATION OF BEING TREATED AS AN EARLY WARNING OUTPOST, A SACRIFICIAL LAMB FOR U.S. MILITARY POLICY IS INTOLERABLE.

ALASKANS FOR INDEPENDENCE
ORGANIZATION & PLANNING COMMITTEE

COOPERATIVE FIRE PROTECTION IN RURAL AREAS

A Request for Consideration
by Ralph E. Crane

To qualify myself to the information submitted in this request, I offer you the following information on myself:

I am 29 years old and arrived in Alaska for the first time in 1959. Since my first arrival I have worked in and formally studied Fire Management as it applies to both wildland and structural fires. I have learned and taught at the college level. My major field of study has been in Public Administration with an emphasis on Fire Management. I have worked as a city fire department engineer in Alaska and a wildland/structure/rescue engineer and fire captain in California.

I can guarantee you I have no monetary interest in whether this concept ever materializes. My only interest in this is based on my own moral values and my ideas of governmental responsibilities to its citizens.

INTRODUCTION

With the current push to dispose land to private citizens, the State Forestry's ability to provide an acceptable level of wildland fire protection in these areas will be severely taxed.*

One obvious alternative to building up government forces to match the increased responsibility, is to recruit the assistance of interested groups of individuals in the more densely populated areas to provide initial attack on wildland fires in their local area.

The program I envision is one where the State Forestry would provide the assistance in organizing, equipping, and training these groups of people toward fire protection in their area. In return for this assistance, these people would agree to provide initial attack on all wildland fires in their area.

There are two primary advantages to this cooperative fire protection concept:

1. It assists the State in meeting its wildland fire protection responsibility in these areas without major increase in expenditures and government employees.
2. It gives the local people an organized, equipped, and trained fire protection unit for their local structures and improvements as well as providing our wildland fire initial attack force.

The other known advantages and disadvantages to this concept will be addressed further on in this report.

*By 1985 it is estimated that 12.4 fires annually will occur at a suppresssion cost of $1,418,132 for each fire! These figures do not reflect the human impact on state lands resulting from the current land disposal program. This human impact will surely cause these figures to rise, however, to what degree they will rise is unknown.

INCREASE IN FIRE PROTECTION RESPONSIBILITY

As members of the State Legislature, you well know the land disposal task assigned the Department of Natural Resources. For the purposes of fire protection, this simply means that, not only are the values-at-risk increasing in these rural and wildland areas, but the man-caused fire risk is increasing at a rate with which the State Forestry is having problems keeping up.

These values-at-risk include homes, outbuildings, lodges, equipment, vehicles, planes, agricultural products, and most important - human lives! These values-at-risk are going to increase with the increase of land disposed. Indeed, in most cases, the condition of gaining title to the land is to provide improvements (values-at-risk) on it.

In turn, the man-caused fire risk increases sharply as these areas are cleared and burned. The fires on the Delta Barley Agricultural Project are examples of this which stick out like a 4 million dollar burnt thumb. This fire began because of land clearing operations in May of '79 and is still burning as I write this in December '79. It is fully expected to take off burning again in the Spring of '80. In 1980 however, the Southcentral District may not be blessed with the wet summer it had this year.

This summer, the Southcentral District could provide the majority of its firefighting forces to the Delta Fire because it was so wet here. This loss of forces in this District left less than the realistic amount of forces necessary to provide protection, should a large fire or a rapid series of smaller fires occur in the Southcentral District. What happens next year if both the Southcentral and Northcentral, possibly even the Southeastern districts experience extreme fire conditions? This state has <u>extremely</u> limited qualified firefighting manpower and equipment to protect its areas of responsibilities when compared to other state wildland fire protection agencies I am familiar with.

COOPERATIVE FIRE PROTECTION - AN ALTERNATIVE

What happens if two or all three Districts experience problem fire conditions? What happens when a wildland fire occurs in an area such as that

near Homer where the State Forestry has the responsibility for wildland fire suppression, but the closest fire control station is in Soldotna, 60 miles away? (By the time Soldotna forces arrive, the small fire has had at least 1½ hours to grow rather large!) These two questions both have an answer I believe warrants serious consideration; why not enlist the aid of local people to provide initial attack forces on those wildland fires in their local areas?

In my contacts with locals, they have certainly shown an extreme interest in providing fire protection for their own areas. Some have even shown an interest in firefighting outside their home area if an extreme need arises. These interested people range from a group of people unfamiliar with firefighting but interested in providing fire protection in their local area, all the way to a well equipped, incorporated fire department with a full roster of qualified firemen.

Thus, the people are there, and in some cases, the equipment is there -- why not use this to help meet the State responsibility for wildland fire protection? Section 41.15.030 of Title 41, Alaska Statutes authorizes the Commissioner of Natural Resources to "make contracts for forest protection."

There are two main reasons for not aggressively attempting to enlist this aid. First, they <u>all</u> need the training to safely and effectively attack wildland fires and most need organizing and equipping to be effective in initial attack. Second, the State Forestry is not currently funded to provide the necessary organization, equipment, and training services to these interested groups. These services are necessary prior to and during the cooperators assistance period to insure that the cooperators are being used in a safe, efficient, and cost effective manner.

The State Forestry is currently making a frustrating effort towards providing these services, without the necessary funding. A prime example of this frustration is the fact that, in an attempt to provide an area such as Chitina with a fire truck that is primarily for wildland use (although they will be using it for structure fires) the State Forestry was limited by cost to install a small 12 gallon per minute pump. For a structure fire and any sizeable wildland fire, this truck could be compared to having a peashooter in an air raid! The hose used for a pump of this capacity is comparable to a garden hose. This water flow would barely produce a fog pattern through

a one inch combination nozzle -- substantially less in performance than the standard 1½ inch combination nozzle used by the effective firefighter.

THE COOPERATIVE CONCEPT - PROS AND CONS

I have endeavored to make a comprehensive list of the advantages and disadvantages to this concept. I realize it does not include every pro and con that special interest groups could identify. It does list the main points I feel important based on my background in fire management.

PROS:

Lower cost to provide both wildland and structural protection.

Provide structure and wildland protection in areas that currently have little or none.

Provide rapid initial attack on wildland fires in areas where quick response can be critical with the nearest State firefighters hours away.

Trains and equips locals in advance of major fires rather than being unskilled when the State needs them the most. An example of this is the Delta Barley and Browns Lake fires where there were many locals hired, to fight fire, that had never even been on a wildland fire before. This not only limits productivity toward suppressing the fire (expensive), it creates an extremely unsafe condition with untrained people working around bulldozers, retardent planes, and the fire itself (lawsuits - very expensive).

Helps downplay the "Bureaucracy image" of State government by reducing the need for more State employees, new fire stations and more equipment that will be necessary to control wildland fires if the cooperative concept does not develop.

More cost effective. While the need for local initial attack forces is critical, full time State forces would be quite expensive when compared to using locals in the area <u>when necessary</u>.

Promotes a "self-help" attitude rather than a maternal "government will protect" attitude. With the current level of State Forestry forces, this "government will protect" attitude could prove fatal to the locals.

CONS:

Will not provide full time firefighters. This, however, must be weighed against the <u>need</u> for full time firefighters.

Will require close monitoring of local forces by the State Forestry to insure an acceptable level of fire protection forces.

Locals are less inclined to have State interests at heart which also

requires the State Forestry to closely monitor to avoid excessive fire "bills".

The State Forestry employees who monitor and manage this concept would have to be carefully selected individuals that are experts in the fields of fire management and public relations, among others, to insure the concept's smooth operation. These people must be dedicated to this concept to insure that any funds allocated to manageing a cooperative fire program would not be misdirected into other programs within the DNR. The head of this program should be delegated the authority to prevent this "misdirection" from occuring. There is a past history of sympathetic legislators granting funds to the fire protection appeal with the administrators of these funds using them for other purposes.

SUMMARY

I know this concept, as I have covered it, still leaves some areas as yet uncovered. I do feel however, that the obvious benefits warrant this concept to be looked at very closely. With the current emphasis being placed on the big money (oil money, bottom fishing, pipelines, etc. - all important, I realize) projects, I certainly hope this idea is not placed on the back shelf "for future consideration." It is critical that something be done now to assist the State in wildland fire protection - before the next Delta Barley fire occurs on Anchorage's East side area, or Anchor Point, or Delta Junction. This concept not only serves this purpose; properly done, it allows a great number of Alaskans to put out a fire in their own house. This is what Alaskan Government is all about to me - helping Alaskans help themselves. Consider it seriously!

Recd 11/19/79

ELLIS, SUND & WHITTAKER, INC.

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TO

Future Frontiers
308 G St Suite 310
Anchorage, Alaska 99501

DATE 17 Nov 79

SUBJECT

Herewith, my paper.

Richard Whittaker

Form ML 5-N72 The Drawing Board, Inc., Box 505, Dallas, Texas

FUTURE FRONTIERS

POSITION PAPER ON THE

ALASKA OFF SHORE FISHING OPPORTUNITY

By

Richard Whittaker.
1285 Tongass Avenue
Ketchikan, Alaska

THE PROBLEM:

The writer of this paper believes the State of Alaska is at a great moment of decision; the issue is the off-shore fishery, protected by the Fisheries Management Act of 1976 - the 200-mile economic zone, and whether the resource can be made a part of the Alaskan economy.

Postulated are notions that the current efforts of the State are generally inconsequential as far as the off-shore fishery is concerned because of the enormity of the fishery, and that what will probably happen over the next four or five years is that there will be the development of a fishing industry using great processing and catcher vessels, such as the Koreans, Japanese and Russians are currently using, and which will homeport out of San Diego, Los Angeles, Astoria and Seattle. Alaska faces the strong possibility of no involvement or benefit, once this happens.

Current trends in the fishery indicate to the writer the major Alaskan fishing companies, which are either owned outside Alaska, or in Japan, are juggling for position, because of the enormity of the fishing and the take-over process, but that when it occurs there will be no signficant number of Alaskans in the fishery as fishremen; there will be no shore-based processing except perhaps at Dutch Harbor; there will be little or no Alaska investment and, therefore, no Alaska profits; and there will be no Alaskan tax revenues. In fact there may be very severe economic loss if the modest efforts we do make are frozen out.

Our goal for Alaska should be a vertically and horizontally integrated fishery such as is found in the Faroe Islands, where local people fish the North Atlantic, bringing the fish home for processing to local plants, and the product is sold into world markets through combines and systems owned by the Faroese.

SO WHAT IS TO BE DONE?

The writer proposes a massive investment by the State of Alaska to capture this fishery. Such investment in shorebased processing facilities, in fishing vessels, and in marketing and management networks could control the volume of fish and its price to the point where returns from the fishery would make profits for the people of the State of Alaska and the State.

It is acknowledged that current prices for the off-shore fish are at a low level, but it is also generally understood that this is because of manipulation by the Japanese in the world markets, manipulation which, of course, is to their best interests. We must and can fight back. But we cannot do so within the current scheme of things!

The writer proposes a company called The Alaska Fishing Company incorporated and owned by the State of Alaska, and with directors, some of the best business talent in the State. The company would seek the immediate involvement of the University of Alaska and others in designing research necessary to understand and manage the control of markets as well as to design the research necessary to assure continued renewability of the fishery.

The Alaska Fishing Company would move, following the feasibility studies, to construct vessels and shore-based facilities in an integrated plan which would maximize the contact of every possible maritime Alaskan with the fishery, and which would have a management and marketing plan, totally integrated and leading toward the sound fiscal management of the company. The Alaska Fishing Company would have as its goal the utilization of the fishery only by Alaskans and for Alaskans to the exclusion of multi-nationals, agribusinesses and other outside interests as well as foreign interests A two or three billion dollar investment

is probably necessary to have the impact on markets, and to produce the volume of product necessary to influence prices.

The Alaska Fishing Company would immediately contract with foreign fleet owners and their home countries to commence an integrated and long-term takeover of the fishery, guaranteeing supplies of fish to the companies, to meet their market commitments and the needs of their peoples, and to allow for reasonable phasing out and amortization of the foreign fishing investment.

The Alaska Fishing Company would seek to develop utilization of fish products in other markets besides the Orient, with emphasis on the American markets.

The Alaska Fishing Company has a potential of providing income to Alaskans far exceeding oil. The fishery is one which, if properly managed, would exist until the end of time, and would provide a high degree of stability to a large number of Alaskans.

The Alaska Fishing Company would provide jobs for the communities of maritime Alaska. The financial institutions, service and supply facilities of Anchorage would be heavily impacted as well.

Revenues from the profits of the company would increase the state coffers and, of course, taxes on the incomes of individuals

involved would provide a revenue base as needed in the future.

THE IMPORTANCE OF INVESTING ALASKAN STATE CAPITAL IN THE FISHERY

Alaska is faced with a budgetary surplus which has the potential of destroying Alaska as we now know it, due to avarice and greed.

The stability provided by a direction for the investment of a significant part of the oil surplus money into an industry which would rely on a sustained yield of products, would provide a focus for Alaskans for the near future and provide a proper forum as the company is developed and as the policies are debated by the people of Alaska, for discussing the future of Alaska. Jobs provided would be stable, long-term jobs, and although some considerable inflation and growth will be expected in every maritime community, this would soon be stabilized and probably would not change over a long period of time, witness the experience of the Faroe Islanders.

THE FUTURE, WHAT WILL IT BRING?

The Alaska Fish Company should have two goals: The first would be total utilization of every bit of fish the State could get its hands on; the catching, processing, and selling of same, at a profit. The second goal would be, once the industry was stabilized, to sell the component parts, except for the marketing umbrella, to the individuals and communities involved. The fishing ships should be sold to the local communities which provide the crews and to

the crews. The cold storage and processing facilities should be sold to the local communities and employees. The marketing umbrella and management probably should be maintained by the State, at least until such time as it could be purchased by the fishing and processing componenets, under a scheme which would guarantee unified and integrated management for the common good.

It is anticipated there would be considerable uproar by the fishing industry against such an idea. It is very important to watch where the uproar comes from. It is expected that those persons and companies which are nurtured by outside interests would be vocal in their opposition.

An important part of the development of the fishery would be the aspect and involvement of fishing companies wholly owned by Alaskans. There are a number of these companies which have great growth potential and which have management of high quality. They would be encouraged to expend and move into the fishing opportunity, supported with state funding. While they were developing their own opportunities in the fishery, their counsel and guidance would be of inestimable value to The Alaskan Fishing Company. New companies of Alaskans would also be encouraged.

It is an act of fate that the fish are available at the same time the capital is also available. Otherwise, we Alaskans

would be delegated to watching from the shore as our fish go elsewhere.

AN ACTION PLAN

The writer recommends funding and leadership by the State in marshalling on a crash basis of all resources in and of the State, including the purchase of services as necessary and the hiring of experts in fishing and market economics etc., to develop a feasibility study. The study would recommend the next steps toward the formulation of the plan. State policy could immediately then focus on the U. S. State Department and the Department of Commerce as well as the Congress in order to gain for the State the acceptance, by government, of the State plan. Such action should be well accepted by the Federal Government because of the recent removal from the Alaskan economy of massive amounts of land, and because nothing of great significance has yet happened in the 200-mile fishery by the people of any other state. This interregnum will soon expire, however.

A very well financed and staffed task force should be assembled involving the citizens who can work on the problem, if not full time, at least to a considerable amount of their time, in order to get the plan off the ground and rolling. Citizens' Committees from each of the maritime communities should be immediately formed, financed and staffed so that each Alaskan maritime community

or other community which feels it should have impact from the fishery could design and structure the involvement deemed necessary by those communities.

Areas where there is great economic distress should be given additional support to guarantee that the bountiful harvest will impact the remote and poverty stricken areas of Alaska.

A time table could well be as follows:

1. March 1, 1980. The Administration and Legislature agreeing on a working plan with time goals and budget for each phase.

2. March 15, 1980. Selection of the task force to head up endeavor. The financing and staffing of component parts, such as local community involvement.

3.0 April 1, 1980. Commitment of state funding for research in markets and supply, with a preliminary report of feasibility within 60 days.

4.0 June 1, 1980. State-wide discussion and evaluation of plan and decision by state leaders as to whether the State would move forward to implement the plan or not. Establishment of corporate machinery and funding package. Lobbying federal decision makers for support and such legislative change as is necessary. Commencement of negotiations with foreign fishing interests for the orderly takeover of the fishery.

A FINAL NOTE

The writer feels this opportunity is a challenge to the people of Alaska, and is one which could and should unify us. It can provide a focus, a platform, and a forum for the development of

the people of the state for years to come. The economic and social benefits from implementation of this proposal could well set the course for the future of Alaska.

ROBERT B. GIBSON
P. O. Box 303
Bethel, Alaska 99559

FUTURE FRONTIERS
308 "G" Street
Anchorage, Alaska 99501

Gentlemen;

While I speak from the point of view of a resident of "Bush Alaska", and a particular segment of it at that, it is my hope that the needs addressed and proposed approaches to their solution, may have validity on a broader scale.

Very truly yours,

Robert B. Gibson

ALASKAN RESOURCES AND ECONOMIC DEVELOPMENT

Alaska has, since its first "discovery" by Western European Civilization and its American representatives, been a valuable source of raw materials, much as were other Crown Colonies of the European countries in other parts of the "New World."

This situation has not substantially changed since the days of Vitus Bering and Captain Cook.

Outside capital has not been, and probably will not be, willing to invest in industry within Alaska which will contribute to Alaska's internal economy or control of its own economic destiny, let alone its entry into the world market-place.

Because of this historic lack of resident venture capital, and the relative scarcity of a large resident labor pool, both the control of the sources of our wealth in renewable and non-renewable resources and their marketing have remained beyond the control of either the citizen of the state, or its government.

Our gold built the port of Seattle, and the gold is gone. Our Fish have sustained it, and to this day most of the fish market is controlled "outside." Our Timber goes out as logs and is sold back to us after outside processing. Our petroleum wealth goes out on ships, and returns after processing at elevated prices. That same petroleum provides the fertilizer and energy that grows the foodstuffs and meat we import. Added to the processing costs we must pay, are the high transport costs (petroleum based) for all of our imports.

Our sole significant source of taxable wealth for the forseeable future is our mineral wealth.

This wealth must be utilized to foster and, as required, support the growth of an Alaskan Economy, diversified and self-sustaining, which will assure economic independence for Alaska.

Those of us who live here have found a way of life satisfying to our own needs and requirements, and need to be able to afford to live here. But as long as this State remains a Crown Colony, it may be a mostly affordable luxury. In this light I should like to propose the following policies be given consideration by the Legislature and the Administration of Alaska.

ALASKAN OIL AND ENERGY

No more immediate threat, or challenge, faces this state than the current world-wide energy crisis. Alaska may be a major oil producer now, but the oil is a finite resource of increasing scaricity world-wide. It may produce revenue in the form of taxes, and some employment for Alaskans, but to depend on it as either a continuing source of funds for the state, or on the continuation of oil based energy beyond for more than twenty years is unrealistic.

Alaska will have economic independence directly as it develops a realistic and sane approach to the energy crisis. It is uniquely in a position to do this with oil revenues financing the transition. There is no question that the transition must be made. It is only a question of when. Alaska can and should lead the nation in meeting this challenge. To wait for a Federal Energy Policy based on factual imperatives will be akin to awaiting the Millenium. To this challenge we propose:

AN ENERGY POLICY WHICH WILL HAVE THE FOLLOWING GOALS FOR REALIZATION WITHIN THE TIMETABLE(S) INDICATED.

I. By 1985 Alaska will have reserved, for use within the state, sufficient Petroleum reserves from proven resources, to meet the projected needs of its population for 50 years.

II. By 1990, the refining and distribution system required to distribute this resource to all parts of the state shall be on line and operating.

III. By 1982, a plan shall be developed which will provide that all technologically and economically feasible public utility systems providing electrical power within the state shall be converted to the use of renewable resources by 1995 and - -

IV. By 1985, legislation an appropriate financial incentive for such conversion, either in the form of seed monies, tax incentives, or other means, shall be provided by the state from oil revenues, and -

V. By 1990, such a conversion shall have taken place. (see III & IV)

VI. By 1982 a state-wide building code be enacted, for both the public and private sectors, which will comply, as an absolute minimum with the provision of ASHRE #90-75A, and that means shall be provided for the enforcement of that code.

VII. By 1980, waste heat recovery in public power generating utilities will be statutorily recognised as an acceptable expense for incorporating into the rate structure of such utilities, or shall be deregulated completely.

VIII. By 1980, legislative action will have taken place which provides that alternative Energy resource research and development, appropriate to the regions involved, will be adequately funded, and regionally administered.

(2) CONTINUED

AN ENERGY POLICY WHICH WILL HAVE THE FOLLOWING GOALS FOR REALIZATION WITHIN THE TIMETABLE(S) INDICATED.

IX. By 1980, legislative action will have taken place which provides that alternative Energy resource research and development, appropriate to the regions involved, will be adequately funded, and regionally administered.

X. By 1980, legislation will be adopted which will provide for and fund regional Energy Planning Councils throughout the state, said councils directing and controlling the implementation of such of the above policies and legislation as are applicable and enforceable within the region.

FOOD AND AGRICULTURAL INDEPENDENCE FOR ALASKA

The Agricultural potential of Alaska is one of its least developed renewable resources. At least 95% of the food consumed within the state is imported. Yet, with its vast land area and extreme variations of climate and soil conditions, this state has the potential of not only feeding its own population within a decade, but entering the world market as an exporter of grains and protein.

Many agricultural techniques practiced elsewhere in the world in countries of lower latitudes may be directly transportable and applicable to Alaska. Northern European and Siberian agriculture is already developed far beyond anything we have considered for Alaska. It should be studied for application in our own situation.

Perhaps the most quickly realizable agricultural potential (ties in the state Animal Husbandry field. The Aleutian Islands have already proven to be rich cattle and sheep grazing resources, useable as locations for large-scale ranching operations. This is a basic industry which cannot fail, especially in light of the protein deficient conditions of most of the nations bordering the Pacific Ocean Rim to the east.

With the dwindling of petroleum resources that provide the base for many synthetic fibers, wool will experience a resurgence in popularity.

There are vast hundreds of thousands of acres of tundra lands suitable for reindeer grazing. This potential could help turn many rural areas into economically self-sufficient units, with an export potential unlimited.

Basic attitudes and some legislation about reindeer will have to be changed. Siberian reindeer husbandry is a major industry involving more than 8 million animals. Alaska has less than 50 thousand domestic animals in small, localized herds, the meat from which is nearly all consumed locally. Restrictive legislation at the Federal level, which limits reindeer ownership to selective ethnic groups, must be repealed, and venture capital must be encouraged, with state loan guarantees and technical support provided to potential reindeer industry development.

Farming methods which enhance the fertility and quality of the soil should be encouraged. Specifically, organic fertilizers, mulching, and the return to the soil of fibrous matter is a must. Agricultural homesteading provisions should be fostered which encourage both the small and large entrepreneurs with appropriate subsidies available to provision of foodstuff for the Alaskan Market.

Legislation and policy implementation to achieve the following goals should be enacted within the next two years.

By 1985 Alaska should be producing 20% of its dairy requirements.

By 1985 Alaska should be producing 15% of its root and garden vegetable requirements.

By 1990 Alaska should be producing 50% of its animal protein requirements.

By 1990 Alaska should be producing and processing, within the State, all of its requirements for ocean protein indigenous to Alaskan waters.

By 1990 Alaska should be producing all of its fertilizer, and be a potent force in the export market.

By 2000 Alaska should be, for foodstuffs economically feasible to produce within its boundries, self-sufficient.

TRANSPORTATION

Alaskan economic growth and self-sufficiency is utterly dependent upon an internal transportation system. Interior Alaska has some highway and rail service along the rail belt. The remainder of the state is served by water and air, with some local highways activity.

The water transportation of the state is centered in and controlled from Seattle. Such intra-state movement of commodities as takes place, beyond the reach of the rail belt, is by air. The speed and convenience of air service is attractive, but it may be actually impeding the development of the state's overall economy. By way of illustration, consider that:

Air transport is the least economical in terms of ton-mile costs, per unit of energy expended.

In an era of increasing petroleum fuel costs, freight and passenger rates are bound to rise.

The commodities that can be shipped intrastate by air may soon, because of increased air freight costs, be luxury items.

The first potential for Alaskan economic development should be the marketing of Alaskan goods in Alaska. Yet if transport costs make such a prospect economically unfeasible, we shall continue to be frustrated in such development.

Development of the sustained-yield renewable resource potential of the Alaskan "Bush" will be directly proportional to the ease and economy of transport of its products to internal and external markets.

Most of the state north of the Aleutian Islands is only seasonally served by Seattle-Based water transport.

The legislature should address the feasibility of several possiblities with the object of linking various parts of the state together by other than air transport, even though immediate prospects for profitability may be moot. Where appropriate, state subsidies, loans, or tax incentives should be provided for private industry. Where such an approach cannot be effected, the State should consider direct involvement, the precedent for which has already been established with the State Ferry System.

Innovative alternatives in modes of transportation should be studied, fostered, and encouraged.

Extension of rail service from Alaska to the rest of the United States (except Hawaii) through Canada should be encouraged and financially supported to lower freight rates on materials coming into Alaska from the East Coast and Middle West, by eliminating transshipment costs at rail/waterheads.

Rail transport within selected areas of the state could substantially lower living costs for the areas served.

Regional highway systems, perhaps seasonal, could lower costs of distribution from Western Alaska Seaports and major distribution centers to villages served by them. Kotzebue, Nome, Unalakleet, St. Michaels, Bethel, and Dillingham seem good prospects for such consideration.

TRANSPORTATION, (CONTINUED)

Enlarged, diversified, flexible transportation within the State of Alaska will create its own market for services and revenue, by opening up areas not now easily or economically accessible. It will promote tourist travel.

Public Transportation can survive as an economical alternative to the proliferation of urban automobile traffic. The economics of gasoline and diesel powered automobiles may well provide the incentive on the part of the Public that no amount of exhortation to conservation can accomplish. Such public transport should be adequate, not only for the urban care of our large community, Anchorage, but for the suburban areas as well. Monorail trunk systems, with local small or miniscale feeders, would relieve main highway feeder congestion, and reduce the present passenger-per-mile costs of the busses. Monorails are less subject to weather disruption than surface transport, are very fast, safe, and attractive alternatives to automobiles. Electrically powered, they are non-polluting, and most economical of resources.

Inland Waterways have great potential for inexpensive, albeit seasonal, transport into and from areas otherwise unserved. As it is now, only salt water systems get attention from the Coast Guard. Where other federal agencies cannot be involved, the State should take an active part in dredging, channel marking, dock construction and other enhancment of the internal waterways in rural Alaska. Water transport is, and always has been, the most cost efficient means of moving large amounts of heavy cargo.

The Alaska State Ferry System should interconnect, either through Seward or Anchorage, with that portion that terminates at Haines, permitting passengers from the rest of the United States to access not only Southeastern Alaska, but interior Alaska as well, without the necessity of travelling by either auto or bus or air between Haines and SouthCentral Alaska. It would also encourage and foster Intrastate use of the system.

FISHERIES

With its vast coastlines and intercontinental shelves, Alaskan fisheries have been and will continue to be a major renewable resource. However, and this is of prime importance for the economic future of Alaska and the welfare of its citizens, much more Alaskan participation in processing, distribution and marketing phases of the fisheries industry must be developed.

The historically rich salmon fisheries of the Gulf of Alaska and Southeastern Alaska are seriously depleted. While much of this depletion has its historic roots in foreign fishing, its condition is correctible by state action. Other factors have contributed to spawning stream degradation and subsequent run depletion, such as earthquakes, pollution, habitat destruction and the like. These producing areas must be rehabilitated.

While fisheries are renewable resources, the present practices are more exploitive than husbanding and developmental. Catch regulation is only a part of the most effective series of options that ought to be applied.

To the extent that bottom fisheries can be enhanced, rather than selectively fished to near extinction, such measures should be actively pursued.

Many countries throughout the world are successifully rearing fish in aquaculture programs. This method of production is vastly more efficient than the present methods of depending entirely on catching fish in their "natural" state. For the species amenable controlled rearing and harvest, such programs offer the possibility of sustained profits, unaffected by the uncertainties of fish behavior, and requiring minimal investment in harvest gear.

The return to the state's people of a larger share of the market price of its fisheries will increase private income and state revenues. State participation in the world-wide marketing of Alaskan-processed fish products is absolutely essential. Such a State agency could be supported directly from appropriate resource tax revenues.

The following specific recommendations are offered:

A concerted program of regional hatcheries construction for the restocking and restoration of depleted spawning grounds, the development of promising new spawning grounds and the enhancement of present rivers and streams with hatchery reared young should begin immediately.

Experimental acquaculture programs should be initiated throughout selected areas of the State.

A State Board of Fisheries Marketing, supported by appropriate fisheries-derived revenue, should be established, with representatives of the industry and the state represented thereon, to develop world-wide markets, including transportation involvement as required, for Alaskan fisheries products.

Tax incentives, subsidies, or guaranteed loan programs to Alaskan owned and operated fish processing plants should be implemented.

POST-SECONDARY EDUCATION

Alaskan Post-Secondary Education should be considered as falling into two major categories,"University" degree programs leading to Bachelor's and advanced degrees, and the Community College system. At present both systems are administered by the University of Alaska, through its Board of Regents and President.

While the roles of these two systems should be complementary, they are, in fact,administered competitively, to the detriment of the effectiveness of both, and to the disservice of the people of Alaska. Such a competitive system assumes, ultimately, that one must give way to the other, and that they cannot coexist. In this state, there has been a concerted effort to achieve such a destruction of the Community College System, as it has evolved, in favor of the University. This has resulted in a disservice to the people of the state, unnecessary expense to the State, and an atmosphere of distrust surrounding the University, The Legislature, The Administration and within the University itself.

Legislation has already been intruduced to effect a complete separation of these two systems. This legislation should be enacted without delay, and a delineation of the proper spheres of each accompany such legislation.

Clay McBourell

MOM, APPLE PIE and EDUCATION

An assessment of education in Alaska presents us with a complexity of major social trends, technological developments and accumulating evaluative and projective data that are profoundly challenging to the existing education structures and rationales. Not only in Alaska but nationally, significant questions as to role, purpose and methods of instruction are being raised. The quantity of significant concerns appears endless, ranging from record keeping to revenue sharing to "relevancy". It's impossible to devote even a paragraph to each, so in this report I'll attempt to limit discussion of national issues to those which should be of vital concern to Alaska learning programs, while at the same time including those major Alaskan factors that are unique to our particular situation.

An overview of the myriad questions and issues relative to our topic points to four basic areas of educational concern. For purposes of discussion and whim, let's refer to them as the FACE issues of Function, Approach, Control and Economics. These 4 areas are what education is all about...and probably what any social institution is about.

Since the last two FACE issues -control and economics- will be discussed in other reports, we will dispense with their consideration for the purposes of this article but for three major points which have had and will continue to have significant, and perhaps determining, roles in establishing direction for Alaskan educational programs. These will be mentioned only briefly, although their impact is profound, merits a great deal of attention and, when you're dealing with education will occupy much of your time.

1. Education is big business. Roughly $200,000,000 was spent in Alaska last year on education from grades K-12.
   If we include university and college expenditures, vocational and in-service training, and educational counseling. Alaska probably spent close to a quarter of a billion dollars on education this past year. Any business this big is bound to have vested interests, intensive lobbying, and individual and group struggles for power and control. This is especially true in rural Alaska, where the economic impact of education dollars has a significant effect on the local economy.

In many villages the only full-time jobs are with the schools.

2. Education is publicly supported by local, State and federal funds, and is acutely subject to political pressure from all these levels. In addition, federal funds are presently a crucial factor in Alaska Native education. What happens in Washington has a significant impact on what happens in rural Alaska.

3. Education is an emotionally laden issue, dealing as it does with the welfare of children. This is a growing concern in rural Alaska, with the problems inherent in providing quality education for the bush students. This has expressed itself in strong movements toward totally local programming and local educational self determination as opposed to the centralized administration of education in the past which required rural students to leave home in vast numbers.

As stated, these areas of Control and Economics indeed merit consideration, and will have a significant effect on the first two components of FACE, Function and Approach, which we will now examine.

FUNCTION: There is at present a great deal of discussion relative to proper functions of Alaskan and especially Alaska Native education, although all points of view seem to point toward the socialization roles as being of prime import. The question is, socialization to what?

At present we find a variety of opinions as to this role. Should prime emphasis be placed upon education for local socialization, or for socialization within a non-local situation? Is a segregated system preferable to an integrated system? Should school emphasize prevocational studies, precollege, "Life-Skills" - what ever that means?..

Present trends seem to indicate a consensus that schools are expected to provide for educational needs of individuals ranging from early childhood through adulthood, and from the physically or mentally handicapped to the college-bound.

Interest in adult literacy and training is apparently increasing. Opinions solicited from local school boards indicate a feeling that career education is highly important. (Dropout studies also indicate that this is important along with the capability of adapting to the social environment of whatever the setting in which a given career might exist.) The themes of self-identity and cultural pride have also been strongly advanced over at least the past eight or ten years.

This may sound obvious, even trite - yet if we take one short, very brief step backward in Alaskan education - we see a one or two teacher school concerned only with teaching the average child the three R's - and feeling lucky to do that. In fact, though we don't often acknowledge it - that's still a major task in Alaskan education today - and rightly so.

That all these concepts are important seems to be at least generally accepted. However the degree to which they modify curriculum has created controversy in professional and lay circles. At one extreme are proponents of same-culture immersion, in which rural teachers, curriculum, language and academic approach would be totally Native Alaskan, based on three premises - or statements of philosophy defining Functions:

a) Self and cultural identity and pride are necessary for success and the prime function of the academic experience is to instill these traits.

b) The function of school is to develop thought processes and concepts. This can be done most readily when done within the framework in which the student habitually operates;

c) The function of education being preparation for life, schools should offer only that which is relevant to the students' own culture.

This position limits severely both scope and clientele of the educational process.

The other extreme holds the position of majority culture immersion.

This position is also based on functional premises:

a) Teaching of skills is an essential function of the school. Many of these skills are necessarily tied to an understanding of the majority culture which has a high degree of utilization of the skill.

b) Career training as a proper school function demands the ability to deal successfully with the culture in which many career opportunities exist.

c) Students know their own culture through living it; it is not a school function to teach it. It is the function of the school to acquaint them with that culture they don't know.

This position ignores advances in learning theory concerning process, and basic rights of self-determination and self-expression. However within both positions are points of validity, and several appropriate school functions can legitimately be drawn from them.

Positive aspects from each extreme identify the following as legitimate Alaskan school functions on which valid, result-producing programs could be built:

1) To determine community and individual educational interests and priorities and involve all components of the community in this determination.

2) To provide, or act as referral agent for, the educational needs, interests and aptitudes of the broad spectrum of individuals living in the local community from pre-school through adult.

3) To develop competence in the functional skills essential for individual and societal success.

4) To develop analytical processes relevant to situational recognition and problem resolution-the skills of the self-starting, continual learner and independent thinker.

5) To prepare students for the world of work, either through entry level training or pre-vocational and pre-college courses of study.

6) To provide significant opportunities for the development of a positive self and cultural awareness.

7) To develop self-disciplined individuals with positive attitudes toward life and learning.

If these can be accepted as the major legitimate-though by no means exclusive-functions of an Alaskan basic educational program, we can proceed to an analysis of the means to making these functions operational-the Approach component of FACE.

APPROACHES:

The manner in which information is presented is currently known in the trade as a "delivery system." That doesn't fit my particular choice of acronym; therefore, the way the Iceman cometh in this paper is known as the Approach.

This is the action arena in education today-in terms of approaches we are in at least a reform-and probably a revolutionary-era. All aspects of traditional approaches to schooling are being challenged for a myriad of valid (and some less than valid) reasons. Among the more valid seem to be the following:

1. The Information Explosion: More data is being produced than can possibly be taught. The advent and development of computer science is causing quantum jumps in knowledge accumulation.

2. Learning Process Advancements: As other fields have advanced, so too has our understanding of ways in which learning occurs. This knowledge is being translated into functions and approaches.

3. Rapid Societ l Changes: Changes in village society and its relation to larger communities over the past 20 or 25 years has been profound-and increased rates of change are in the offing. This is in part due to technological advances in transportation and communication, in part due to the Land Claims Bill and its economic and socio-political impact.

Changes and growth in Alaskan urban areas has also been profound - indeed overwhelming - in the last ten years. In boom and in bust, for good and for evil - the growth and changes are here.

4. Recent Technological Innovations: These have vast possibilities for application to education, making such terms as relevancy, immediacy, and self-pacing fact rather than fancy for bush education, as well as for the cities.

5. Changes in the Learner: Today's youth enter the educational system with different sophistications, skills and experiences than their parents. In addition, the increase in formal educational opportunities has correspondingly increased the spectrum of learner needs and abilities.

6. The demand for accountability and relevance: It's a generally conceded fact-as evidenced by recommendations of various federal, state, and professional groups - that change in the schools has not kept pace with changes in need and opportunity, and much that occurs in school may not be relevant to-in fact, may even hinder-positive development. Educators are being challenged to justify their actions with more than rhetoric. This demand is coming from educators, society at large-and students themselves.

7. "The Movement": -for want of a better term, that began with the civil rights activitists of the late fifties and has since encompassed women, the aged, all minorities, youth and environment and peace groups. This major social evolution has led to a re-awakening , reaffirming and recognition of the rights of individuals and groups to justice and identity. Alaska, the home of the independent - be he escapist, individualist or opportunist - exemplifies this spirit. This has had-and will continue to have-a profound effect on Alaska education.

In summary, when we speak of Alaskan Education, we are speaking of a societal function designed to provide a broad spectrum of individuals with a wide range of cognitive, affective and psychomotor skills; with positive attitudes about themselves, their society, life and learning -

all this to be done in an arena of continual vast social upheaval, technological advancement, and increasing understanding of learning processes; under conditions which will vary profoundly according to the economic, political, emotional and rhetorical factors of the day. To say the least, a challenge!

It is through the approaches-or strategies-that we use to achieve these constantly evolving ends that our schools as instruments of society will rise or fall. Obviously, several tasks need addressing before this can be accomplished. To develop strategies competent to meeting this challenge successfully over the next several years requires an analysis of variables that includes the following:

1. Examination of those major trends and directions in Alaskan education which we can expect, with some degree of certainty, to expand and develop.

2. Familiarization and continual updating with developments in understanding the learning processes, and with those technological advances that can be used in education activities that stimulate those learning processes and/or increase knowledge and skills.

3. Ongoing determination of relevance between existing and desired educational functions and activities.

1. Examination of Trends:

Although often times education seems to be heading in more directions than there are students, I think we can identify a few major, significant long term trends which we can feel fairly certain will continue. Again I hasten to point out that these are not all-inclusive and that there will be exceptions to each direction mentioned. However, as overall indicators, I think the following appear adequate:

a) Continued decentralization of control
b) Continued expansion of local village high school programs
c) Reducation in non-local secondary options
d) Expansion in scope of all education programs

e) School population stabilization in villages. Growth in urban areas.

f) Increased emphasis on career education and educational accountability

g) Continued rural school facility development.

h) Increased use of regionalized technical assistance support systems.

i) Increased use of self instructional units - or multi-sensory programmed approaches to learning.

j) Increased use of computerization and standardization of support functions.

k) Increased use of satellite video and computer assisted instruction.

L) Spread of community college programs into rural areas, and an accompaning growth in community interest courses in both rural and urban districts.

a) Decentralization of control:

Present trends indicate that both rural and Federal BIA schools will be subject to increasing local control through school boards of the REAA's through local input into Federal funding for schools and through self-determination policies for Federal Native schools.

Along with this decentralization of control will come a corresponding need for local development of educational priorities and projects for federal grants. This will be necessitated by Public Law 89-10 guidelines as well as Indian Education Act regulation, [Public Laws 93-638 and 95-561] , which call for local involvement in project development. As these funds play a major role in Native education programs, this will be a significant factor in the development of quality village school systems.

In addition, there has been a definite pro-localization movement in the technical assistance and administrative control policies of the Department of Education and the Federal Government. Vivid examples include the talent bank approach vis-a vis state "Specialists", the flexibility of graduation requirements, and the formation of REAA's.

b) Expansion of local bush high school programs:

In the past 4 years, there has been a significant increase in the number of local high school programs. Recently more than a dozen new high schools have been constructed or are in the process of being constructed. This spurt,- based upon the legal implications of the now settled Molly Hootch v. State Board of Education case has caused this to become a dominant mode of secondary education for role high school students within the past two or three years.

Although this is the direction in which most educators and Natives seem to wish to move, there is more than a little apprehension about the educational dangers and difficulties inherent in this shift. [In some quarters this is viewed as a potentially hazardous neo-isolationism!] These will be discussed in the section relating to strategy development.

c) Reduction in non-local bush secondary options:

In the recent past, over 1500 Native high school students were required to leave home for secondary school opportunities. This was accomplished through a system of boarding schools, "URBAN" dormitories in Bethel, Nome Kodiak and Kenai and boarding homes in Anchorage and other cities. If we relate bush enrollment projections indicating a short-term growth and a long-term stability or shrinking in secondary student populations to the above mentioned development of village secondary facilities, it became obvious that the non-local options as they have existed were underenrolled, and therefore too inefficient to continue operation. Indeed, this has become glaringly obvious. As this happened, several options for such boarding programs presented themselves:

1) Change to a functional secondary specialization for a selected bush student body attending on a full-time basis.

2) Change to a functional secondary specialization for a general bush student body attending on an intermittant basis.

3) Remain open for those students not reached by local secondary programs.

4) Develop programs related to educational needs other than secondary.

5) Shut down, or change to noneducational uses.

At present option #5 seems to be the only option taken under consideration.

[It would seem that, with thought, other education-related uses for multi-million dollar educational facilities might be developed.

However, these too can be discussed in strategy development.]

d) Expansion of educational opportunities in terms of population and programs offered:

In a village which, twenty years ago, may have had only a single teacher, we today find a variety of programs for kindergarten, special education, bilingual education, and adult basic education. In addition, there are correspondence courses for State diplomas or for community college credit, numerous visits by education consultants in various fields, and in-service training sessions-all of which are designed to provide learning opportunities for those previously untouched by the educational system. Although these programs are far from perfect, they appear to be growing in number and quality. It is not likey that this trend would be reversed.

e) Village Population Stabilization:

Statistical data indicates that village populations are, with few exceptions, in a state of relative stability, or in some cases, decline. The effects this will have upon the total education dollars entering a community and how these dollars will be used has yet to be determined.

f) Increased emphasis on career education and educational accountability:

As the needs of Alaska and the regional corporations expand and become more visible, the school systems will be pressed to assist in meeting these needs. In addition, as the urgency of meeting these needs run headlong into the apparently inevitable time lag in the establishment of programs in this direction, we will be seeing an increased demand for educational accountability. Movement in this direction will most likely be furthered as local control and awareness of school programs increases.

g) Educational facility development:

Over the past five years that has been a burst of village school

facility construction. Most of these projects are for the provision of local secondary options.

It is likely that this trend will continue, it also is likely that as local school districts are formed, the replacement rate of older, existing facilities will increase. Possible, though by no means certain, beneficial outcomes for programs could develop from this construction activity. Regardless such projects also provide temporary construction employment as well as future school jobs. These are important and valid economic considerations.

h) Regionalization of technical assistance:

This has become manifest in Alaska in two unique and apparently effective systems:

1) The Talent bank - Most state departments of education hire and maintain individuals as "specialists" in curriculum areas. Their job is to provide technical assistance statewide in their "specialty" - which is usually for too broad to be a specialty. A rhetorical question: Can one individual reading specialist for example, be an expert in phonetics, in adult reading, in oral reading evaluation, in identification and diagnosis of reading disabilities, in nutritional aspects of reading handicaps, in transitional reading programs in developmental reading programs, in basal reading series, in interpretation skill analysis etc.---and make all these skills available for workshop, teaching program evaluation, project writing, while at the same time keeping current in the field and fulfilling administrative chores - Well, it's difficult but most states try.

However, the talent bank approach catalogs skills and interests of individual professionals around the state recognized by their peers for expertise in specific functions. When a specific skill is needed for a training session, project design or program evaluation, the names of individuals best suited for such activities are pulled, contacted and if free made available by D.O.E. money. And are again evaluated by their peers- the accountability factor mentioned earlier. Simple, but brilliant - and apparently effective.

2) Regional Resource Centers. With the establishment of REAA's came regional resource centers as supplemental support for those essential but expensive school services not affordable by a single small district alone. With minimal D.O.E. funding and dependent upon the school districts they serve for fiscal support, they represent an opportunity for an excellent symbioses not present in most educational systems - the user of the requested service deciding whether or not the service is valid enough to continue paying for. Again - accountability So far 4 of the 5 originally established RRC's are still functioning- so they must be doing something right. The hand-to-mouth nature of the Resource Center funding can generate conditions such as frantic searches for external support, essential political compromise with varying district demands etc - but these are not necessarily unhealthy realities but just realities. So far things are apparently functioning to the relative satisfaction of the concerned school districts.

i) Individualized Self instructional Units: There exists today the possibility of a machine-student "relationship" in tutorial learning situations that in many ways can be more "intimate" than the average teacher-student relationship. Some of the equipment making this possible includes:

1. The packaged unit:

Today, there are commercially available packaged learning "kits" complete with reading materials, filmstrips, cassettes, relevant "objects" to see, touch, and manipulate, lesson plans, objectives and evaluation tools. These are available for all levels and for nearly all subject areas. These range from elementary math tools such as quisenaire rods, to complete motorcycle repair and maintenance studies.

2. The 8mm film loop:

Short (1-5 minute) films on nearly any subject or "mini-subject" are packaged in a quick, slide-tape cartridge for use by individual students-or groups of two or three-in a small quiet projector. The films are usually in series, with each film showing one step in a series. For example, the method for dissection of a frog may be shown in various stages on 8 or 10 film loops. The films keep revolving on the loops in a continuous cycle for constant reference.

3. Programmed Learning Units:

First developed by the Armed Forces, these units consist of lock-step individual instruction in which a small amount of information and explanation is given. A question is asked and answered, and the answer checked by the learner. If he is correct, he proceeds to the next step. If incorrect, he is referred back to a pertinent section for review and retest.

j) Computer Support Systems:

At present we have just begun to tap this resource for educational support. Its significant in time and money savings potential is astounding. For instance school district offices are now plugged into an "EMS" - electronic mail system - whereby sameday, simultaneous two-way information transfer can be accomplished between Juneau and any or all of the remote school districts, and individuals in those districts. Anyone ever dealing with multi-community bush communications, will realize the enormous time and energy savings involved here.

In addition, by March 1st, several Southeast school systems will tie their budgets into the same computer capability. This will put instant budget data in the various funding categories in their possession when they need it - eliminating enormously time-consuming local data collection and retrieval functions.

k) Vido and Computer assisted Instruction:

Adult Education programs and the now notorious t.v. town meetings are only two examples of recent use of televised or computer assisted instruction or information programs utilizing satellite link-ups. Still in the experimental stage, live two-way communications in Alaska will be a day-to-day fact of life in education. Tutorial type, programmable computers already exist in homes and in schools. As training in their operation and experimentation in their utility continue, we can expect to see computers taking an ever increasing role in educational delivery to individual students.

1. Community College and Community Interest Courses.

A notable event over the past few years has been the sudden deployment of community colleges around Alaska. The University of Alaska has 2 such facilities in operation around the State with 3 community college campuses here in Southeast alone.

With the simultaneous growth of small bush high school programs, the opportunity now exists for rural Alaskans to get the "basic +" of public education without leaving home - or at least without going far.

In urban areas as well, the community colleges and community schools concepts have added a new dimension to those long dark winter evenings.

More important perhaps, they are keeping alive the concept that everyone is a teacher - everyone is a learner. Thus a fly-tying course is taught by a fly fisherman, a mining course by a prospector, a lifeboat course by Marine Highways employee. Simple? Certainly - but the idea of <u>not</u> requiring a piece of paper to prove you are "qualified" to do something in a school is unique [though even the community college approve, no credit is given unless the program is signed off on by a "qualified" instructor of record.]

There is a bonus inherent with the community colleges in rural areas - they provide a center of intellectual fermentation - a catalyst for idea exchange and planning of community development. As with any new program, there are adaptions to be made and problems to be dealt with. However, the existing and potential for further successes is a cause for celebration in the rural areas.

2. Developments in Learning Process Theory and Educational Technology:

A great deal of research has been published over the past several years relating to the way we learn; i.e. the learning process.

Rather than reiterate all that has been said, copies of several pertinent books are available for your review. These include HOW CHILDREN LEARN by Holt, the PROCESS OF EDUCATION by Bruner, EDUCATION AND ECSTASY by Leonard, and TOWARD A THEORY OF LEARNING by Bruner (ch. 2&3)

To summarize in a few sentences the divergent points of view represented would not be fair, but a few of the significant findings by these and other researchers appear to include the following:

1. Pertinent and frequent evaluation is an essential element of curriculum design from the point of view of the learner and the instructor.
2. A major goal of education should be to create in the learner a predisposition to learning.
3. Skill development is essential to growth in learning.
4. Accomplishment and gaining of understanding are internal rewards that can lead to further learning development.
5. Experimentation and experience are two essential elements of learning.
6. The curriculum must be relevant to the goals, needs, environment and experiences of the learner and the growth must be measurable.
7. Learning of the concrete must come before learning of the abstract.
8. Learning can be defined in terms of behavior changes to be developed, and therefore the learning and the effectiveness of the instructional strategies can be measured and evaluated.

9. The cognitive skills have been classified and learning experiences prepared to assist in their development.
10. The cognitive skills of thinking are more crucial in today's world than the cognitive skills of remembering.
11. Individual learners have individual needs and interests, and individual rates of physical, emotional and intellectual development.
12. Immediacy of feedback from the appropriate external sources is a positive asset to growth in learning.

Although this is by no means an all-inclusive list, it does include some of the more relevant findings and development of educational theory, and should be reflected in the curriculum and strategies of the practitioners in our school systems.

CONCLUSIONS:

Using the information from preceeding sections, the true tasks of a concerned citizenry and their professionals would seem to be the evaluation of existing and planned educational approaches in the light of

a) what is desirable - and should be striven for;
b) what is possible - and should be achieved;
c) what is probable or certain - and must be accounted for in planning.

How then, is this to be done? Well that, Gentle Reader, is the rub. It doesn't seem there can exist an answer only questions, data, processes and conclusions that must change with time, people and circumstances. And perhaps this is what judicial bodies, legislative committees and administrative agencies are all about - dealing with change. As alwasy we are the yin and yang, the problem and solution, the beginning and.....THE END.

Rec'd 11/28/79

Novem ber 27, 1979

Future Frontiers
308 G St. Ste. 301
Anchorage, Ak., 99501

Honorable Legislators:

ISSUE:

The state creates valuable permits, certificates or licenses by deciding to regulate entry into certain industries. Because entry becomes limited the licenses, etc., become valuable and salable on the private market. These permits become valuable regardless of the value of the business "owning" the permit. There are many cases where a business person sells his equipment for one price, the goodwill of the business for another, and the state license or permit for still another price. Even where a business is bankrupt the permit or certificate is salable.

The value of the permit is created by the state by limiting entry into the industry. If it were not true that the state allowed only a certain number of businesses in the industry (e.g., fisheries, air transportation, etc.) only the equipment, real property and good will of the business would be salable. The state creates the value in the permit or certificate; the value does not result from anything the company does or produces.

Although the Transportation Commission has tried to reduce the occurrences, the permittee now sells his permit and retains the revenue for himself. To me this procedure is an unconscionable transfer of income from the taxpayer to the individual selling the certificate. This windfall was created by the state for state purposes in the public interest. The vendor of the permit has not earned the revenue received from the sale of the permit; his gain is from the sale of his company's goodwill, if any and from the sale of property. In my opinion, the revenue from the sale of the permit or certificate belongs to the state.

RECOMMENDATION:

Where the state wishes to limit entry to an industry the permit should be placed at auction before qualified potential buyers. The auction could be held before the buyers were qualified, or afterwards. In either event the money from the auction would belong to the state.

Existing permittees and licensees in limited industries would merely turn in their permits to the state without selling them to private individuals. This permit would then be auctioned, if in the public interest.

Merely taxing away the gain from the sale of a permit would stimulate the growth of measures to avoid the tax. Vendors of permits would conceal the sale in the price of equipment, value of goodwill or assorted schemes such as "consulting agreements" after the sale. The right of the state to auction the permit would be clouded unless statutory.

CONCLUSION:

The windfall should be removed to the state where it belongs. With the auction there would be no need for public convenience and necessity hearings. The prospective buyer should make such a thorough investigation that he knows that owning the permit would be valuable. The public interest would still require that the buyer be a qualified person or company, but such matters would be determined without large scale hearings. The value of the permit would rise and fall determined by the profitability (public need) of the service.

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P.S.

The writer is a nonpracticing attorney who teaches part time for UAA (regulation of industry) and is a hearing officer for the Transportation Commission. Although speaking as a private citizen only herein, I would be happy to provide more information if desired.

Rec'd 1/28/79

FRONTIER CHILDREN, 1979

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Paper presented at the 37th International Council of Psychogists Convention, Princeton, New Jersey, August 1979

Alaska is a vast expanse, one-fifth the size of continental United States with a population less than that of the state of Nevada. It is the largest and least inhabited per square mile of all the states. The weather varies from mild 50° to 70° temperatures in the long days of summer to frigid subfreezing temperatures in winter which drop as low as 60 below zero in the Interior. Coastal winters are comparatively mild. In such year-round ports as Valdez, as much as 26 feet of snow may fall during a season but the temperature rarely falls below freezing. The population of approximately 400,000 is comprised of Eskimos, Caucasians, and the Indian tribes, primarily the Aleuts, the Tlingits, and the Athabascans. The Native settlements are located on inland rivers or along the 26,000 miles of coastline of the Arctic Ocean and Bering Sea. The Caucasians typically live in urban settlements such as Anchorage, Fairbanks,and Juneau. Russian, French, Norwegian, and English ancestries predominate, however, because of its close proximity to Russia (55 miles at the nearest point) the United States military forces account for a sizeable number of the Non-Native populace. The remainder are private entrepreneurs, government employees, oil pipeline workers, and Sourdoughs of various persuasions. Salmon, halibut, and crab fishing, lumbering, gold and copper mining, and tourism are the leading industries. One of the most striking aspects of Alaska's population is its relative youth. The average age for Alaskan citizens is about 26. Nearly 50 percent of the population consists of persons under age 18. Nineteen-year-old citizens have the right to vote.

The styles of life, the standards of living, and the social systems

which prevail among Alaskans differ measurably. The modern and the primitive coexist within comparatively short geographical distances. In the Native villages an ancient social system prevails.

A common misconception is that people in the Polar regions live in igloos which are dome-shaped shelters made from blocks of ice. The igloo is only used as a temporary shelter during travels or by Eskimos on hunting trips. In areas where timber is available homes are made of wood and turf. As no trees grow in the northern Arctic, houses are made of flat stones, driftwood, and peat. Windows are made from the intestines of seals if glass is not available. The house consists of one large room seldom more than 15 feet in diameter by 9 feet high. A wide platform is the family's sleeping bunk. At times as many as 12 persons may live in such a dwelling. The impossibilities of washing clothes in the low temperatures of the north along with the fact that Eskimos may rarely have a second set of clothes, make it necessary to go naked inside their houses while their clothes are being dried or cleaned of lice. It also allows them to get fresh air for their bodies. Therefore, from their childhood Eskimos are used to seeing men and women in the nude, and no shame is connected with the human body and its needs.

A hunter may have more than one wife or may borrow a friend's wife to help with the cleaning of skins or with homemaking chores while on a hunting expedition. Eskimo and Arctic Indian women as a group demonstrate a striking fecundity with a birth rate more

than double that for the United States as a whole (53 per 1,000 pop.). The high birth rate is more than offset, however, by the fetal and infant wastage evidenced by the high fetal, neonatal, and post neonatal death rates of the infants which is more than four times the United States average. Prematurity is the single most important factor associated with mortality in the neonatal period, which may in part result from widespread anemia and iron deficiency in the maternal group. Postnatal infectious diseases play a major role in contributing to the infant mortality rate. Tuberculosis, otitis media, and meningitis are epidemic, however, there has been close to a 75 percent reduction in the Alaska Native infant death rate over the last twenty years. In 1976 the expectation of life at birth was 62 percent. Compared to the United States total population the life expectancy for Alaska Natives is about ten years behind at birth and nine years behind at age one. At age 65, however, they show the same life expectancy as for the total population. The median age at death is 62.5 for males and 73.9 for females.

Native women who breast feed their babies do not wean them until the child is three or four years old, often later. While Alaskan Natives generally cherish their offspring, male babies are considered more desirable than female babies. A physically or psychologically handicapped child may be viewed as an embarrassment to relatives. The baby is seen as "broken" and rejected by the mother. The rule of survival of the fittest has unfortunate connotations for the handicapped child. Because of the high incidence of consanguinity

and incest in the small villages, hereditary defects transmitted genetically should be greater than the norm yet only a few are identified. For example, there are less than 100 severely/profoundly retarded children who are institutionalized in the state facility for the developmentally disabled when ordinarily that group represents about one percent of the population. The dearth of media may account for the low rate of referrals as many Native parents may be unaware that help is available. It also appears possible that an unwritten law of the Arctic that everyone should contribute to the struggle for food and clothing is an important factor. Those who do not or cannot are despised by all, and feel themselves beyond the pale of the community... the most terrible punishment to any Indian or Eskimo. People who are handicapped are not looked upon favorably and are apt to meet with "accidents."

Health services for the Bush communities are delivered presently by 100 public health nurses who schedule visits four times a year. There are ten native hospitals in Alaska with satellite health stations and village-built clinics throughout the state. Primary health care is provided by Community Health Aides. Hospital and dental care and medicines are free to all Natives. The leading health problems are ranked as alcohol abuse, accidents and injuries, chronic otitis media, and influenza and pneumonia. Epidemics of meningitis and tuberculosis have disastrous consequences on the young. Alcoholism, rampant among Native youth and adults, is a problem of immense magnitude. Alaska ranks fourth among 50 states in per capita alcohol consumption and first in the nation in

alcohol-related deaths. Among Alaska Natives, the alcohol-related death rate is approximately five times as great as that for non-Natives.

For the child in the Alaskan Native village, the school is a focal point of his life. To counteract poverty and malnutrition schools provide breakfast, lunch, and a snack. The schools are often open in the evening to allow children to take showers or they may serve as a refuge in case of heavy drinking or battering by one or both parents.

Since 1972 the schools have attempted to enhance the abilities of the Native children in both English and their native tongue. The lack of materials for the 23 native languages with their many dialectical variations causes English to be the main vehicle of instruction. While many Alaskan Natives speak both best and most often in their native tongue they write in English because they have never been taught to write in the native language. Non-English speaking Alaskans are limited in learning as the media (newspapers, radio, and television broadcasts, when they are available) are in English. The National Bilingual Materials Development Center of the University of Alaska under a Title VII grant develops materials in Native languages in a variety of subjects from music through literature. Finding trained teachers is a problem. In some villages noone can write.

Welfare programs seem to have created as many liabilities as they have benefits. It has given the Alaskan Native time for leisure activities and yet he does not have the options for recreation available to him that people in large communities have. If he cannot read or understand English broadcasts the long hours of dark and cold of winter are often spent drinking, and a vicious cycle ensues.

A comprehensive services network has been developed by the Department of Health and Social Services and by private Native associations to help the children of the Last Frontier and their families to develop to their highest potentials and to function effectively by making needed improvements in community support services on an ongoing basis. The primary objectives are to foster pride in the heritage and traditions of the Native cultures, to preserve their customs, folklore, and art and to promote physical, economic, and social well-being of the Alaskan Natives. It may take a prodigious effort but it is worth that effort to make the dream a reality.

Recommendations:

An Epidemiological Survey is proposed to assess the incidence of developmental disabilities including mental retardation and mental illness among the Native and Non Native populace in the State of Alaska.

Purpose:

1. to obtain accurate data on prevalence.
2. to ascertain the etiological makeup of the disabled.
3. to identify high risk populations.
4. to assist in ameliorative and preventative planning.

Margaret S. Fischer, Ph.D

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November 26, 1979

Future Frontiers
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Anchorage, Alaska 99501

Gentlemen:

Enclosed is a rather hastily prepared summary of mining in Alaska as seen by me in a global context.

I believe that stagnation will set in unless some positive actions are taken by the State in the near future, and hope that the suggestions offered might serve as a seed to that end.

Sincerely,

Dick Swainbank

Dick Swainbank

DS/nh

INTRODUDUCTION - HISTORICAL PERSPECTIVE

By 2000 B.C. a flourishing trade existed across the Mediteranean between the Phoenicians and the Britons. The back-haul was tin. In Cornwall, the early Britons dug shallow pits into placer accumulations of cassiterite and with little capital investment produced the commodity so much prized by the traders. In the Middle Ages, the Cornishmen were digging shallow pits on the vein sources of the placers, and by the late 18th century and early 19th century, the scattered landholdings were being consolidated into well-managed mining ventures which followed the tin veins to depth. Today some of these veins are still worked, using modern mining methods at greater depths than was formerly possible. Metals such as molybdenum and tungsten for which there was formerly no use are also extracted.

The Cornwall area has a recorded history of some 4000 years of mining, and during the heyday (about 1800-1914), in excess of 2 million tons of metallic tin was produced, worth about 32+ billion dollars at today's prices. Thus tin mining in Cornwall was no boom and bust operation. Today, Cornwall is still one of the most scenic areas of the British Isles.

Similar histories can be documented for most of the world-renowned mining camps such as Central Sweden, Central Europe, Mexico, and the Andean Region.

At the beginning of the 20th century, mining was already in progress at many camps in the Rocky Mountains, such as at Leadville and Urad (Colorado), Bingham (Utah), Butte (Montana), and many others. The mining was small scale, for high-grade veins and replacement bodies of ore, with a high value for small volumes. In 1899, a young mining engineer, Daniel C. Jacklin, proposed to mine the low-grade copper ore at Bingham and almost the whole of the mining and financial world thought him insane. In 1904, the first year of operation, the mine, now the Bingham open-pit, made $200,000 profit. In the 75 years of operation the mine has produced more than 22 billion pounds of copper, 10.5 million ounces of gold, 525 million pounds of molybdenum and 95 million ounces of silver. At today's prices, the market value of this bonanza would be $32 billion.

Within a year or two of the start-up of the Bingham Pit, numerous other open-pit copper mines were started and many are still being mined 75 years later. Major mines now exist near the sites of some of the old vein-mining concerns--the Anaconda Mine at Butte, Montana; the Climax molybdenum mine near Leadville; the Henderson Mine at Urad. A recent discovery of high-grade ore near the Bingham open-pit--the Carr Fork deposit--promises to extend the mining life of the area considerably.

As in Cornwall, the history of these mining districts progressed from one or two-man operations, to consolidated holdings of a minor company, to large operations with each step requiring greater amounts of up-front financing, and each able to work progressively lower grades of ore.

MINING IN ALASKA - HISTORICAL PERSPECTIVE

Around the turn of the century an overflow from the Yukon goldrush crept over the border into Alaska. These prospectors had arrived in the Yukon to find most of the placer ground staked, and they sought their fortune elsewhere down the Yukon. The gold placer camps in the Fortymile and Circle-Central were founded, and the operations began with one or two men, with little or no capital, working their chosen creek. Some walked over to the Ophir Creek diggings, and then on down to the site of Fairbanks to seek provisions. The great Fairbanks mining district was discovered. As the best ground was taken, the residue moved on. New mining districts were found and new "rushes" to these areas occurred. Most of the placer mining districts had been discovered by 1920, and by then the consolidation of the holdings had begun, though even today family operations feed possibly six hundred families in Alaska.

The consolidation of the placer ground led to dredging of the lower-grade gravels by companies such as the "F.E." in the mid-1920s. These operations, under the names USSR&M, UV and Alaska Gold continue today with an almost continuous 50 year history, hardly "boom or bust."

Lode gold was mined near Juneau from about 1880 to 1942, with about 7 million ounces production and a direct employment of more than 1000 persons. Except for government, few operations employ as many people today!

Thus, gold has, by and large, been the mainstay of mining in Alaska, though the great copper bonanza at Kennicott, which produced 1.2 billion pounds of copper and 9 million ounces of silver between 1907 and 1938, and the ongoing coal mining at Healy cannot be ignored. Minor production of antimony, mercury, lead, zinc, tin, platinum, silver and barite have in the past contributed to the Alaska economy, but the operations have all been characterized by relatively little capital investment, and should still be considered in the pre-consolidation phase of the historical development of a mining district in a world-wide context.

In the early 1960's, a new phase of mining began with the general availability of air transport, particularly helicopters, and the perception by major mining companies that only in frontier areas could ore deposits still be discovered near the earth's surface. The new impetus was helped by the interpolation of mineral zones in Alaska between known deposits in the Yukon Territory and Siberia, and with the discovery of interesting copper mineralization at Bornite. Exploration monies began to flow to Alaska, which was perceived as relatively stable in a political sense, and a good bet for the expenditures. Since then the type of commodity sought and the type of deposit (e.g., porphyry or massive sulphide) have changed in response to price fluctuations in the commodities market, but today exploration produces seasonal work for about 2000 persons and introduces about $70 million in new capital to Alaska.

MINING TODAY, A COMPARISON

In the Yukon Territory, the Cyprus Anvil Mine, 350 miles from tidewater is as remote as anything in Alaska. The deposit was discovered in 1953, and mining began in 1969. It has a projected 15-20 year life and presently contributes 40 percent to the economy of the Yukon. Some 350 families derive their livlihood from the operation.

A review of the Yukon and Northwest Territories shows that the annual per capita income from mining is $8,000 and $6,300 respectively, and that the average number of people employed in the mines is 160 and 190 respectively. Canada-wide, the number of people employed in 50 open-pit and underground mines ranges from 10 to 670 persons, with an average of close to 200.

The geology of Alaska indicates that it has the same potential for mineral occurrence and mining as does the Yukon Territory and the Siberian area of the U.S.S.R. In both the U.S.S.R. and the Yukon Territory, the U.S. Bureau of Mines has indicated 31 or 32 prospects of merit. In the Yukon Territory, 8 mines are presently working. Within Alaska, some 236 significant mineral deposits have been identified, and a map was compiled by the Northwest Miner's Association with significant help from all portions of the industry in an unprecedented cooperative effort.

It is important that Alaska take the next step in the historical development of a mineralized area if mining is to be considered anything other than a scenic nuisance.

MINING IN ALASKA--THE FUTURE?

It is vitally important that a decision be made at the highest levels of State Government in the near future as to whether or not mining will be accepted as a welcome neighbor in the State.

Alaska is only a small part of the world, and exploration monies scheduled for Alaska are being diverted because of two major factors. The first is land withdrawals. It is obvious that without considerably less compromise on the part of the State, the Federal Government is going to withdraw from mineral development (i.e. appropriate) some 80 percent of the "significant mineral deposits" mentioned above. More worrisome to investors is the perception that if the State itself is apathetic towards mineral development, as evidenced by land classifications barring mineral location, by selection of mining districts for land disposals, by numerous overlapping restrictive regulations, by leasing proposals, and by the proposed creation of parks in former mining districts.

The second disincentive to expend exploration dollars in Alaska falls under the general heading of "taxation." Why would a company expend several million dollars in exploration for a deposit when the stated Administration philosophy is that "Minerals belong to all the people." The general attitude to that Marxist philosophy is to explore elsewhere.

It is of interest, in this regard, that the proposed leasings bills, HB's 410 and 420, were drafted by a highly regarded advisor to the State Administration, who is now considered to be a "most valued member" of the Alaska Coalition.

The experience of the oil companies in Alaska, whose successful efforts are penalized by ever-increasing taxation, is also viewed with alarm in mining circles. Only if the numerous failures can be recompensed by a successful venture will exploration capital continue to flow. Monies scheduled for British Columbia were diverted to Alaska in 1973-76 until their Marxist government, with their punitive taxation, was finally ousted.

The Stanford Research Institute Report has been widely quoted, and the seven mines identified as being most likely to produce in the next ten years--Lik, Arctic, Eagle, Green's Creek, Quartz Hill, Picnic Creek, Bohemia Basin--are well known. If these deposits were to be mined, they could produce 9,500 new jobs in Alaska and add new monies to the amount of $1 billion annually to the economy.

More important would be the momentum generated, and the incentive to further explore whichever of the 240 "significant mineral deposits" remained at that time outside of the National Parks and Monuments. It

is therefore extremely important that the State of Alaska and the Congressional Delegation begin to recognize that there are not only seven mineral deposits, but maybe as many as fifty or even one hundred.

The Quartz Hill deposit appears to be "World-Class," and as such, is likely to have a mining life of 40+ years, and perhaps, like Bingham, up to 100 years. Several hundred people will be employed, lifelong, if they wish. It is this kind of stability in areas other than tax-funded government which Alaska so desperately needs. Once Alaskans are trained for the jobs, it is unlikely that an influx of workers will arrive to work a 40-hour week, and so the boom-and-bust cycle could be dented, if not broken.

The S.R.I. report also notes that less than 0.2 percent of Alaska would be disturbed by mining, and the historical perspective of mining would support that contention. What higher use, even if no revenue were to derive to the State, would one-fifth of 1 percent of the land have above a stable future for 10,000 Alaskans? This future could be ours with little or no impact, except on one or two of the 5,000+ anadromous fish streams in Alaska.

If these dreams are to be realized, then the State must begin to look upon mining as a desirable co-equal partner in the economic framework of the State. There must be a cessation of the attitude that taxes derived

from oil and mining should be used to subsidize only forestry, farming and fishing. Finally there must be a realization that profits from oil and mining are different by orders of magnitude, and that the production cycles of the two are incomparable.

INCENTIVES TO MINING IN ALASKA

The most important incentive at this time is a solid statement that mining is viewed by the Administration of the State of Alaska as a desirable industry.

Several other incentives can be offered--a reduction in the mining license tax in return for concessions from the mining companies would be viewed positively. Such concessions might be agreements to produce in a timely manner, to train and hire local persons, to return a portion of "windfall" profits to exploration in Alaska, to add "custom" treatment facilities to standard plant, or to provide infrastructure to operations other than their own.

A definite incentive would be to restructure, with little or no additional hiring, the Department of Natural Resources. A full Department of Minerals and Energy Resources could be split out from the D.N.R., and by use of people presently employed in other sections, would form a knowledgeable nucleus with the welfare of the industry at heart, rather than a tolerant attitude as at present. The Division of Lands would have their fundamentally important function reassigned to an Alaskan Lands Commission. A suggested organization chart is attached.

Though unpopular at present, consideration should be given to infrastructure, particularly transportation, subsidy by the State. Such investments have, by tariff charges, paid for themselves with dividends in Canada.

Basic data generation by such bodies as the Division of Geological and Geophysical Surveys, and the timely publication of the same, should be encouraged by the State, either by mandate or increased funding.

Consideration should be given to prospector and drilling or transport aid through some form of loan or assistance, since many mineral deposits later developed by major companies are discovered by the individual prospector.

Adoption of some of these suggestions would indicate to the mining companies that Alaska looks towards them as responsible and welcome partners in the future, and would help offset the decline in exploration activities which is certain in response to the present taxation policies and land withdrawals.

Rec'd 11/28/79

November 22, 1979
Chalkyitsik, Alaska 99788

The Honorable George Homan
State Senator
The Honorable Russ Meekins
State Representative
Co-Chairman
Future Frontiers
308 G Street. Suite 301
Anchorage, Alaska 99501

Dear Senator Homan and Representative Meekins;

Enclosed is a paper expressing my thoughts on the Permanent Fund. I have kept it short and rather to the point since the message it contains is rather simple in it's context, however, I would hope that the basic idea behind this message would not be precluded.

Very Truly Yours,

William B. Fredson

William B. Fredson
Chief
Chalkyitsik, Alaska 99788.

WBF/af

Chalkyitsik, Alaska 99788
November 22, 1979

A PAPER
ON AND FOR THE PERMANENT FUND.

The Alaska State Legislators and many of the prople of Alaska are aware of the Permanant Fund, the basic idea behind the establishment of this fund, and the growth of this fund through the royalties of the State's share of gas and oil and the interest the fund draws from the banks.

Many ideas, schemes and proposals have been put forth by many people on and for the use of the Permanent Fund, some good, some bad and others down-right unrealistic.

What ever the final decision on the use of the Permanent Fund may be, it will be made by the State Legislature in Juneau, by those legislators, elected officials all, who should be aware of this and understand that they are mandated by law to serve the people as a whole and not any few special interests which would violate the oath of office.

The spending of the 900 million that the State received from the sale of gas and oil leases is a case in point, and can only be hoped that this is a lesson learned, and will serve as such.

Whatever the recommendations are for the best possible use of the Permanent Fund, it cannot and should not be used for bigger government. To provide for better government efficiency and services, perhaps, but not to support a huge bureaucracy which would encumber itself through sheer size.

The very state of the economy of the State of Alaska and the Nation addresses itself to this. The economic forecasts for this country is not good and the effects will surely be felt by all of the industries here in Alaska in the near future.

My one firm recommendation on the use of the Permanent Fund is not to expend the funds to the point where it ceases to be for what it was intended.

Towards this end, I tend to favor the idea of a separate corporation to be set up by the legislature to be outside of the influence of State Government officials with the citizens of the State of Alaska to be stockholders who elect the Board of Directors, much as has been proposed by Senator Mike Gravel.

Should this idea not be favorable to a majority of the people, I suggest that a close watch be kept on the major expenditure proposals through propositions on the ballot, instead of the legislature having overall control of the use of the Permanent Fund.

Why? Because it has been proven through the ages that even our elected officials are sometimes wrong and do the wrong things which exceeds the authority of their office.

Take the recent televised town meetings which was an exercise in futility as evidenced by the reaction of a majority of the people.

But, more than that, take the actions of the President and the Secretary of the Interior in locking up vast acres of lands in Alaska in establishing national monuments, wildlife refuges, and study areas for (sic) the future generations of Americans. These actions will have a diverse effect which portends to be ill advised for the future of this country, and the State of Alaska.

For this reason alone, the Permanent Fund is highly important, and that dictates its wise use and investment for the future generations of Alaskans.

Perhaps this is already known. I can only hope that it is understood by all concerned, and that is why this is;

Respectfully submitted,
FOR MYSELF AND OTHERS.

William B. Fredson

William B. Fredson
Chief
Chalkyitsik, Alaska 99788.

Rec'd 11/28/79

November 22, 1979

Senator George Hohman
Future Frontiers
308 G Street Suite 301
Anchorage, Alaska

Dear Senator Hohman:

Dr. John Angell, Director of the Center for Criminal Justice, has written you about my investigation of the Alaska Bar Examination and has suggested that I write a paper for your Committee.

My study of the Alaska Bar Examination began for personal reasons but continued when the findings would no longer be of value to my son. He has been admitted, on the first attempt, to another states bar. A series of events and my own research have prompted me to continue and broaden my study.

Events which have prompted my search are:

1. Jury duty in the summer of 1976.
2. Attendance at a court session presided over by Judge Rowland.
3. A conversation with Mr. Gary Thurlow, former bar examiner.
4. A letter from former Supreme Court Justice Robert Erwin.
5. Conversation with a candidate for the Winter 1979 exam.
6. Inability to secure an appeals attorney.
7. Articles in the Anchorage Times and News concerning minority sentencing.
8. A discovery that a large number of repeat candidates are cultural minorities, particularly Alaska Natives.
9. Conversation with Mr. Neal Thomas, Human Rights Commission.
10. A feeling among citizens of my acquaintance that the legal profession is not open and responsive to the needs of the public. In fact that they are self serving.
11. Research which gives credence to my initial assumption The Alaska Bar Admissions is antiquated, and does not guarantee quality but limits quantity of legal practioneers.
12. No provisions for professional renewal for members.

I welcome the opportunity to appear before your Committee.

Verda Marie Jones
Circulation Supervisor
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ADMISSION TO THE ALASKA BAR ASSOCIATION

LIMITED ENTRY

Professor Charles L. Black of Yale Law School, tells the following story of a Pawnee Indian brave named Peshwataro.

> The law of the Pawnee commanded that on the summer solstice there take place the sacrifice of the star maiden. A girl was each year captured from a neighboring tribe and bound to a stake. At dawn, the Pawnee braves would ride in a circle about her. This was not done for sport, but because, like so much that seems cruel in so many societies, it was thought to be a cruelty necessary to the maintenance of the moral and religious order. Many Pawnees, through what process or influence I cannot say, came to disapprove of it nnd talked of doing away with it, but it was the law, and conservatism was too strong. Then one summer solstice at dawn this Peshwataro, a young man of high repute with the tribe, broke from the circle before an arrow was shot, rode furiously to the stake, freed the girl of that year, slung her in front of him, and escaped with her. He left her with her people and then rode back, much as Gandhi might have done, to submit himself to his fellows. As it happens, they did nothing. It was time, really, to stop this business and they had only needed an act of such courage to make that clear.

The second and seventh month of each year a similar practice takes place in the soverign state of Alaska. It is also thought to be a necessary cruelty. Many have come to disapprove, but no young man of high repute has come forth to stop the practice. What is needed is a single act of courage. It is time, really, to stop this business. The Alaska Bar Admissions is in truth a limited entry program. Your Committee has the obligation to investigate, debate and legislate.

Alaska Constitution, Article I Section I: "This constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of happiness, and the enjoy- of the rewards of their own industry;..."

Alaska Constitution, Article I, Section 7: "No person shall be deprived of life, liberty, or property, without due process of law,"

United States Constitution, Fourteenth Amendment: Provides for due process of law and equal protection of the laws.

This paper deals with what the Alaska Constitution calls, and is dedicated to, a persons "natural right to...the enjoyment of the rewards of their own industry." The right to make a living is among the greatest of human rights.

Protection of the public is the only justification for prohibiting an individual from practicing his profession. A state may not, under the guise of protecting the public, arbitrarily interfere with private business or prohibit lawful occupations or impose unreasonable and unnecessary restrictions upon them.

The Alaska Bar examination is an imperfect instrument for measuring an individual's qualifications for practicing law. It does not protect the public It does interfere with lawful occupation and impose an unreasonable and unnecessary restriction upon candidates.

Because the examination is such an imperfect instrument for determining an individual's qualifications for practicing law there should be a keen awareness of those imperfections on the part of the Board of Governors. The procedures followed by the Board do not evidence the careful use of awareness essential to an individual's right to practice his profession. The examination itself, the grading system, and the appeal handling do not satisfy the requirements of due process. The decisions of the Board are arbitrary and unreasonable and bear no relationship to the end sought (protection of the public), and is therefore a violation of due process.

Because the bar examination is such an imperfect instrument for measuring an individual's qualification it is especially important that due process be accorded to the examinee. It may be helpful to review the examination process and a few of its defects:

The Alaska State Bar Examination is a two and one half day examination given twice a year. One day is devoted to the multi-state bar examination, which is prepared by the National Conference of Bar Examiners and administered by the Educational Testing Service of Princeton, New Jersey. One day is devoted to essay questions prepared and graded by the California Board of Bar Examiners. One half day is devoted to Alaska questions prepared and graded by the Alaska Board of Bar Examiners.

The multi-state examination consists of two hundred multiple choice questions covering six areas of law. A fact situation

is presented and a series of multiple choice questions are presented for the applicant to indicate the "best" answer. The examination is machine graded.

The California essay questions present a factual situation and request the applicant to write an essay analyzing the legal issues applying the rules of law to the facts presented. The California questions are written by the California Board of Bar Examiners and graded with California applicants.

The Alaska essay questions present a factual situation and request the applicant to write an essay analyzing the legal issues applying the rules of law to the facts presented. The Alaska questions are prepared and graded by the Alaska Board of Bar Examiners.

DEFECTS OF THE MULTI STATE BAR EXAMINATION

The Multi State Bar Examination is not a Valid Examination

1. There is no single correct answer to multi-state bar examination questions.

2. There is no provision for an applicant to challenge the examination.

3. No provisions are made to review the examination as a learning aid for subsequent examinations.

4. Pool questions have been leaked compromising the examination.

5. The examination is culturally biased.

6. The multi-state examination has no relevancy as to future performance.

In preparing the multi-state bar examination the examiners make more than one of the four choices offered very close to correct and students are told to choose the "best" answer. Joe Covington, Director of Testing explained "There may be more than one possible correct answer, but the committees drafted each item with what was regarded as one "best" answer.

The Bar Admissions Study Commission for the State of Oregon examined the multi-state questions and several took the exam. The Committee concluded that in some cases at least two of the choices were sufficiently close to correct that there might be a substantial difference of opinion as to which one could properly be chosen. For such questions applicants with equal knowledge and analytical abilities could choose different responses, and the student who chose the committees "best" answer would receive points while the other candidate, with equal knowledge and skill would have no way of demonstrating that knowledge.

The Washington Bar Association eliminated the multi-state portion of the bar examination in 1977, in part, because there is no single correct answer to the multi-state questions. The Oregon Bar Commission appointed by the Oregon Supreme Court to study bar admissions has recommended that the multi-state portion of the examination be eliminated for the same reason. The study was completed in 1979 but has not been acted upon.

There are no provisions for the applicant to challenge the multi state examination. The examinations are brought to Alaska by Educational Testing Service and administered. No copies remain, or can be secured, for the applicant to use in challenging the examination. An examination that cannot be challenged is not a valid examination.

The State of New York passed a "sunshine" law in 1979 guaranteeing that everyone in the state who takes a test can receive a copy of his test and the correct answers It requires the testmakers to explain on the record how they constructed the examination. Ohio legislators are discussing a similar bill and California enacted a weaker bill after educators lobbied frantically to dilute it. Theodore Weiss is cosponsoring a "truth in testing" bill in the House of Representatives. The New York Congressman argues that it will lead to fairer tests if the "testmakers" rationale becomes public.

There are no provisions for the applicant to review the multi-state examination as a learning aid for subsequent exams. No copies of the examination are allowed to remain in the state or to be reviewed. In subsequent exams the applicant may very well continue to make the same error. Failing to select the answer the committee has designated "best".

Pool questions have been leaked compromising the examination. The reuse of questions on the multi-state examination raises the problem of security. At the present time the National Conference of Bar Examiners have filed suit against Multi State Legal Studies in Federal District Court in Chicago for an injunction and other relief. Advertisements of Multi State Legal Studies of Philadelphia regarding a seminar it offered included the statement, "of the 200 questions, approximately 120 questions were reconstructed from questions which appeared in the 1978 multi-state bar examination."

The multi-state bar examination is culturally biased.

A number of papers have been prepared on the topic of bar examinations and cultural bias. Since trustworthy statistics are difficult to come by none of them can be considered conclusive. Because no questions on race or ethnic status are asked it is not possible to identify minority candidates. Partial statistics have been compiled by the Oregon State Bar Affirmative Action Committee and they verify a lower pass rate for minority candidates. Similar reports have come from studies made by Washington and California .

It is possible to identify more than a dozen Alaska Native applicants that have applied for admission to the Alaska Bar. Most of them within the past four years. Only four had been admitted by July of 1979. At that time a majority of the candidates had taken the examination more than once. One young woman had been examined three times. Black applicants are experiencing difficulties.

It is important to note that two hundred questions must be answered in 360 minutes. With little more than a minute and one half per question reading speed appears to be a requirement in the successful completion of the examination. Thus, performance will be enhanced among students who are able to read fast. Since reading speed is to some degree related to familiarity with the language of the test it orients the test in favor of middle class Anglo students.

The multi-state examination has no relevancy as to future performance. It is an examination which tests ability to remember rules of law and analysis of fact situations. It fails to measure abilities in legal research, negotiation, interviewing, oral advocacy, trial practice and any of the other skills which a lawyer might be called upon to exercise. There has been no attempt to show that the bar examination has any relevancy to the subsequent practice of law.

The multi-state bar examination is stressful, expensive and defective. It cannot be considered a valid examination.

DEFECTS OF THE ESSAY EXAMINATION

The Essay Examination is an Imperfect Instrument for Measuring an Individuals Qualifications

1. It "tests"three or four years of study in one and one half days.

2. There is no single correct answer for essay questions.

3. There is insufficient time to prepare an answer.

4. There are too many issues.

5. The quality of the question is frequently poor.

6. The essay portion of the examination covers too many subjects.

7. The essay examination requires a type of study which is often repugnent to a good analytical mind.

8. The essay portion and the multi-state portion do not select as competent or incompetent the same candidate. The degree of correlation between the two examinations is not consistent.

9. Issue spotting is a very limited form of testing for legal knowledge.

10. There is a lack of agreement among competent readers as to what the score for an essay paper should be.

The essay examination is expected to reveal the abilities of a candidate in a one shot qualification. It fails to take into consideration the physical, mental or emotional conditions of the examinee on the three days of his life that he takes the examination. Law school performanc, and work related activities are not considered. The examinee must be able to cover all possible detailed questions. Three years of academic training are tested in three days.

There is no single correct answer for essay questions. Law is not an exact science, legal issues produce widely varying interpretations and arguments. A student who knows a subject well may view with extreme complexity what the board views as fairly simple issues.

As presently structured the essay examination emphasizes speed and endurance. Forty minutes is an insufficient time to read, analyze, and write a difficult essay. All issues must be spotted, all rules of law applied etc. The average answer prepared by my son was seven single space typewriten pages. The time factor discriminates against cultural minorities. Reading and writing speed are related to familiarity with the language of the test it orients the test in favor of middle class Anglo candidates. A single essay question may have as many as forty issues to spot and analyze.

Essay questions on the bar examination present too many issues to permit full discussion within the time alloted. The essay questions frequently contain so many issues that applicants cannot physically and mentally deal with the analysis or the physical necessity of transmitting the analysis into a written answer. The number of issues goes beyond any reasonable expectation for a response in the time alloted.

Questions are frequently poorly worded and confusing. Names used are similar, facts ambiguously stated, the call line misleading. Questions frequently deal with obscure areas of the law which are not usually covered in law school courses. Questions are designed to require discussions of phantom issues or an explanation of why an issue did not exist. Issue spotting is too limited and results in an examination that is too restrictive in methodology. Questions are phrased using the inductive method. Culturally different examinees do better when questions are phrased using the deductive method. An examination which tests ability to remember rules of law and analyze fact situations in light of those rules is too limited. The essay examination does not measure other important qualities necessary to the practice of law.

The essay portion of the examination covers too many subjects. A two day period is long enough for an effective bar examination. The code of recommended standards recommends twelve subjects. The Alaska applicant must prepare for the California subjects, the Alaska subjects and the Multi-state subjects. The examination is two and one half days. Oregon recommends two, down one half day from the present examination period.

The essay examination requires a certain type of study and writing, not just good legal knowledge, analysis and logic, but the "black letter law" approach. A good legal mind frequently finds this approach repugnant.

If the multi-state examination and the essay examination were correlated they would select the candidate as competent or incompetent in both areas. This is not so. Candidates frequently pass one section of the examination only to fail the other section.

The essay portion of the examination is concerned with issue spotting. Some applicants may not be able to demonstrate their knowledge under the standard essay format but could do so if faced with a different type of question. Some of the suggested question formats are more closely approximated to the way lawyers are required to apply legal rules than the standard issue spotting.

There is a lack of agreement amont competent readers as to what the score for an essay paper should be. A series of studies has shown that answers to essay questions are scored differently by different readers and that even the same reader scores the answers differently at different times.

The Ashburn study of grading essay exams is acknowledged as one of the finest works in the field of testing and measurements. After an in depth study and esperiemnt Dr. Ashburn

found a lack of agreement among the professors on each reading and inconsistency between the two readings for a given professor. He concluded that the passing or failing of about forty percent of the students depended , not on what they know or don't know, but upon who reads their papers. The passing or failing of ten percent of the papers depends upon when the papers are read.

Graders for the essay portion of the Alaska Bar Examination are failing candidates with scores of 69.4, 69.6 and even 69.9 on a scale where seventy is passing. It is not possible to grade essay questions to such a specificity.

Given the defects of the essay examination one must consider that it is an imperfect instrument for measuring the ability of a candidate.

DEFECTS IN THE GRADING PROCESS

The grading Process is Inappropriate and Unfair

1. The present grading process is a form of colonialism.

2. The grading process is not annonyomous.

3. Grading Personnel are not professional examiners.

4. There is a predetermined passage rate.

5. A standardized score of seventy is not consistent with scores of neighboring states.

The present grading process is a form of colonialism. Four fifth of the examination are graded outside the State. The California essay portion is graded with the California candidates. The multi-state portion is graded in Princeton New Jersey. The only part of the examination that is graded in Alaska is the Alaska essay section. This is a one half day session. The other two days are devoted to areas that are graded outside the State.

There is considerable discussion and assurance that the grading process is annonymous. Each candidate being given a number with the key to the numbers held by the Supreme Court. The candidate knows his number and car easily communicate it to members of the examining committee. In the 1979 exam a bar examiner worked in a large legal office. Members of that office were assured by her that they would pass the Alaska questions. There is no such thing as annonymity in grading.

Grading personnel are not trained in testing and measurements. They are frequently new attorneys themselves. They are rendering decisions that are of extreme importance without the training to do so. There are no model answers provided for the graders to follow. The result is that unqualified individuals are admitted to practice and qualified candidates are excluded.

The Board of Governors of the Alaska Bar Association deny that there is a predetermined pass rate. However, in the past sixteen examinations the pass percent has only twice been above seventy nine percent. That was the year when candidates filed a group appeal against the Board of Examiners protesting grading procedures. The winter 1979 pass rate was 69 percent. Almost 40 percent of the candidates failed.

The decision to set the score at seventy is not consistent with neighboring states. Washington is 65 , Oregon is the same, Utah is 60 etc. By setting the multi state exam score at seventy percent many candidates are excluded. By moving the passing score from seventy down to sixty five Pennsylvania changed the pass rate from sixty two percent to ninty eight percent. The majority of the failed candidates do not fail by a large number of points. The total points by which my son failed three examinations is less than four. The third examination by six tenths of a point.

THE APPEALS PROCESS IS DEFECTIVE

Applicants who wish to appeal their failure of the bar examination must do so on the limited grounds of fraud, improper conduct or arbitrary use of discretion on the part of the Board. This does not afford a meaningful review for unsuccessful applicants who contend that mistakes were made in the grading of their examinations.

Appeals to the Board of Governors are usually met with a refusal to hear the applicants appeal. The appeal can then be filed with the Supreme Court. This is a lengthy and costly method of attacking the problem. Douglas Luna a black candidate who failed the examination in 1975 finally received the word that his appeal was turned down in the fall of 1977. I was unable to find an appeal that was found in favor of the applicant. If an applicant is to have any chance at all he must have a very good appeals attorney. A really good appeals attorney will not take cases of this nature. The fees are not as lucrative and they have little hope of winning the case.

Verda Marie Jones

November 1979

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

and LIMITED ENTRY PERMITS

Commercial salmon fishing has been a main way of life for many Alaskans. This has involved heavy investment, hard work and risk of life in the treacherous waters of Alaska. Fishermen have frequently suffered financial loss and marginal profits because of lenghty breakdowns, loss of vessels and gear, restricted fishing time to ensure adequate escapement and poor salmon runs due to the catch of salmon by foreign fleets on the high seas. Recently there has been a dramatic improvement of the salmon runs due to the enactment in 1976 of the 200 mile limit and the elimination of the foreign fleet from the migratory waters of the salmon on the high seas. Now many of these fishermen have been deprived of the opportunity to fish while a favored few are reaping extrodinary profits. This is an issue of paramount concern to myself and many other fishermen that are at this time and will be in the future excluded from participating in the harvesting of a common Alaskan resource. Alaskan fishermen, including myself, are forced into waging lenghty and costly legal battles against the ill-considered Limited Entry Permit Program instituted and enforced by the Alaska Commercial Fisheries Entry Commission. At present there are numerous suits in the Courts of this State on this issue and many fishermen are waiting to see the outcome of these court actions.

In 1973 the Alaska Commercial Fisheries Entry Commission was created to promote the conservation and the sustained yield management of Alaska fishery recources and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and <u>without unjust discrimination</u>. Amoung the powers and duties of the Commission was to regulate entry into the commercial fisheries for all fishery resources in the State and to issue entry permits to <u>qualified</u> applicants.

The statutes and regulations pertaining to the issuance of Limited Entry Permits states:

> "Each applicant shall personally operate or assist in the operation of the licensed fishing gear."
>
> "The Commission shall accept applications for entry permits <u>only</u> from applicants who have harvested fishery resources commercially while participating in the fishery as holder of <u>gear licenses</u>."
>
> "Applicants shall be assigned to a priority classification based solely upon his qualifications as of January 1, 1973."

A substantial number of permits were issued to persons not qualifying under Alaska Statues governing limited entry.

Below is a partial list of minors who have been issued Limited Entry Permits. I have omitted the names.

TYPE	LICENSE #	DATE OF BIRTH OF PERSON ORIGINALLY ISSUED PERMIT
Bristol Bay Drift Gill Net	SO3T 61140L	12-15-1960
" "	SO3T 61382F	4-27-1957
" "	SO3T 61291B	6-19-1957
" "	SO3T 60993X	12-18-1959
" "	SO3T 60594G	4-10-1957
" "	SO3T 60426W	1-6-1957
" "	SO3T 60425F	10-15-1959
" "	SO3T 59807O	4-16-1959
" "	SO3T 58363O	9-17-1959
" "	SO3T 58254A	11-21-1957
" "	SO3T 58230K	1-21-1960
" "	SO3T 55853N	8-27-1960
Bristol Bay Set Net	SO4T 61254O	5-24-1960
" "	SO4T 60934G	7-3-1959
" "	SO4T 60928C	4-11-1963
" "	SO4T 60926R	9-8-1963
" "	SO4T 60908H	5-19-1965
" "	SO4T 60870S	11-20-1961
" "	SO4T 60869C	8-28-1959
" "	SO4T 60854R	7-22-1961
" "	SO4T 60839J	4-11-1965
" "	SO4T 60822O	3-27-1960
" "	SO4T 60802S	2-18-1960
" "	SO4T 60593P	12-11-1965
" "	SO4T 60302A	1-28-1963
" "	SO4T 60279X	6-10-1968
" "	SO4T 59045E	11-16-1966
" "	SO4T 59042B	7-16-1965
" "	SO4T 57461Q	6-24-1963
Cook Inlet Set Net	SO4H 61437I	7-19-1963
" "	SO4H 61285U	1-26-1970
" "	SO4H 61283K	7-15-1963
" "	SO4H 61196B	11-26-1963
" "	SO4H 61070R	11-27-1966
" "	SO4H 61016K	11-8-1963
" "	SO4H 61015R	9-28-1966
" "	SO4H 60750J	10-7-1963
" "	SO4H 60748A	9-17-1965
" "	SO4H 60415E	8-1-1964
" "	SO4H 57631K	4-3-1963
" "	SO4H 56521F	10-3-1963
" "	SO4H 56520M	2-8-1965
" "	SO4H 55984F	11-25-1965
" "	SO4H 55652A	5-30-1964
" "	SO4H 55639B	2-11-1967
Kodiak Set Net	SO4K 60674Q	9-10-1961
" "	SO4K 60673Z	9-9-1963
" "	SO4K 59058Z	7-25-1960

I have irrefutable evidence that hundreds of minors were issued permits by the Commission. It is obvious that the Commission could not have unknowingly erred in the issuance of so many permits to unqualified applicants. Criminal conduct must be suspected. Many of these fraudulently obtained permits have been sold. Their are also cases of families, husband, wife and their minor children, all receiving permits. One family in Summerville, Oregon, husband, wife and three minor children, the youngest child having been 5 years of age at the time of qualification, was issued the following 5 permits; S04T 59041J; S04T 59042B; S04T 59043S; S04T 59044L and S04T 59045E. Another family with five minor children, as young as 7 years, received a total of 9 permits. The seven year old daughter was issued permit # S04T 50432C. Two permits each, a Drift Gill Net and a Set Net, were issued to two of the sons. One could not have effectively operated both a Drift Gill Net and a Set Net simultaneously. It is apparent that the members of the Commission have little or no knowledge of the use and operation of salmon gear. Elderly men, some over the age of 85, were issued permits and upon receipt immediately sold them. An example is Permit # S05B 55202Z, birthdate 11-2-1886. Some permits are in the hands of individuals who are not United States citizens. They fish in Alaska for a few weeks and then return, with U.S. Dollars, to their homes and families in foreign countries. I fail to see how and why these individuals were issued permits, when I and other fishermen who did participate in the fisheries for years were denied permits.

The guidelines for awarding points in the implementation of issuing permits have many serious defects and constitutional questions that are being challenged in the Courts today. Some of these are:

The Commissions method of awarding more points for 1972 than are given for previous years. 1972 was the year that the Governor of Alaska was forced, in the case of Bristol Bay area, to declare it a disaster area because of the low salmon run which was only 55% of the forecasted run predicted by the Alaska Department of Fish and Game of 9.744 million. Many fishermen were discouraged from fishing that same year by the Alaska Department of Fish and Game and were offered jobs as forest fire fighters by the State. Fishermen that decided not to fish that year because of the poor predicted run and helped promote escapement to enhance future runs by not fishing forfeited many points and, therefore, did not qualify for permits.

Points awarded on income dependency are a form of penalizing the fisherman who elected to work during the off-season and avoided joining the ranks of the unemployed or going on welfare and becoming a burden to the State. A total of 4 points for 1971 and 6 points for 1972 was awarded to the fishermen who had little or no other income than from fishing. Keeping in mind that the salmon fishing in Bristol Bay actually only lasts approximately six weeks (three weeks King Salmon fishing and three weeks Red Salmon) this means that a fisherman is discriminated against for having had another line of work for the other 46 weeks of the year.

Under availability of alternative occupation, an additional 4 points are awarded based on the population of your place of domain. This is violative of the equal protection clause of the Fourteenth Amendment to the United States Constitution. Because I have resided in Anchorage for the past 18 years, I was awarded 0 points. Individuals living in outlying areas, with a metropolitan population of less than 10,000, in Alaska and other States were awarded up to 4 extra points. These points were awarded irregardless of if the recipient had full time employment and participated in commercial fishing during their summer vacation.

Due to the increased salmon runs in Alaska, the permits are becoming extremely valuable and Bristol Bay Drift Net Permits have sold for up to $125,000.00. One of the former Commissioners of Limited Entry is now involved in the commercial venture of brokering Limited Entry Permits. Under the present system, fishermen are greatly tempted to sell their permits as the value goes up. Only the wealthy or front men, backed with financing and guarantees by canneries and processors are able to afford permits. A large number of canneries and processors operating in the state of Alaska are controlled and owned by foreign corporations. This foreign influence is increasing annually. The processors are able to manipulate and set prices that otherwise would not be acceptable if the fishermen had operated independently. This results in not only a financial loss for the fisherman but also to the people of Alaska, through lost tax revenues because of the lower prices received for their resources.

Many unqualified permit holders are leasing out their permits for the season to the highest bidder and they are, because of the high value of the permit, receiving the major portion of the earnings derived from the salmon catch without having participated in the fishery.

The Alaska Commercial Fisheries Entry Commission must realize that the limited entry program has caused tremendous pressure, discontent and hostility and that it is unworkable in its present form. State Legislators have indicated that limited entry has some serious constitutional questions. An attempt will be made to salvage the concept of limited entry because of the possible financial liability of the State to individuals who have purchased permits. However, I feel that since many of the permits that have been sold were fraudulently obtained, through falsifying documents submitted with applications at time of issuance, the burden of liability rests on the Seller and that CAVEAT EMPTOR applies.

If limited entry was totally eliminated, all permit holders, regardless of their status will still be able to participate in the fisheries and, therefore, are not at any loss. I do not agree with a buy-back program by the State. The permit holders have had the use and benefit of the permits and are not entitled to receive further compensation from the State. Individuals who have purchased permits for investment or speculation are not entitled to consideration as this is not the intended use of the permit.

The Apprenticeship Program being considered opens the door to new avenues of favortism, fraud and bribery. Can State bureaucrats astutely judge the expertise and abilities of a fisherman? The past handling of the awarding of permits should answer that.

Non-transferrable Permits would be unworkable as well. For example, upon the death or retirement of a permit holding fisherman his permit would revert to the State while his vessel and gear would go to his heirs. Hardship would occur as what use would the heirs have with the vessel and gear without a permit? If the State awarded the heir a permit, it would then be guilty of discrimination and creating a class of individuals that inherit the right to harvest a common resource.

The State's loan program to assist fishermen in the purchase of Limited Entry Permits is an inflationary factor in the prices paid for permits. It creates a hardship for the fisherman by becoming another interest-earning indebtedness for a paper that does nothing to improve productivity.

I challenge anyone to formulate a limited entry plan that is effective, uncorruptible, equitable and non-discriminatory.

I recommend that the limited entry program be completely eliminated. The fact that the voters of Alaska did approve this program does not preclude its elimination. Many voter-enacted laws have been subsequently struck down by the Courts on grounds of unconstitutionality. Alaskan voters were led to believe that the enactment of limited entry would promote aqua-culture, that all fishermen that had participated in the fisheries would be enrolled in the program and would be allowed to continue fishing. As I have documented in this letter, there is no evidence that the above has been accomplished.

The Alaska Commercial Fisheries Entry Commission may attempt to take credit for the improved salmon fisheries. But the credit must rest solely with the enactment of the 200 mile limit, the westerly movement of the Japanese salmon fleet from 175W to 175E Longitude (480 miles) and the elimination of the foreign fleet from the migratory waters of the salmon on the high seas. Strict enforcement of the 200 mile limit, regulations governing vessels and gear, and escapement management by the Alaska Department of Fish and Game can adequately enhance and conserve the fisheries. This method of management guarantees equal protection under the law to all citizens.

It is not the duty of the State to insure a profit to the participants in a fishery by limiting their numbers. The market place will govern. Fishermen have always been aware that commercial fishing involves taking a certain amount of risk. The fisherman wants to make this decision on his own. This country is built on a belief in private enterprise without undue interference by governmental agencies. Americans demand freedom of choice and freedom of opportunity. Bureaucratic attempts to take these freedoms from the individual only creats constant friction between the State and it's citizens.

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Juneau, Alaska 99811

Reported by: Laurel G. Barefield

CSR 3592

ALPHA GROUP PROCEEDINGS

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

Room 311

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MR. FISHER: My name is Jim Fisher. I'm with the US Department of Agriculture. Prior to that I was in private practice for two years, and I was a delegate in 1969 from Kenai at that time.

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

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

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

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

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

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

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

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

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

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

Director of the Bristol Bay Native Association.

(Discussion off the record.)

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

THE MODERATOR: Yes.

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

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

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

Now, it's eleven o'clock.

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

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

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

MR. KOCSIS: Yes.

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

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

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

strictly for reference.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

things.

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

(No response.)

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

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

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

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

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

THE MODERATOR: Did you wish to say something?

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

MR. OSTROSKY: Uh-huh.

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

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

MR. FISCHER: Thank you.

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

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

MR. OSTROSKY: Yeah, you're interrupting.

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

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

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

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

MR. BLODGETT: Madam Chairman?

THE MODERATOR: Yes.

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

THE MODERATOR: Concentrate on the questionnaire.

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

(A recess was taken.)

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(Afternoon session)

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

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

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

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

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

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

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

MRS. BRADLEY: No, he isn't.

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

MRS. BRADLEY: In the area of education?

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

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

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

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

THE MODERATOR: Thank you, Mrs. Bradley.

Mr. Borodkin?

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

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

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

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

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

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

THE MODERATOR: Yes. Thank you.

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

THE MODERATOR: Yes, Lynda.

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

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

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

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

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

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

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

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

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

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

MR. LIND: Thank you very much.

THE MODERATOR: Thank you. Thank you, Lynd.

Mr. Alexie?

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

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

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

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

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

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

Is Mr. Bowdoin here?

(No response.)

THE MODERATOR: Mr. Browne?

(No oral response.)

Mr. Hickey?

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

THE MODERATOR: Thank you.

Mr. Dahl?

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

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

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

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

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

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

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

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

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

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

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

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

THE MODERATOR: Thank you.

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

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

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

Mr. Fisher?

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

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

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

situation which does not now exist.

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

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

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

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

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

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

Mr. Ackerman?

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

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

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

THE MODERATOR: More intensive counselling? Is that --

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

THE MODERATOR: Thank you very much.

Mr. Sears?

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

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

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

Mr. Jacobson?

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

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

Mrs. Burnett?

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

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

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

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

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

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

THE MODERATOR: Thank you very much.

Mrs. Burnett. Mrs. Bennett.

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

I think that telecommunications are really

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

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

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

MR. LIND: Do you want me to respond?

THE MODERATOR: Please do.

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

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

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

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

the past few years.

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

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

We've demonstrated that by not having a

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

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

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

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

THE MODERATOR: Thank you Mr. Commissioner.

Mr. Angasan?

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

THE MODERATOR: Thank you.

MR. SEARS: Mr. Chairman?

THE MODERATOR: Miss Plotnick.

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

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

THE MODERATOR: Thank you.

Mr. Silides?

MR. SILIDES: George.

THE MODERATOR: George.

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

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

school.

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

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

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

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

THE MODERATOR: Thank you very much, George.

Mr. Kocsis?

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

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

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

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

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

MR. KOCSIS: No -- I'm sorry

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

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

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

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

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

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

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

Now, at the present the satellite earth station

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

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

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

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

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

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

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

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

(A short recess was taken.)

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

MR. DAHL: Let's go.

THE MODERATOR: Mr. Sears?

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

transcript on top of that.

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

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

THE MODERATOR: It is somewhat frustrating.

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

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

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

THE MODERATOR: Would you please highlight it, George?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To expand the original ports at Bethel and

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

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

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

And 9 is to put less dependency on federal

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

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

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

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

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

THE MODERATOR: It could have legislative direction,

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

MS. BENNETT: Okay.

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

MS. BENNETT: Right.

THE MODERATOR: Thank you.

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

THE MODERATOR: Whatever.

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

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

THE MODERATOR: Thank you very much.

Mr. Stump?

MR. STUMP: Is it Mr. Silides?

MR. SILIDES: Yes.

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

The freight transportation of the capacity system

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

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

which does have an access through Canada to Alaska.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE MODERATOR: All right. Mrs. Burnett?

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

THE MODERATOR: Thank you.

Mr. Jacobson?

MR. JACOBSON: (Indicating)

THE MODERATOR: Mr. Sears?

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

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

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

MR. DAHL: They win.

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

MR. DAHL: I should know everything, right?

MR. SEARS: Sure.

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

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

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

THE MODERATOR: Are you through, Mr. Sears?

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

THE MODERATOR: Thank you.

Mr. Ackerman?

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

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

THE MODERATOR: Thank you, Mr. Ackerman.

Mr. Fisher?

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

the early decades of this century.

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

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

THE MODERATOR: Thank you, Mr. Fisher.

Mr. Dahl.

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

transportation plan. Is there one?

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

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

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

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

THE MODERATOR: Okay. Mr. Alexie.

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

THE MODERATOR: Thank you.

Mrs. Anasogak.

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

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

THE MODERATOR: Thank you. Lynda Brown.

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

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

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

THE MODERATOR: Thank you.

Mr. Borodkin?

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

THE MODERATOR: Thank you.

Mr. Bradley?

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

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

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

THE MODERATOR: Thank you very much.

Yes, Mr. Kocsis?

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

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

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

MR. FISHER: How about the secondary --

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

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

MR. DAHL: I think it was going to go to Teller.

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

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

MR. KOCSIS: Yes, sir.

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

MR. KOCSIS: Yes.

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

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

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

MR. BORODKIN: It went back to Southwestern.

MR. STUMP: It runs to Ketchikan --

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

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

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

Antarctic Light Ridge subsidiary that they own in Nome, Alaska their barge rate of a gallon of petroleum product -- gas or oil -- by tug and barge to Nome to Teller was 41 cents a gallon. And I was hauling it over the Nome Teller Road with my own trucks for 16 cents. It's unreal that road highway transportation would be more than water transportation. And I may be remiss, but I have not sought to find out what the current tariff is. We're no longer interested. Even though the accelerated cost of fuel today to run our generators -- we buy our fuel every Monday morning. Last Monday it cost us a dollar and 32 cents a gallon to put fuel in our tanks in our powerhouse. Now, then, the bush airports are overloaded. They are moving from -- they move in the 1960s from tail dragers swept wing, and Beavers to Cessna 206's and Aero Commanders. Now they're moving from Aero Commanders and Beavers to single Otters and twin Otters, Sky Vans, and our airports are now too short to accommodate them, and we're supposedly a wealthy state. We don't have to build airports designed on Browene wrapping paper anymore, but they haven't been adequately upgraded. Although we built the lower Yukon multi-engine field at Amdrosky and we build a multi-engine field at Gamble and Prudhoe Bay and Point Hope, and Barrow improved Bethel, improved Dillingham -- we didn't improve youth off cleat -- they need a cross run way badly. We can

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

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

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

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

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

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

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

Thank you.

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

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

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

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

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

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

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

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

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

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

MS. BURNETT: Right.

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

MR. SILIDES: That's right.

THE MODERATOR: Mr. Dahl.

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

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

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

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

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

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

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

THE MODERATOR: Speak up, please.

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

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

THE MODERATOR: That's so true.

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

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

THE MODERATOR: Yes, Mr. Fisher, yes.

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

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

THE MODERATOR: Miss Bennett.

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

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

THE MODERATOR: Yes, Mr. Borodkin.

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

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

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

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

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

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

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

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

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

But one of the options that is available is to

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

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

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

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

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

THE MODERATOR: Not really.

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

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

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

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

In the area of training somebody mentioned -- that is addressed in the paper and, yes, we've got to let the 250 or so places that are served by bush air service, why, ideally we're going to have somebody trained in each place than can handle the radio equipment and provide a certain level of maintenance there, field lighting, all of those things. The personnel that mans the system are always the key element. And the same way there's o reason why we should continually import pilots from the other end of North America to fly in rural Alaska. We've proved a long time ago we can employ our own pilots adequately, and it's one of the areas that we should be moving on to see why we don't staff the airlines almost totally with people who were born and raised in the country, because people like the jobs. They're usually good-paying jobs. We've had a lot of local people flying. It's just a matter of doing more of it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE MODERATOR: Mr. Pequero?

MR. PEGUERO: -- Si.

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

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

THE MODERATOR: Sir?

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

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

MR. BRADLEY: Mr. Dahl.

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

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

MR. PARKER: Mr. Chairman?

THE MODERATOR: Yes.

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

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

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

MR. PARKER: Yes.

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

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

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

THE MODERATOR: Mr. Fisher.

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

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

MR. FISHER: What?

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

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

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

THE MODERATOR: Yes?

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

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

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

MR. KOCSIS: We want that.

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

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

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

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

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

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

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

MR. BRADLEY: Are there any alterntives?

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

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

(A recess was taken.)

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

(No response.)

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

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

THE MODERATOR: Please identify yourself for the record.

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

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

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

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

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

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

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

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

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

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

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

And this was the proposed road. It went to the

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

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

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

THE MODERATOR: No, no --

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

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

MR. SWANSON: Okay

MR. FISHER: I've got a question.

THE MODERATOR: Mr. Fisher.

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

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

THE MODERATOR: Any other questions? Anybody --

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

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

Then when we really got to looking at it with the

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

THE MODERATOR: Yes.

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

THE MODERATOR: Mr. Bradley.

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

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

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

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

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

MR. SWANSON: Yes, sir.

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

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

(Indicating.)

THE MODERATOR: Yes, Mr. Hickey.

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

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

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

THE MODERATOR: Yes, Mr. Ackerman.

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

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

MR. ACKERMAN: That's not a railroad.

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

THE MODERATOR: Mr. Bradley.

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

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

well within five months.

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

MR. SWANSON: The next legislature.

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

MR. JACOBSON: Not at this time, no.

THE MODERATOR: Miss Bennett? Mr. Borodkin?

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

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

Your name, please?

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

MR. BORODKIN: Yes.

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

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

MR. GOLDSTEIN: Sorry.

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

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

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

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

MR. ALEXIE: No.

THE MODERATOR: Mr. Dahl?

MR. DAHL: No.

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

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

THE MODERATOR: Thank you. Mrs. Burnett?

MS. BURNETT: No.

THE MODERATOR: Mr. Anasogak?

MS. ANASOGAK: No.

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

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

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

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

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

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

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

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Anchorage, Alaska

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Reported by: Laurel G. Barefield

CSR 3592

ALPHA GROUP PROCEEDINGS

(December 7, 1979, 9:00 a.m.)

Room 311

THE MODERATOR: If we move closer together, we'll make it easier for our reporter to record the input of this work session. We are 40 minutes behind schedule. We'll have to proceed.

Yesterday evening we finished with the presentation of the Alaska railroad systems taken by Red Swanson. This morning we're now into the area of Law and Justice, and I will start off this morning by asking for input from -- we'll begin with Mr. Alexie this morning in the area of Law and Justice.

MR. ALEXIE: Well, I think our Fish and Game protection officer in our area needs to get a little more pressure, especially during the commercial fishing periods. Well, I had a kick about the Fish and Game because sometimes they come, you know -- they come as a bullet and let the people complain without any warning and they give out tickets and tell them to come over to the court. Okay. Sometimes they don't owe us. There is something overpowered and sometimes they are too easy. Just like they haven't learned to get related with the people who are fishing or

hunting. I think they haven't really presented what to do and what not to do. What I want is give a little less pressure to our people and to themselves and explain what they are going to be doing to the people. Let them notify, instead of just going out and give them tickets and bring them to the court.

And on the other hand I see it's too easy that -- like last year they were pretty tough. This past summer they were too easy. A year before they were still tough, and like there was people who were hooking. If I'm the Game warden, if I have to check their -- check to see if they have any sport fishing license of any kind, I won't stop a solitary woman who is a couple hundred feet away from the other group and give her a ticket since she's quiet and tell her to come to the court and leave. If I have to check, I must check the rest, too, instead of one solitary leader someplace. Because that makes the people have a kick, you know.

THE MODERATOR: Thank you, Mr. Alexie.

Linda Brown.

MS. BROWN: I read a couple of these articles and looked at the statistical tables. I'm primarily in bush justice because I feel that the meaning for addressing certain kinds of problems are at least available, process is available, in the more urban areas. And actually the

process isn't really available in a lot of the bush areas. Some of the problems pointed out in these papers are very real. I've been to a couple of bush conferences and am living with some of the problems. I haven't experienced them personally because I have not lived in the bush. But I'm aware of them from a statistical standpoint, what some of them are. And I think that we're going to have to spend some money on bush justice, on criminal justice in the bush.

I know there are problems, for example, with even getting body bags for burial. There's just not money available.

I do have a couple of recommendations that are fairly minor, considering the huge problems that exist within bush justice. But one of the major problems that I perceived is a lack of police forces in the bush, regardless of size. It's simply not available. And the training is available for the village policemen. There apparently are very strict rules regarding who can be a policeman and who can't, and a lot of training has to go into that. I feel that the trooper academy in Sitka could certainly expand its facilities to take in -- I know that they have programs for village policemen. I really think that definitely needs to be expanded and money spent specifically in that area.

I also feel that there's a problem of detention

facilities where disorderly people or intoxicated people can be detained before they create problems. Intoxication in borough areas is a substantial problem, it's an historic problem of long duration.

There are no detention facilities for people who could be put aside until they are less rowdy before problems actually happen. Those are two things that I think would be expensive. I really feel strongly that this conference has to address this issue and money has to be spent in this area, because the crime statistics in the bush are just terrible. I mean inexcusable for the State. Thank you.

THE MODERATOR: Thank you, Linda.

Mr. Borodkin.

MR. BORODKIN: Yes. I'm not familiar with the bush justice problems, but I do know the problems that the gentleman raised here with Fish and Game. Fish and Game is under the Department of Public Safety, and I strongly feel that the people that's enforcing the Fish and Game laws from Department of Public Safety should have specialized training in Fish and Game laws and regulations that deal with their respective areas that they're, you know, working in. I don't know how this problem could be solved.

In my area, there has been people arrested for certain violations, and oftentimes the arrest just does not

stick. They somehow -- people violating the regulations and the laws find a loophole and get away with their violations. So I think that they should really tighten up in that area. They can do a fine job in enforcing the laws and the regulations. That's it.

THE MODERATOR: Thank you, sir.

Mr. Bradley?

MR. BRADLEY: Thank you, Mr. Chairman. Well, I gave some thought toward discussion that I had with Mr. Dahl yesterday, which he said that the Brookings Institute a decade ago dealt with big picture, large philosophical issues and then iron those out or debated them pro and con and then from out of that rose specifics.

So, taking a leaf from the "book of Dahl," I guess, I would recommend my thought on the justice system, that freedom and equality and the diversity of life-style be stressed. Freedom, as we all know, is very important to we Alaskans, and so probably enough said on that.

The equality argument or that point goes to recent studies by -- oh, what's the research court system called?

MS. BULLOCK: Criminal justice?

MR. BRADLEY: No, not criminal justice but -- our body runs --

MR. DAHL: I wish you hadn't asked.

MR. BRADLEY: Well, anyway they've done a number of reports on the incident of Alaskan natives that do time for being drunk and disorderly.

MR. DAHL: Judicial counsel.

MR. BRADLEY: Yeah, judicial counsel. And it's overwhelming, like a ratio of five to one. In other words, if I'm caught drunk and not driving, anyway, they tell me not to do it any more, and my counterpart from Kwethluk is in Anchorage and he's caught drunk on the street and he does five days, as an example of something like that. And it's really out of round. There's no question of that. Statistics prove that. And the jurists in the legal profession are going to have to come to grips with it. So we're stressing equality, which, of course, would take care of some of that.

Diversity, I think, is important, because what I may care to do -- and this is getting back to the late '60s, early '70s, concept of freedom that doesn't impinge on anybody else's freedoms, or doesn't have any negative impact. It's argued that I should be able to do, if it has no counterproductive, no negative impact on your lives. So I guess enough for my broad philosophical statement. I think those points are very, very important because as we have influxes of people, most of us are from somewhere else and we're happy to be here. And if we don't cherish

diversity and be tolerant and stress tolerance of people's life-styles, why, we're all going a generation down the line, 50 years down the line be just a New York City or a New Jersey or something like that. Mind you, I've never been to any of those states. I'm real provincial. But what I know and what I've seen through the media and reading I don't want to -- I don't want to end up like that.

Some specific, I think, examples that I might share, just some thoughts, would be in the area of -- as an example, the area of some tender, sensitive issues that we have in the State like Fish and Game issues, subsistence versus cash economy-type of thing. There's not as much you can do with statutory requirements, about hook size, and nets and fishing times and stuff like that from a conservation standpoint. You sort of have to lock those in and then enforce them equally and fairly.

But we have the capability in this state that most countries don't have and no other state in the union has, and that is the ability to put out through television and radio some social messages. It seems to me that as an example for Fish and Game most of the statutes are probably reasonable. And we have regional Fish and Game Boards and an overall State Fish and Game Board. But it would seem to me that the State could spend some of its dollars -- not too much -- in putting together programs stressing the

reasons for conservation, the reasons for having the laws. The only reason the laws are there regarding Fish and Game matters are to conserve the fish and to conserve the game so that 50 years from now your children can enjoy a subsistence life-style of catching those animals or, you know, getting them and selling them, making a living from them.

Also in the -- another substantive area is abortion. While this State, through polls, has shown overwhelmingly that this State is not prepared to roll back on its position on the abortion issue, on the other hand, I mean, life is pretty sacred, and it seems to me that this could also be stressed by the State not to get into the areas of religion, I guess -- keep that separate, naturally, as our tradition has it. But to stress the sanctity of life and that one ought to -- I mean, frankly you don't have to forego sex because we all know now you just should be maybe a little careful about cranking out kids because they might not be wanted and then, frankly, the woman nearly exclusively has to take on that responsibility of aborting a child. And I don't think any of us would wish that decision on our daughters.

Certainly I'm as modern as the next person, and I personally believe that that responsibility resides in the woman. However, it's a very sensitive issue and one that's

not going to go away. It's going to -- it's going to be with us now probably forever. And that is an area I think the State could do less to particularly handle.

In other words, not to tamper with the law, people weren't prepared to do that. But on the other hand it should be discouraged, the cranking out of children that individuals aren't prepared for for one reason or another to give birth to and then bring up. In other words, the sanctity of life argument.

And another sensitive issue is the classic pulverizing, hateful issue of drugs that's with this State. And then I'll conclude, Mr. Chairman, because I know I've rambled on for a long time. But there's -- most people don't subscribe to escapism or taking any sort of liquor or drugs to escape from reality. That's not good. We wouldn't counsel our children to do that. However, what's the other -- you know, what is the way to discourage that?

Well, you can put people in jail, but then that gets into the equality argument, you know, who does time and who doesn't do time. The black kid, or the Eskimo that might do time, the lawyer's child might not. They might put out 3500 bucks and get inferred imposition of sentence or not stand trial for whatever quantum of drug, whatever type of drug and thus they're not penalized. So there's inequality there and there's injustice involved in that.

And so the State on the one hand should be discouraging the consumption of any type of drug.

As Miss Brown knows -- because she was involved in the Liquor Board, and as all Alaskans would know for any length of time, alcohol as well as other drugs are real discouraging in our culture, in our state. But there's a fine line from freedom and freedom of choice for adults in all these things. But the State, I think, has the responsibility to assert itself and say you ought not to do this. We're not going to put you in jail. It's not a good idea and -- there are ways of drafting these advertisements, not only through the school systems but just by the State itself, I think.

I guess with that, Mr. Chairman, I'll shut up. Thank you.

THE MODERATOR: Thank you, Mr. Bradley.

Miss Anasogak? We're in the area of Law and Justice. I'll come back to you after we go around, the rest of the way around --

MS. ANASOGAK: Okay.

THE MODERATOR: -- the table to my left. Mrs. Bennett.

MS. BENNETT: It's "Ms." I don't really have anything to add. I don't have any expertise at all in this field except for my feeling that a modern communication network is essential in this area as well as the others that we've

talked about as far as response in times of trouble and things of that kind.

THE MODERATOR: Thank you. Mr. Stump.

MR. STUMP: I have a couple of points I'd like to stress regarding law and justice. I think my first one deals with the role of the State, the role of -- in the lives of the individual, our private and personal lives. I think I disagree with Mr. -- at least the way Mr. Bradley stated that the State ought to tell us what we should or should not do regarding our own private lives and what not.

I think that there's too much opportunity in the laws now for the state to -- and I think Mr. Bradley would agree with this -- for the state to unequally and unfairly or selectively prosecute people for a wrong act, activities, victimless crimes, if you will. And I think that in directing the State away from control over the individual's personal lives and to focus only when people's actions affect other individuals and not in the sense of how they affect them in a broad general sense. I think I agree that alcoholism is a problem in the State, but I think that the State should avoid creating a law based on the lowest common denominator and making laws for the problems that end up infringing on the rights of the individual and his personal life. And I think that we have to be very careful to, if we want to maintain the freedom of our people, then

we have to be very careful about getting in and having the State make social justice that, in effect, dictates to the individual how or how he should not behave.

And obviously, that's not to be interpreted to say that the State, you know, has no control over -- or should have no control over people who harm other people or harm other property. But to say that the State should be telling us what we should and shouldn't do as far as our personal goals in life and our personal attempts to establish reality or to escape it or whatever, I think, is -- creates a real problem and infringement on the private rights. I think that's sufficient.

THE MODERATOR: Thank you.

Mrs. Bullock.

MS. BULLOCK: Bob, I don't feel that I can make any comments about the justice system. I just don't have that sort of background. I agree with you that they certainly need some help in the villages. The situation has been pretty bad, as we all know, out there. I don't know how this can be solved without an extreme amount of cost, but it is a problem that needs to be addressed, and some solutions should be resolved on this.

THE MODERATOR: Thank you, Edith.

Mrs. Burnett.

MS. BURNETT: Yes, I'd like to take a 180 degree turn

from what Linda Brown and Mrs. Bullock have said. I think the only thing that's going to work to the satisfaction of all the people of Alaska is not to continue the way we've been doing it, which is increased money, more law enforcement more rules and regulations. We need education and preventati measures. And we -- I've been working a little bit with the FNA in Fairbanks on alcoholism and he's just done a marvelous job recently on commercials on TV.

MR. DAHL: What is FNA?

MS. BURNETT: Fairbanks Navy Association. They have the alcoholic program. And they've been working with the school, and the answer is not more policeman to pick drunks up off the street. It's an endless cycle. The -- and we all recognize that. But the film that we just saw on this alternative education is what we should focus on. I really hate to see any more money spent for incarceration, for any facilities. We're destroying people. We're not helping them.

But education and changing of attitudes -- I think it's interesting that this gentleman over here touched on, you know, the State's role in changing maybe attitudes or regulating. And I think if we could just get away from that and educate people as to the options. The option to unwanted pregnancy is either an unwanted child or an abortion, but the -- that is not the option. The option

is the responsibility of both parties to what the results are. And only through, you know, really understanding this -- there's so many areas of this.

Child abuse is very high in the military because of their perception of discipline. We need to change our definition of discipline. Discipline is teaching. That's the correct definition. We have -- we need to really explore this area. It's -- I know nothing about justice as far as in our courts. I don't think we have it there. I don't think we'll achieve it this way. I think we can only achieve it by changing our attitudes and developing alternatives.

MS. BROWN: Very good.

THE MODERATOR: Thank you Mrs. Burnett.

Mr. Ackerman.

MR. ACKERMAN: I'd agree with Mrs. Burnett, but I also agree with Miss Brown. I was in Galena and there was a construction worker there that went berserk, and there was absolutely no restraint at all. I called the State Troopers. This was 3 in the morning. I mean he went berserk. He come over and so there's three of us holding this guy and finally, you know, after a half hour, he hasn't shown up. I go get him out of bed. He comes over and says, "There's nothing I can do."

The only thing they had was a heavy equipment

shop, and he handcuffed him to the Catapillar, and the guy just bashed his head. So there was absolutely nothing he was really willing to do. Finally we did get him to handcuff him to the bed, and we stayed there up until the morning and we got him out of town. You know, but you do have a problem in the bush. These things happen.

I think Miss Burnett is right. We have to do other things. But in the meantime we do have problems in some areas.

And I'd also like to agree with Bob. You can have justice if you can all afford it. You know, it's as simple as that. Prepaid legal services for minor violations, you know, traffic tickets and things like this. Just minor violations. And we do have some kind of representation and could --

I've been thrown in jail for a parking ticket that the City couldn't find. I had to get a bail bondsman to bail me out because I didn't have the $200 cash in my pocket. And if I carry $200 and go into the legislature, I've got a real problem there. I'm a real suspicious character.

But, no, they come got me out of bed at nine o'clock in the morning. I had a City officer there with his hand on his pistol, and the kids really thought it was something, you know.

But I think one of the things that we need is a night court system. It is really hard for a working person to take -- you get a ticket maybe, it's 20 or $30. You have to pay it. You can't afford the 100 or $150 it takes you to go down to court. And also it -- to serve on a jury during the daytime is next to impossible for a working person. If you had a night court -- and we've got a big backlog. And there's no reason why we can't double shift them and we can't do that. People would be able to serve on the jury and we'd be able to have the trial. You could have one of your peers on it. And I think this is something that we really have to look at. And that is at night court where people can afford justice.

THE MODERATOR: Thank you, Mr. Ackerman.

Mr. Dahl.

MR. DAHL: I appreciate the comments of the group. I want to just mention a couple things. First of all, there was an approach. I'm a little concerned, and I'm not as concerned about it this morning because I see us dealing with the problem, but I was concerned yesterday after Mr. -- after Red Swanson's presentation that we're really putting the cart before the horse, if you'll excuse that cliche, because we're dealing with solutions before we really have defined the problem.

And I think that that's an important area to

recognize, because if you deal with solutions before you deal with problems, to really understand what those problems are and the breadth of those problems and the philosophical base that has to go into that problem -- once you have determined what the solution is you have limited your understanding of the problem.

MS. BURNETT: That's right.

MR. DAHL: Once you have determined your ends the means are established, or vice versa. I'm not saying that very well. But I think we need to see what problems we have and really carefully define them. Before we start looking very seriously at solutions.

In terms of Law and Justice, we've talked a lot about the criminal calendar and about the problems with the criminal justice system. Certainly there are justice problems in the State. Our Attorney General in an article has stated that Alaska is the only state to abolish plea bargaining. I think that's constructive. If none of the other states have adopted plea bargaining maybe he's discovered something that we haven't discovered. And that is that plea bargaining is a good thing.

It is true that more cases are brought to trial and the results of prosecution have been reasonably good. What the Attorney General does not state in his article is that the civil calendar has suffered terribly as a result

of that. To try to get a dispute before the courts of this State is a major production because the criminal calendar takes precedence.

And for a person with a legitimate grievance against another person or against a government agency or against a corporation -- to get that dispute before the courts in this State is virtually impossible, not just expensive. It's incredibly difficult.

I've got a case that's been put off in Dillingham for three years. We've been ready to go to trial on this for three years.

THE MODERATOR: A civil action?

MR. DAHL: A civil action. And every time we get there the judge says either ayel don't have any help, I don't have a clerk in Dillingham, so I'm not prepared to try that case today, because I need someone else" or "I'm sorry, I've got a major felony that I've got to try and I'm only there for a week."

And he's there every three months for a week. Well, okay. When does this guy get justice?

I think that's a problem that we've got to deal with. And I think we -- as much as I appreciate personally and professionally the skill of the Attorney General, I think this is a problem that we have not faced in this State, and I think we've got to face it.

When Judge Moody presided in Superior Court, Judge in this district -- he says we need more judges, and we need them yesterday, and that's true.

You can't have a night court with the present number of judges. It's not possible. These guys are overworked. Their calendars are incredibly difficult. They do not have enough time to spend doing the sort of work that a judge really has to do in order to make sound intelligent correct decisions. Okay. That is a problem. Civil disputes are not being heard. We need to work out solutions for that problem.

Another serious problem that has to do not so much with the court system but with our whole approach to justice -- I'm talking about civil justice now and not the criminal side -- and that is that the small dispute simply doesn't have a chance in our system. Now, we have -- we've come a long ways by increasing the jurisdictional limit in the Small Claims Court from 1,000 to $2,000. That's a major step. But there needs to be, it seems to me, some way that the person with a relatively small dispute -- and I don't care what the jurisdiction is. It might be 5,000 and it might be still within the relative -- and still be a relatively small claim, according to the -- compared with the size of the claims that reach our court systems.

There needs to be some way, there seems to me,

that that guy with a small complaint can get assistance and can get his dispute heard. He can't afford to come to me. He's got a complaint for $2,000. He's going to come to me and he says how can I get this guy to get out of this apartment? How can I get this guy to pay his bill?

Well, by the time he talks to me and by the time I file the complaint and do all the things that are necessary I've eaten up the cost of that thing. And it's not worth it to him. That is a problem that we need to deal with. And I think that's -- those are the concerns that I have in this area, Mr. Chairman. I appreciate that.

THE MODERATOR: Thank you, Mr. Dahl.

Mr. Vogler, are you prepared -- or would you at this time make a --

MR. VOGLER: My name is Joe Vogler. I was admitted to the Kansas Bar in June of 1934. I've never practiced law but I've watched the legal system. And I have watched protection of property, of life, totally disintegrate in America where the people are now doing it themselves. We've just got a young man -- two of them -- shot in Fairbanks by private individuals. We have a decay in our moral fabric right now that is very, very tragic. The teaching profession is certainly bearing the brunt of very, very disasterous forms of retribution.

Ten years ago, they were telling the people, the

children, to do their own thing. They're doing their own thing in the schools now. They're raping, beating, robbing, maiming and killing the teachers. I don't know where we start, but I think we're most fortunate in Alaska to -- at least in the native culture the home is still a sacred thing. It's gone completely to hell in the white people. And that's where this thing has to start off. There has to be a respect for person and property, because you can hire judges -- we already have more attorneys in the United States and Alaska than any other nation in the world. But we're a lawless group.

I'm awfully tired of hearing all about the rights that people have and absolutely no distinction made that with every one of these rights there is a duty. I have a right to be on the highway, to expect one-half of the road, and I have the duty to see that I stay on that side of the road. I have the duty to give another man his half of the sidewalk. I have the duty to live up to my word, my written word, my signature. I think that we all owe a duty to our civilization, to our country, to our fellow citizens. And this is where we have gone -- the churches are in politics. They're in everything else except where they belong in teaching morality. The teaching profession is going into the business of indoctrinating people for the socialistic life.

The legal profession has made things as complicated as possible. They win many of their lawsuits by procedural means and just delaying the thing. Thus, everybody that knew anything about the deal is dead. They're disgusted, like this gentleman just said, because the costs are so great that you can't do anything about it. I don't know what we can do about it. Of course, I'm the guy fighting for independence because I think a lot of our social and moral decay comes in here from the Lower 48. They're beyond help. And we'll be damned lucky if we'll be able to do anything for Alaska.

The first thing I would suggest is: We elect our judges, our attorney generals and our magistrates. And I have the written word from a man that I regard as perhaps the most gifted man of all time. That was Thomas Jefferson. This 1816 letter to a private friend -- you can get it in book just out about the essence of Jefferson by Martin, if you believe in history -- in which he wrote to a friend and said when we were drawing up the constitution we were following uncharted water.

We made a terrific mistake when we made the judges subject to appointment. We should have made them elected. You'll get some sour apples, ladies and gentlemen, in an elective process, but I'll tell you one thing: They don't get the idea they're God Almighty, sacrosanct above

the people's will and you can't pitch them out. This, I think, is the first order of business, if you would straighten this mess out.

This was a plank in the party of the Alaskan Independence Party in '74. It was there in '78. And, if we're forced to go into the race again, it will be there again. There's also a committee in Alaska to do just exactly that. And this would be my recommendation, if you'd start to clean up this mess; that you make these positions elective. Thank you.

THE MODERATOR: Thank you very much, Mr. Vogler.

Mr. Fisher?

MR. FISHER: May I respond? I'm sorry. I wasn't able to stay here, but -- my name is Jim Fisher and I have been at various times in the practice of law. I'm no longer practicing law. I have some understanding of some of the problems that do exist with the legal system having experienced the frustrations myself and on behalf of clients.

I would like to remind those who get caught in that system that that system occurred when the ordinary social means for resolution of disputes breaks down. Now, what we need to do is to accept responsibility for our own acts as much as possible to resolve those disputes to the utmost we possibly can when we get involved in the legal

system. There have been some attempts to do that with some of the smaller claims and in some of the villages. If you can resolve those disputes before you get into the legal system then you do not have to contend with the frustrations that are almost absolutely inherent in a situation that tries to cure something rather than prevent it. And I think there are efforts along those lines. I don't think they're very well understood. I don't think they're understood by lawyers. They may not be understood by the communities that attempt them, but they are techniques that have been used in, you know, -- by the old people in the villages. The villages used to resolve many of their own disputes with community pressure, which still exists. And if there was a greater encouragement of that community concern, you're going to control things a little bit better.

I know a teacher once who said he could keep order just by the way he scowled at certain kids in town. And, that is the way that hopefully, in rural areas, that kind of encouragement instead of totally ignoring that -- the ability of the people to handle those things for themselves -- that ought to be incouraged.

The election of judges appears to me -- or the election of the District Attorney appears to me to be kind of a single answer to a very complex system. It's a

complex question, and I really don't think it's going to resolve any of these problems. In effect what it amounts to is we've got to accept and encourage more responsibility for our own actions. And how we do that in as mobile a society as we are I'm not quite sure. But I think that's what we've got to do. I think it can receive some governmental help, and I'm not sure exactly how the governmental help is going to encourage us to do that. That's all I have.

THE MODERATOR: Thank you, Mr. Fisher. We'll take the break while the Court Reporter changes the tape in her machine.

(Short recess.)

THE MODERATOR: We will proceed.

Is there anyone that has not had an opportunity to have some input into this area that we have under discussion now? Mrs. Anasogak.

MS. ANASOGAK: Right now the problem that I face in my village is the lack of communication and transportation in order to get some law enforcement into the village whenever a crime is committed. And not only that, the lack of support to our local village policemen within the village and also to be able to pay that policeman adequate monies to protect the village is another area that needs to be resolved. And the whole area of crime again comes back to

the area of education.

There's a lot that you can do in preventive measures. Don't wait until that time. Isn't crime prevented when he's young, his forming years. Sure, a lot of our responsibility as parents is in the home. But the school plays another important part of that child's education. And to prevent it, especially in the area of alcohol and drug abuse you see an awful lot of that in villages. Alcohol is something that is a big problem in the village. And more and more drugs are coming into the villages. The small villages. Even now it's beginning to be a big problem. And our young kids are getting into it whether we like it or not. We're sure we could go out and say -- tell our children, "Don't drink," or "Don't smoke pot," or "Don't take any drugs." But they're not going to really listen. They're going to experiment, and that's where educatior comes in, is to teach our children. If they're going to drink at least teach them what alcohol does to you and to your system, to your body. And the same way with drugs.

THE MODERATOR: Thank you, Mrs. Anasogak.

Is there anybody else, the lady on your right, please?

MRS. BOSTON: I'm Lillian Boston, and I'd like to address the problem of violent crimes against woman, of

which I was one.

Two years ago this man ran me off the road in Eagle River by the bridge. So he runs me off the road, you know, where the bridge is at night so nobody could -- the people on the highway couldn't see that I was down there. And he proceeds to beat me horribly, and thankfully I went into shock because I couldn't feel the kicks or anything. So I kind of flopped around and acted dead and he left. He had a notebook, an address book that fell out of his pocket, and I wasn't discovered until seven hours later, by which time I had frostbite and he removed my driving gloves and my boots and I had to have multiple amputations. And at the time, my husband was working on the pipeline. I've been married for 12 years, and I can realize what problems the police probably do have, you know, in cases like this, but it took them -- this happened in November, and they didn't even pick him up until April, although they knew his address. I spent so much time trying to convince them that I didn't know the man and I had never seen him before. And as a result I was in the hospital for five months and he was in jail for three. And, you know, he had -- I was in isolation. I couldn't even read a newspaper or even touch the television set because you have to be kept very still. But what was ironic is, you know, he went to jail and he watched television and had access to a library, and I just

didn't think it was fair.

And the State statutes are such that the judge's hand were tied. So he only got three months, and they didn't even recommend that he get a psychiatric evaluation. And my husband had to get me -- I started -- it was so traumatic that I knew I was losing grip on reality, so I asked him if he would get me a psychiatrist. And I had seen him for 90 days, every day, and that's the reason why I could handle it now.

And since this time, I've discovered that there's a lot of woman that this has happened to. As a matter of fact, my own cousin was found in July, over by the Fortress Ridge, killed, and they -- the police know who did it, but they can't get the evidence together to prosecute.

So I really think that the laws should be changed. or made stiffer.

When the DA's office sent to the FBI for this man's criminal record it was three pages long, all assault and battery, different states. So, apparently, I wasn't the first one. So, that's all.

MS. BURNETT: Excuse me. Is this man free today? Is this what you're saying?

MS. BOSTON: Yes. And as a result, if it even gets dark I don't drive my car. I take a cab to this day, you know. And he's still here in Anchorage, and I hate to go

shopping alone. You know, I'm so afraid I'm going to bump into him. We were getting some strange phone calls, but we called the police and we had our number changed and the calls stopped, and I'm sure it was him calling. But, like I say, you know, I'm not the only one. That's been happening all over the State. You read the paper and somebody's being found on Highland Drive or something like that.

THE MODERATOR: Thank you very much for your input. It's very beneficial.

Mr. Kocsis?

MR. KOCSIS: Yes. I've practiced law for about 15 years on and off, and what I'm hearing around your table is you're all talking about how the system can respond. I suggest that you take a close look at this system, specifically at lawyers. We rely on them for a lot of things I'm not sure we should.

I do not find in the Constitution, a constitution based on the concept of equal justice under the law. I don't find lawyers written into that. Lawyers have written their own role in this system, and I think everybody --

I think you might want to take a look at what that role is. Lawyers have created it. They have insisted it. They must been there to interpret a series of rule.

The purpose of the criminal law and one of the

differences between our system of law and other systems in the criminal area, at least, is ours is all written down. Every person is supposed to know what he is prevented from doing, and they're supposed to know what they're required to do. But somehow, the lawyers in this State -- and I have to be one of them -- we've interposed ourselves and we've told you you really don't know what it is you're supposed to do and we will interpret it at a very high cost.

The law school professor explained it he said a couple hundred years ago when we invented that system, we translated everything in Latin and we lawyers have been charging you ever since to translate it back. Well, that may be a little extreme, but it's in that area.

I am not convinced -- and you might want to consider the possibility that we ought to as a legislature and as a people be able to write laws, directions to the society, that are clear enough, that are concise enough so that every person entitled to an education under our system and hopfully are getting it -- every person ought to be able to read it, know what's required, and they ought to be able to go before the lawgivers, the judges in the State, and be able to tell his story and know where he stands and have that story listened to without the interpreter.

I want you to perhaps look at that kind of thing. Do not be caught in this system. If you allow it to go on

lawyers will continue to impose upon you. This is our life blood. If it gets real simple, you don't need a guide. Just please think about that a little bit.

I agree with Mr. Dahl and Mr. Fisher, alternative methods of dispute resolution. In New York City, for example, you have in the Jewish community the Hasidin courts which are nothing other than a group of Jewish people who have agreed to live by a certain set of rules, to accept the laws given by their own internal lawgivers. They were Perhaps on a village counsellor type of concept. You are in the community, you are subject completely to the dictates of what that community says. When you violate their laws, they will deal with it. We don't need a complicated system. I don't think I'll belabor the point any more. But there's going to be a bill, for instance, in the next session in the Legislature about derequlation of the Bar. Right now, in order to practice in this State, you must belong to something called the Bar Association and you pass a Bar examination and they police their own members. A lot of our problem, I think comes from that. I -- I'm not assaulting the Bar, but I ask you to look at the fox in the hen house kind of a theory. It's lawyers looking at lawyers. It would be the same as any group looking at itself. Are you really getting the kind of examination you need? Examine very carefully, the role of

the lawyer in this -- you may want to make some recommendations about what that is. I am not convinced -- having practiced law, I'm not convinced any one of you is not able of going before a judge and explaining your case. You ought to be able to do that. If you want, if the criminal gets off and the lawyers are necessary to expedite, the system would automatically break down and just become gobbly-gook. You better examine the rules that you're living under. Don't tell me that the lawyers are necessary to interpret it. Change the rules so that we can all understand them. You may want to make recommendations in that area or not, but I hope you'll address that. Thank you.

THE MODERATOR: Thank you, Mr. Kocsis. Representative Jack Fuller. Do you care to have any input in the area of Law and Justice?

MR. FULLER: Well, as you know, the bush has been doing a lot of work on this bush justice. I don't have anything strong to come out with right now, Bob, but I'm deeply concerned with it, and as most of us members are, problems we have with the bush. And certainly I think I go along with Mr. Kocsis' -- his idea of being able to tell your own story without an interpreter. I think it has a lot of value to it.

THE MODERATOR: Thank you, Representative Fuller.

MR. FULLER: Thank you, Mr. Chairman.

THE MODERATOR: At this time I'd like to make my input.

I finished three years of law by correspondence. I am not an attorney. If I had served my own personal selfish interests when I was in the Legislature I would be a practicing attorney today. I had that opportunity as others did. Others took that opportunity. I elected not to.

I authored and introduced legislation in the Legislature. The Alaska Bar Association held their convention in Juneau, and the Board of Governors of the Alaska Bar asked me to come in and talk to them about my legislation. The bill had been referred to the -- it was not referred to the small judiciary committee of which a well-known Ketchikan attorney was the chairman. Rather I had the skids greased. It was referred to state affairs. But under Mason's Rules some fuller action evolved, and the bill had an additional referral to judiciary. When it got to there it got a pocket veto. However, the Board of Governors assured me that they would strengthen their grievance committee, and they did. They also assured me that anyone that failed to pass the State Bar exam or had failed to pass the territorial Bar exam three times could never take that examination again.

They assured me likewise that while we would have

reciprocity with other states -- and for the layman reciprocity is where, if an attorney has been admitted to the Bar in California, for example, he can then, therefore, transfer and practice law in Alaska, or conversely, an Alaska attorney could go to California and practice law without taking that respective State's Bar exam. But anybody that failed to pass the exam three times -- if they went to another state and passed it and we had reciprocity with that state the record would stand, he could not enjoy reciprocity.

I'm now aware that there have been some violations of that agreement, people that had passed the Bar exam in other states and had failed to pass it here are now permitted to practice law in the State of Alaska. I've been made aware that people had a fourth chance to take the Bar exam in this State. On the other hand, I'm aware that some people that had failed the third time have sued in the State with the viewpoint to having an opportunity to take the Bar exam again. And I'm not aware of any state that has prevailed. It's a fox-in-the-henhouse situation, the way it is today, as far as the Alaska Bar Association and policing themselves goes.

In the area of bush justice, law and order in the bush, I've noted progressive improvement. I'm inclined to be impatient. But, on the other hand, based on the 1970

the bush area of Alaska -- the educational value of our people in 1970, was fifth grade. And 6 percent of the people had college degrees. Most of those people were teachers, Fish and Wildlife biologists and those types.

The past 10 years I feel there's been substantial improvement in bush justice. I am impatient. It's a training process of people on the community level. The magistrate system has had a really rocky time because the people that have been appointed, applied to be appointed magistrates and have been appointed are people that, unfortunately, by and large while they're since c, they're very ill-equipped. And you couldn't bring these people in overnight to dispense justice in the bush and do it fairly. It's a people input thing. Is it fair? Magistrates that are related to probably everybody in the village directly or indirectly -- second cousins or great uncles or whatever -- and culturally our family ties are very great in our bush communities. The family group is extremely close. There's a deep respect for the family structure.

In the area of drug abuse, it is substantially accelerated in the villages. It's running neck and neck in many villages with alcohol. The educational system, when I was a youngster, taught us what 3,000 years of drug abuse had done to China. Our textbooks no longer teach that.

In rearing my own family my wife and I taught our

son how to drink, how to handle alcoholic beverages. We had wine at dinner, we'd have a cocktail on in the evening, and, to the best of my knowledge, I doubt if he consumes equivalent to a case of beer a year. I'm very thankful for that. It's a process -- a learning process that's important both in the home and in the school. You cannot legislate morals or personal behavior.

The quality of the judges across the street that I recognize is improving. I feel we have substantially better quality judges on the bench today than we had 10 years ago. The courts are very lenient. There's -- you recognize this, Representative Fuller, in the disposition of cases at Nome. They're lenient to a point of frustration for the people involved in law enforcement.

I've identified the problems, but the answers? We all have to work at it collectively. We -- all of us, friends and neighbors. I believe in salvaging people just as we salvage aluminum containers, old tires or whatever. Recycle them. Rehabilitation, I believe. I have nothing further on this.

MR. ACKERMAN: Mr. Chairman?

THE MODERATOR: Yes.

MR. ACKERMAN: I have one comment I'd like to make, a Fish and Game I overlooked.

I think, you know, in the area of Fish and Game

we ha a state job requirement that disqualifies many qualified Alaskans from pa.ticipating that have the best interest in State game and management and protection and I think this is the area we really need to look at. Our Fish and Came management -- we disqualify Alaskans that have the best interest in management and protection of resource. And that's what we're doing. Primarily our Fish and Game people are people that come from out of state, and they're not familiar with our problems and so don't have the same concerns with them that we do. And it isn't just fishing.

I think our state job requirements in all areas disqualify qualified Alaskans from doing something that they have a vested interest in. And I think this is an area we really need to look at in Fish and Game.

THE MODERATOR: The administrative rules and regulations under the Administrative Procedures Act have created that where they --

MR. ACKERMAN: Well, we really need to look at it. I think there's -- we have to make some changes, you know, in our procedures in this area, and I think in all our State jobs. Because we do have qualified Alaskans that have a vested interest in many areas that are disqualified by the procedures from doing the job.

THE MODERATOR: There's another area that I'd like to touch on that -- you jogged my memory on this, Mr. Ackerman.

Under the Administrative Procedures Act and personnel rules and regulations, when there are job openings the State is required to advertise these positions. And numerous people apply for these positions, but before they're ever advertised the positions have already been filled by people in-house. And it is a waste, it's deceptive, and this practice is carried on very avidly in the Department of Fish and Game.

The Fish and Game people -- not just the Fish and Game enforcement agents in the Department of Public Safety but the Fish and Game people, Fish and Game biologists have a very real tendency to hassle the people in the bush. They have a very negative attitude, tunnel vision, if you may, toward our people. Our people are game users, and by and large for the most part the conduct of our Fish and Game people -- or in the area that I live in -- is that of preservationist, not conservationist. I profess to be a conservationists. My interpretation of conservation is the orderly utilization of all of our renewable resources on a sustained yield basis for the utilization of man for all time.

In the area of nonrenewable resources, recycling wherever possible.

The State Department of Fish and Game and the Fish and Game enforcement people in the Department of

Public Safety are a very real thorn in our side. And Representative Fuller has been involed with it in virtually every community he's been in this past year. I think you might want to touch on that.

MR. FULLER: I might make a comment on it, Mr. Chairman. I've seen -- experienced some of the frustration in the formation of the subsistence section, and there are people that have background and experience but not the degrees that we have tried to put in some of these slights. The only slights in the subsistence section were on the helper category. And we've already had some turnover. I, myself, made some recommendations not just from my experience but from the people that represent the area. The man that was hired was hired because academically he looked the best. This was a native, incidentally. However, he's no longer there. But I recognize this from just my specific experience. And I go along with Mr. Ackerman. I think that hopefully the Legislators can do something about giving us some direction, because we do have the people that are qualified. And I think there's a lot more than just the academic ramifications. There's inspiration and dedication in which many of our people have. And I think we're just losing a great resource that we're not taking advantage of.

THE MODERATOR: Thank you, Representative Fuller. The

body will now proceed to the area of communications.

MR. KOCSIS: Mr. Chairman, excuse me. I'm sorry to interrupt, sir. We have, speaking of communications, behind you -- part of the record we're making of this proceeding is going to have some television coverage of it, some videotape coverage for it. In order to set up and be ready when they go perhaps a five-minute break would be in order, see they could be right on line, if that wouldn't be presuming, sir.

THE MODERATOR: It is now eleven o'clock. We will proceed in five minutes.

(A short recess was taken.)

THE MODERATOR: Come to order. We'll proceed into the areas of communications. We have the benefit of the presence of Walt Parker, who is from Lake Minchumina, author of a paper on communications, here to open and give us some highlights of his paper in order that we, then, may proceed in an orderly fashion with our input and any questions that we may have to poses to Mr. Parker. Walt Parker.

MR. PARKER: Thank you, Mr. Chairman. That was a nice introduction. Not too many people remember I'm from Lake Minchumina.

Anyway, the communications paper was cast very much in light of what's possible in the next 10 years and

what needs to be done. I didn't get very futuristic in it because I didn't want to blunt the effect of what I really feel needs to be done and concentrate on the rural areas because that's where the basic problem is.

We've got the international and service to the other states pretty well up to speed and the cost factors on that are going to be handled within a national context. So there's -- we don't have the effect there that we have on our own rural system. It is pretty much up to us what we do with it. And the paper simply recommends upgrading that system very quickly using the concept of the small earth stations as the back bone of doing that. The main thing is to free up the communications jam that exists in most of the rural areas there now.

I just recommended one more channel of television, because I couldn't identify any particular need for more than that at this time. And the main area of concentration was in telephones, conference circuits, data circuits and so forth which has not happened. A large percentage of the people in Alaska have television reception capability right now, various grades. But there's a substantial number of them that are still having to communicate by bush phone or an old Northern High Frequency rig that they may or may not be able to get parts for much longer.

So the next thing I tried to float a few concepts

out on was how do we finance all of this? Well, compared to costs now days because of the energy situation telecommunications is becoming more and more of a better buy compared to -- as a result of transportation in many areas. And in order to bring the rural system up to speed, we're not talking about massive sums of money. But if we have to load all those expenses on the rural rate base, as you well know better than anybody else in Alaska, why, you're going to continue to have relatively insupportable telephone bills in the bush. So

one of my long term dreams, and one I put in the paper is to simply approach our interstate communications by treating the State as a single area and spread the long distance costs for calling within the State across the whole state. One of the other options to that, of course, is just to expand the districts within the State. But unless you're able to spread the costs in some manner, why, of course, the rural telephone user is always going to be faced with a very high cost of service. I don't see any other way out of that. And I'd sure be interested if anybody else could come up with any concept.

They are still dealing, of course, with the Federal Communications Commission, as you are well aware of putting more of our Alaskan telecommunication expense spreading those over the national rate base and we don't

know how we're going to come out over that. Because as far as our interstate costs, why, that's the most innovative and far reaching concept I was able to come up with at this time.

And I didn't get into communications in its broader sense of involving the media or any of that aspect of it, so I just deliberately left that out of the paper. But I did try to point out that from my feeling the level of service we're going to provide in education and the new rural education administrative area schools, level of service we can provide in health to the health aids and to the level of service we can provide to local communities in helping them have more support services immediately available and bookkeeping and the whole range of things are directly tied with the quality of telecommunications system.

And I always felt for the last 30 years and feel more strongly all the time that the one area where we can substantially upgrade services across the whole wide range, why, makes fairly minimal inputs in un money at this time. The smaller stations I've always regarded as a great breakthrough. They made financially possible to do some things that were very difficult to finance before. So the other aspect of financing is, in addition to spreading the cost of private phone service over the rate base and a little broader than we do now, why, state dedicated lines for education, for

health services and so forth -- if the State is picking up the costs for those lines, of course, that's another means of spreading the cost of service over the entire state. And so I put some loose concepts in the paper also. That's about it.

THE MODERATOR: Thank you, Walt.

Mr. Borodkin.

MR. BORODKIN: Yes, here about six years ago I was living at Kotlik, and my wife and I was radio operators, the kind of radio Mr. Parker is talking about, a two-way radio. And since we left telecommunications has come into that village. They now enjoy a telephone that can bring any world throughout the world. They also have a television. So I'm really pleased with the kind of services that's getting out to the village as far as telecommunications.

One thing I would like to say to you is: I hope that the State continues to fund the demonstration project. Another thing is that we also enjoy throughout the bush a hot line that's connected with Anchorage Alaskan Native Service Hospital. You can pick up that phone, and it's -- you can get through day or night. And at the same time you can communicate with any of the villages. What it is -- it's sort of a round robin deal that is open. Once you pick up that phone, it transmits throughout the whole

network, among the bush hookup through the earth satellite.

MS. BULLOCK: It's an open line?

MR. BORODKIN: It's an open line. What it is, is it's a hospital related open line. And it's a vitally needed link, and I certainly would like to see this continue. It's been the greatest thing that ever happened in the bush. Thank you, Mr. Chairman.

THE MODERATOR: Thank you.

Linda Brown.

MS. BROWN: I don't have any information on the technology that's involved with Mr. Parker's plan, what's really going on in the area of communications. I recognize there's a need for continued funding for this kind of thing, health hot line you know, that is extremely helpful in areas that don't have doctors.

We talked yesterday about the need for public television use in public for educational television to augment educational benefits. And I think the funding should continue. And I'm going to support these concepts of increased communications in the bush. And I think it's necessary. Thank you.

THE MODERATOR: Thank you very much, Linda.

Mr. Alexie.

MR. ALEXIE: What I would like to present is: I came from where telephones are not dependable, so I think in the

future we'll have communication or communications improve so we can talk to our friends or have emergency calls quickly instead of getting held up someplace.

The telephone system is very important because everybody in the villages are separated from the main town. This is very important to have.

THE MODERATOR: Thank you, Mr. Alexie.

Miss Anasogak.

MS. ANASOGAK: Yes, the communications throughout Alaska is very important. We do have one telephone right now in the village, which is great when it works. And I work as a health aide, and in my clinic I also have a radio that's connected to the hospital and also a telephone that's a direct line to the hospital, which is fine when they both work. And I'm in one tight spot when both the radio and the telephone is out because of whatever and I need to get ahold of the hospital because of an emergency and I can't get through.

I don't know what kind of system that -- when it was the no-plank service, when it was under the direction of Ramon Guiea -- he has a really good communication system. I guess his agents in the village -- they all have radios connected to them. That is one radio system. And I wish my clinic had a set up like that. Anyway, when I transmit over the clinic radio to the hospital anybody in the

village can pick up my transmission on their AM/FM radio. That really shoots down radio, and in the end I get the bulk of this, I get falsely accused of whispering to my patients, this patient has so and so. Simply because people are able to pick up my transmission over the radio. And that's something that I don't think is fair. Something should be done. And which is why I prefer the use of the telephone over the radio. At least the telephone has a much higher frequency that can't be picked up over the local AM/FM radios. And I, for one, am looking forward to the time where we can have reliable communications throughout the State of Alaska and elsewhere. Thank you.

THE MODERATOR: Thank you. Representative Jack Fuller.

MR. FULLER: I would just like to back up to what Georgianna has said. I worked with the North Sound Health Corporation as Chairman of the Board for over a year, and this was a real problem, confidentiality, and one of the handicaps is the mechanical difficulties in the amount of time that the telephone is in operation.

When I go over as Chairman of the Board there was no logs kept, so the only thing the people could tell me is that we had bad results. And we kept a log, and it's still being kept, and that's a matter of record. But just to give you an idea of how bad it was there was only a couple of villages that were about 75 to 80 percent effective, and

the rest were 5, 10, 15 percent effective on the line. And there's a lot of problems. I understand one of them is the heat in the building. I mean, those are very sensitive technical equipment, and you have a problem in the bush with keeping the fuel oil going and having it on line. And I think this is something that needs a lot more attention and a lot more effort put into it to back them up.

THE MODERATOR: Thank you. Miss Bennett.

MS. BENNETT: I do not have technical knowledge of how the telecommunications systems works, but I feel very strongly that we need not only to continue funding but that this is a very important area for us to increase funding in. I can't think of a better use of state funds than to put into systems. As Mr. Parker said, it benefits so many different areas. There are not many places that we can put that in that will benefit all the areas of Direct Service that we've been discussing. And I won't belabor that point. I hope that most people would agree with that. I think that our community colleges should all be connected to the computer network that some of them are connected to. The phone bills at the community colleges are tremendous, and it doesn't seem that that would be necessary. I believe there are three or four community colleges now on a computer network where they can send messages and it's very cost effective and that's an area that should be increased

also.

THE MODERATOR: Thank you. Mr. Stump.

MR. STUMP: Yes. I'd like to refer to a problem in Southeast Alaska, that is outlying logging camps; smaller villages have problems that are very similar to the -- very similar to the problems of the bush. And I think it's simply a matter of recognizing that these problems are just as much a problem in these communities in Southeast Alaska as they are in the bush route, interior and eastern Alaska an to see more attention paid to those. You're talking about lack of phone communications. The bulk of the logging camps in Southeast Alaska are the only kind of -- which are isolated in the fact that they have no road connections to town, so their health problems are very similar to the situations in the bush communities. Their only means of communications is through a privately operated radio telephone network run through the Alaska Loggers Association, one in Ketchikan and one in Sitka. And the level of service and the expense of the service is quite low from service and from expense quite high. So they certainly could use more state aid in that area.

Another thing regarding communications activities the State that I'd like to address is the role of State agency telecommunications facilities equipment and personnel. There's an increased and quite, I think, unfair

kind of competition where these facilities that are paid for by State monies are leased out or used by private groups and also just in the agency use that is preventing private concerns to compete for those projects or activities. And I think that's something that has to be addressed or you'll see the State simply preventing the development of the private companies or groups in developing those capabilities and whatnot. And that to me gets -- goes back to the question of when you have a displacement of various private groups in the field, you have the affair of the control of the State over our private capabilities. And I think that's something that we again have to be cautious of. And that's all.

THE MODERATOR: Thank you, Mr. Stump.

Mrs. Bullock.

MS. BULLOCK: I have nothing to add. It's a learning process for me as much as anything.

THE MODERATOR: Thank you, Mrs. Bullock.

Mrs. Burnett.

MS. BURNETT: Yes. Just one comment in planning for the future. In medical emergency services, it's come to my attention recently that -- depending on the area that you're calling from -- there are many different numbers, and we've been working towards some kind of a system of common numbers for all the areas. Like if you call 911 in

one area it means one thing, and this is also with police and so on. And if somewhere down the line the right ears could hear, all of this state could be very beneficial if we had common numbers that meant the same thing, which is the essence of communication anyway, if we all knew what we were talking about, when there's an emergency that occurs and you pick up the phone and you get the right one at the right time instead of going through two or three dispatchers.

The other thing is I would really like to caution about is the expansion. I keep hearing about how great educational TV is going. We had a program federally funded, and it wasn't continued, it wasn't successful. And before we reinvent the wheel in expanding educational TV, we have to realize it's a very dehumanizing way of learning. It's very sterile. Children are used to being entertained by TV, Sesame Street. Public television has been very successful because it does entertain. The cassettes and films are a tool, a learning tool, and they should be a supplement of -- or an expansion, perhaps, of our system. But I really caution you as far as a very expensive program of expanding public state system of TV. Thank you.

THE MODERATOR: Thank you, Ms. Burnett.

Mr. Ackerman.

MR. ACKERMAN: I believe the stations should be expanded, maybe not necessarily for the total education

process. But I think as Mrs. Burnett says, a good supplement. Everybody should have an earth station. They should have reliable communications. And I think what they've done -- I've participated in several teleconference hearings and testified before the Legislature in Fairbanks, and I think these legislative offices with telecommunications should also be expanded. It makes your government successful. We are a large state. And I think with the expanding of telecommunications, we can bring it a lot closer together. We can solve a lot of our problems rather than being shoved off in a corner. And I think that we really need to put high priorities of our expansion of telecommunications within the State.

THE MODERATOR: Thank you, Mr. Ackerman.

Mr. Sears?

MR. SEARS: I'd kind of like to expand on what Mr. Ackerman said. There's been a move to -- a bill and initiatives and other forms of legislation to move the capitol of the State from Juneau to Willow, and one figure that was quoted in the Frank initiative was $9 million, which coincidentally was the first figure that was given for the construction of the oil pipeline. There were cost overruns in the oil pipeline.

The buildings in the capitol -- the buildings are essentially symbols. What you do in the capitol is

communicate. There's a lot of intercommunication, which is the basis of government. And what I would strongly suggest is that a very strong, highly developed communications network be adopted for the purpose of legislation for the Legislators, keep the capitol in Juneau and build some buildings up here, but don't -- you know, leave the staffs, leave the records in Juneau and have instantaneous communication between there. And let the Legislators meet in a more convenient place, but let there be strong communications between the Legislators and Juneau to defray the cost of moving an entire capitol inland. Thank you.

THE MODERATOR: Thank you. Mr. Jacobson.

MR. JACOBSON: I don't have anything.

THE MODERATOR: Okay. Mr. Fisher.

MR. FISHER: Yes. I would hope the communications would promote more of a sense of community and decreased polarization that apparently has accumulated in the State. I would hope that the increase in communications wouldn't cause further override some of the cultural differences in the rural areas. And that's a real problem. We homogenize everybody so we all act alike, think alike and have a common background; that's going to be pretty monotonous. But right at the present time, we could do something very tangible and very down to earth to remove the obstacles of communicating between people with the government. We could

accept collect calls from anywhere in the State but any executive elective judicial branch. We did a study one time about two or three years ago and then estimate was about $100,000. Say it was $300,000. That's peanuts compared to the money we spend, and to accept calls on the telephones that are working from throughout the State would probably bring a much better sense of communication with the State and hopefully better factual information. What I would suggest is a tangible, immediate step that could be taken by the coming Legislature very quickly. That's all I have.

THE MODERATOR: Thank you, Mr. Fisher.

Mr. Dahl.

MR. DAHL: Thank you, Mr. Chairman. I appreciate the chance to be near the end here, because I want to summarize, if I can -- next to the last, maybe -- I want to summarize by suggesting some of the problems that you've suggested and talk about that in terms of goals that we might have or objectives that we might have to solve those problems.

We've talked about ourselves as a separate people. We've talked about ourselves as being geographically isolated. We've talked about ourselves as being culturally isolated, culturally separated, emotionally isolated, emotionally separated -- maybe spiritually isolated and spiritually separated, too. I think the -- I also wrote

down the capitol move as something that perhaps needs to be addressed in this area because it seems to me that the capitol move initiative was a communications problem. It was a response to frustration of people that were having difficulty communicating their needs and desires and hopes and dreams to the Legislature.

I think part of that, certainly, was irresponsible media hype, but we need to realize that in the context of that media hype there was a propose that was identified. The solution may be the wrong solution, but certainly the problem is a real one. How do you communicate ideas to Legislators? I think we -- a lot of water has gone under the bridge since that initiative passed, and the opportunities and possibilities of a telecommunications network in this State may be available now so that the problem of communication can be solved.

Last night, Mr. Fuller talked about one of our goals being an integrated society that there's no such thing as racial differences, because of all the biological things that went into the whole concept of race. I think what that does not say, though, is that there is no such thing as cultural differences, because there are those of us who had the great opportunity to travel around a little bit in the State, recognizing that there are significant cultural differences that need to be bridged. They need to

be understood, they need to be maintained, if they want to be maintained.

And one of the things that communications can do to help us solve the problem of being isolated is to increase our understanding of each other. I see that as a worthy goal. Training in assistance and medical and the rest of the problems that have been raised by this group are certainly important.

Another thing that was raised last night that needs to be inserted into this discussion in relationship to the university courses or university study is the possibility of feedback. It's no longer necessary for educational TV to be one-way. Feedback can be made and need not be nearly as sterile as how we traditionally thought it to be. I think we have great possibilities in solving some of the problems that we have in communications, and I hope that we will use them as creatively as possible. Thanks.

THE MODERATOR: Thank you, Mr. Dahl. Mr. Ron Hohman is here, and he has some input on the communications area.

MR. HOHMAN: I'm Ron Hohman from the Bering Strait School District. Some people call it the BS District. But I prefer that you not call me that way.

For the past three years I've been Chief Administrator for that school district which has been

charged with the implementation or actually the establishment and then implementation and then operation of the new REAA school district. We've had some of the same types of problems that have been mentioned around the table, and it's really been somewhat difficult in the establishment and development of the new school district in rural Alaska when you don't have the basic communication privileges that sometimes are -- at least available in the urban areas.

The school district or any organization generally you have regular staff meetings, which is something that we aren't privileged with. Although we do maybe once a year have a staff meeting with our administrators. But the 80,000 geographical miles that kind of spread our district apart creates the difficulty, if you don't have staff meetings to rely on some form of communication. We do that through memos or maybe via the AM radio. But it's generally one-sided. So we don't have the opportunity to have the dialogue. That's been very difficult, and now as I see it, I think it's probably been our number one problem in just organizing the district.

The other thing that I see happening now that can really benefit us in refining and improving would be the benefits that telecommunications would have for instructional programs. So I support the comments that

have been made regarding the basic need for a communications system that can provide us with the daily, reliable effort in keeping some of our instructional programs operating, as well as improving the delivery system to maximize some of the State expenditures that can come from a televised network of specialized instructional courses.

THE MODERATOR: Thank you, Mr. Hohman.

We have a gentleman from a State agency, Larry Golden, sitting in the back of the room. Do you desire to have some input?

MR. GOLDEN: Yes, I would.

THE MODERATOR: You have the floor.

MR. GOLDEN: I'm presently working for the Central Interim Committee on Telecommunications. And I'm sure some of you will be very pleased to hear that there's several projects underway now that are very specifically geared to addressing some of the concerns that you've raised in this discussion here.

Personally, I find it very gratifying to see how the conversation has gone from very specific projects and needs to larger issues, and goals for telecommunications in the State. And I think that that's very important.

There's a tendency on the part of people to think that issues dealing with telecommunications by virtue of

the fact that it's technical are the sole province of engineers and perhaps FCC regulators and economists and that sort of thing. But the bottom line as to goals, why we're involved in telecommunications is very much a public issue, and I think it suffers from the lack of continuous public input into what it should be about, why we are doing this. And I just want to say a couple things about that.

Some of the implications of telecommunications, improved telecommunications are very obvious to us, such as the availablity of medical services, the need for phone service in small communities where there is none at a point. And we can relate to what those kind of services provide to us in our everyday lives and how they help us. Some of the broader communications of telecommunications aren't all that obvious to us and need to be addressed and some of the latter comments that were here, I think dealt with those.

Basically, telecommunications is a social tool, a tool that you use to build your own society as you wish to. And if you function in this way when it's set up to be interactive system -- and I'm just talking two basic terms in telecommunications. Broadcast system and interactive system.

Broadcast system that's set up so there's one central point sending a message to everybody and it's the same message and you sit and you watch and you listen to it

and you like it or you don't like it and it ends. Television and radio are like that and they certainly are very valuable techniques.

Interactive techniques such as the telephone computer system, competent communicating systems in the long run prove to be much more efficient, much more valuable as nuts and bolts, day-to-day things that everybody in their own community can use to get the information that they need to hear to make the decision on a local basis and plan things for themselves. I think it's axiomatic that as people have more access to information as they know what's going on individually and groups in the communities they demand to have more say in decisions. This gets us down to the potential telecommunications, either centralize the world or decentralize the world. And it can go either way. And somebody will have to set policies on that. And that kind of choice -- or those two outcomes are very much dependant upon the economic structure of telecommunications, which is a perfectly complicated matter, but it's also based upon some very simple policy decision.

I was involved in planning and setting up lectures, teleconference network. I think that's a prime example of an interactive system. And it's decentralized that anybody at any time can get into the system and ask a

question of a legislature and get a response or provide information to that legislator.

For the time being, I'll drop the whole thing about interactive networks and say that I hope I made the point that they're much more flexible. And it's something that gives you and each of your communities information that you need access to make your own decisions based on that information, plan, use them as tools.

In the area of broadcasting, several people have brought up the question of how do we bring Alaska together? I don't have a simple answer to that, but I think that broadcasting can provide some of the answer. National networking of both commercial and public broadcasting, I think, tends to have the effect of assimulating everybody into a unified culture. Certainly we all want to know what's going on all over the place. That's important. We can't live in isolated pockets.

But at the same time, I think it's also incumbunt upon the broadcasting entry both publically supported and commercial to do something about supporting the concept of regionalized broadcasting so that people in various parts of the State can see their own region of the State or hear their own region of the State reflected back to them. To help them in determining their own identity of who they are, where they want to go to from here. And then also to

network that kind of programming so that people in other parts of the State know what's happening everywhere else. This would help us to bring us together, but at the same time it could give us healthy respect for ourselves in our own areas and a healthy respect for people in other areas. I'll let it go at that. Thank you very much.

THE MODERATOR: Walt Parker. Did you have a question?

MR. PARKER: Yes, Mr. Chairman, in response to this range of comments and specifically to Miss Burnett's comments -- you know, the reason I didn't recommend any more television was very sensitive to that particular aspect in education. And my concepts of this are colored by 30 years ago trying to -- sitting in the midst of the Alaska bush and trying to get my wife through high school and some of my older kids through the primary grades using correspondence courses. I was doing -- I could do great on the -- at the junior level. I had a college degree by then, but I could do great at the -- with the K through 6. But when I went into high school chemistry and physics, I was lost trying to get my wife through that. So I think in those particular areas where you view a whole mix of things going out, computer instructoir -- you're computerized instructors and so forth part of the students must, you know, involve themselves, not to sit there and just have them dumped on them is what we're thinking in terms of, as

far as educational telecommunications goes.

THE MODERATOR: Thank you, Mr. Parker.

Yes, Mr. Borodkin.

MR. BORODKIN: Yes, one thing I forgot to mention is. During the initial installation of equipment I think everyone in this room that's familiar with the system -- they have breakdown after breakdown, and this was because of equipment being so new. And as time went by they've made improvements. And I didn't realize that there were this many breakdowns.

Is it possible that the telephone link that's breaking down is because of an operator that isn't paying attention to the equipment? I don't know what the system is. It may have automatic switching. Could anyone answer that?

MR. PARKER: Mr. Chairman?

THE MODERATOR: Go ahead, Walt.

MR. PARKER: Under the -- at the request of the Lieutenant Governor, why, Alaska is sharing a working group on the level of service to the small earth stations to work out this whole range of problems that's made the telephone service unreliable up to now, and they're making some progress.

Do you want to say any more about that.

MS. THOMAS: Miss Barbara Thomas. I'm with that

Alascom. We had been going back through all the failures at the small earth stations and trying to see a pattern of causes. Power is obviously a big problem, and we're looking through to the redundancy of service, and so we're working with the governor's office and several other people around the State working to solve these problems.

THE MODERATOR: Thank you. Miss Thomas. Mr. Fisher.

MR. FISHER: Question. It would be interesting to know how many people here have experienced the teleconference or -- teleconference system of the legislative information system. It would be kind of interesting to know how many of us actually have been involved in that. (Indicating.)

MR. FISHER: What is that, roughly one-third of us? I would recommend that system as an example of what can be done and how it can make you kind of a village round-table discussion right in the middle of that conference.

THE MODERATOR: Thank you. We're going to have to move along here. It's pressing on lunchtime. She needs to check her tape. All right. Then I have input that's very important.

(Short recess.)

THE MODERATOR: Mr. Kocsis has some input.

MR. KOCSIS: Sure. I'm hearing everybody agreeing on the potential of the system. From the legislative standpoint I would ask the group and each individual, I

guess, to consider: What does it mean when you have the interactive capabilities we're talking about or developing it? At some point, I suspect -- and Walt, I may be wrong -- we may be able to put dishes into every house had Alaska and have interactive TV. That may be long in the future. I don't know. I can foresee it. What have you that potential. What does it mean? Is a town meeting in the old sense of New England? Is that what we're looking for? What will it mean when a person can have it in their own home in their own community and respond to questions from the center of government? What is going to be the role of the Legislature? What must we pay attention to when this interaction is going on. I would hope the group would just address this kind of thing. Is this? Democracy. I'm talking about an interesting paper that Mike Bradner wrote in '78. I recommend you get ahold of it. It should be in the information offices. Take a look at it and please begin on address that kind of question. The Legislature is going to have to when does it mean when citizens can sit in their home and interact with each other from all over the State?

THE MODERATOR: Thank you. I'd like to take this opportunity now to make my input.

My family owned an independent bush telephone company in the bush. We have operated -- we started our first fully automatic unattended telephone exchange at

Teller in 1967 and had an interface for long line service with a Karanon VHF point, very high frequency radio. It was very poor, highly susceptible to precipitation, noise, ignition noises of all kinds. Finally after a number of years and much hassling, our Alascom finally changed that up for an UHF link. That is somewhat better but leaves much to be desired.

We own and operate a private line telephone system in Shismaref Alaska and one in Wales. Those areas have been sadly neglected in the area of satellite earth station communication because we already had local telephone exchange service. Because we had the ability to develop a local telephone exchange system, we were penalized in the State satellite earth station program and still are.

I subscribe to the philosophy that the local exchange companies own the interface long line equipment that interfaces in their exchange in their service area. Then if there is a technical problem in that exchange service area in the local exchange service area there can be no buck passing. The long lines carrier can say, well, it's in your end of the the local exchange service company can't say well the problem is in your earth station or it's in your VHF equipment. Your UHF equipment. There can be no buck passing. Now, they -- the present existing

satellite earth stations that the Legislature funded with the five million dollar appropriation amount to contemporary artifacts, and my company has had an application pending for satellite earth station ownership. We've had other applications pending in the mail. We expect to train the local people, bona fide certificated residents in the areas to maintain this equipment.

The cost of maintaining the satellite earth station and other long lines equipment by Alascom in all areas of Alaska are astronomical. The IBW, the Teamsters and the union agreements that they have with the technicians and such state that if a technician spends the night in a village away from his home base, he is paid eight hours pay at time and a half at $17 an hour or $204 a night. And they call that sleeping bag time and that's all billed in the rate base. It's no wonder that Alascom sought an 87 percent rate increase in the interim state service.

I urge that we have total saturation, a sattellite communications throughout all of Alaska. Junk microwave systems that exist between Nome and Tin City where they've built a repeater station on a hill 3870 that is untenable and has been a perpetual source of problems and outages. Go to a total satellite communications configuration throughout the State.

Now, next year my company will be building local private line exchanges in seven four communities. White Mountain will be a tough one. No satellite earth station. There's a piggyback shop. But in another village where there's only a mere hand full of people counsel there's a satellite earth station. There were people there at the time the earth station was installed, and then there was an exodus to White Mountain and people put their kids to school up there and that village for the most part -- I don't believe there's more than four or five people there this winter. That's a very real waste.

There's a lack of cooperation between Alascom and the State telecommunicatons dealing with the area of the satellite communications that the State has in their warehouse. There are approximately 20 of them. And this must be resolved in the best interest of the people, State of Alaska and quit Mickey-Mousing around with it. I went out -- I operated the low frequency radio communication just like Walt Parker. Many of us in this room for many, many years. When I served in the Legislature I needed better communications to communicate with my family and my business. And I went to General Telephone Company -- I asked them, you know, how about building a local telephone exchange company in the bush out here so we can communicate in the villages and get away from this low frequency radio.

And I -- the manager from Pacific Northwest sat back and his big chair and put his foot on the desk and said, however, there would be more telephones in a motel and they weren't interested. So I wasn't interested and rolled up my sleeves and left.

As Alaskans we are interested in telecommunications. That's come out. It's came out right here at this table today. They are profound communication. The new technologies that are here they've arrived are hoping to further through fiber optic. Through one fiber optic the size of my little finger we can carry 3600 separate communication messages, in fact, simply transfer data transfer television and telephone voice modulation, conversation. The same cable. It has arrived. The position we are in in telecommunications today now with the new technology that's available. But we don't have places. That's where we were in 1950.

Walt, am I on the right wavelength? How do I come on?

MR. PARKER: You're right in that you don't want to be afraid in modern telecommunications to junk or old equipment, you know, because it's usually a better buy to move into the new stuff as fast as you can. Just don't get to attached to maintaining the old system. You know, we have out space earth stations we bought only five years ago.

Five years ago they were the cutting edge of technology. They're not any more.

THE MODERATOR: It's lunch time. This little lady has worked like a Trojan slave --

MR. ACKERMAN: I have one brief comment, Mr. Chairman.

THE MODERATOR: Mr. Ackerman. Pardon me, please.

MR. AKERMAN: I was at Tanana this summer and we were placing control systems in the school there and while the telephones were out one day, I was there -- we were there for three weeks total this summer different times. But the thing I think that stressed me the most when I left -- and I really believe the telecommunications should be expanded -- was that when we filed our flight plan the FAA flight attendant said he only had one way communications, that he couldn't dial out. But when we got to Fairbanks and we cancelled our flight plan that he would know about it. And I think that back up systems -- essentially, some sort that we have constant communications. And I don't think that we can rely entirely on telecommunications. But I think that we have to have reliable back up system. It's just a matter of survival.

THE MODERATOR: Redundancy.

MR. ACKERMAN: It's survival.

MR. PARKER: We needed it for military uses and so forth. We built in all the redundeancy we needed, so we

shouldn't be afraid of redundeancy.

(A lunch recess was taken.)

AFTERNOON SESSION

THE MODERATOR: The meeting will come to order. We're back on the record. We finished the communications portion, and it's been suggested by several members of our group that we proceed here and now to draft our group statement or resolution. And then before this input gets rusty in our mind. And the way things are going, certainly, yes, it most certainly has merit. And I would then, therefore, like to get into the area of drafting a resolution based on general consensus of the body, on the general consensus of the body in the area of our communications posture in Alaska.

It seems to me that the majority of the input concentrated in the area of expansion and upgrading. Is that substantially correct?

MS. BULLOCK: Uh-huh, I think so.

THE MODERATOR: And that's saturation, totally statewide from Shemya to Ketchikan to Brumeaux to Barrow to Point Hope, wherever.

MR. STUMP: I think that if we take as we're making recommendations and going along through crosses and dealing with different concerns of government services and various other things that there's a real tendency in not providing a really valid prioritization of the thing because,

obviously, people are going to say, yes, we want the best communications that we can get. And yes we want the best education and whatnot. And I question how we can get away from just giving recommendations to the Legislature that says, "we want everything." I don't know if there's a way that we can do that. I think maybe a possibility would be to perhaps at the end of the discussions of these various things we've made resolutions as we went along or we've gone back to the ones we covered yesterday this morning and made resolutions to then maybe reserve sometime to make some kind of attempt to provide a better prioritization and to allow people to attempt in their own mind to say when it gets right down to the nitty gritty what they want to see, what they feel is the most important in those ways.

MS. BURNETT: I think there's also a danger in saying, you know, like the gentleman commented on, that we want all these things but we have to recognize the ongoing operation and maintenance, the change in state of the art, the limitations of space and time construction. I realize that isn't our job totally, but in prioritizing I think we should keep those factors in mind.

THE MODERATOR: All right. Walt Parker, author of the paper, I feel, might have some input now in the formation of position on communications. And I'd like to call on Walt to give us his thoughts.

MR. PARKER: Well, I think in the discussions before lunch that focused on the real areas of importance, which is simply to make it possible for communications to function throughout the State at a much higher level of reliability than they are now. And for the system to be inexpensive enough so that it's open to everyone, you know, it's the old problem in designing a system that's supposed to be available to the total public. If you cost it too high, why, you cost out a whole range of people. So it's the availablity both in terms of having a system to utilize and also the cost of it.

I think there are areas of concern that I heard you addressing before lunch that I'd like to see followed up on. As far as getting into all the other problems, why, you just about have to sit down and write a major position paper to do that. And the overall importance of communications as opposed to a whole range of other areas that I regard as a proper level forgetting into here.

MS. DUYACHAK: Senator, do you think if I put some of these things up on the board it would help?

THE MODERATOR: Fine, please do.

MR. ACKERMAN: Mr. Chairman, we're fortunate to have Mike Bradman with us. He's going to come here for a couple hours this afternoon. He's done papers on finance here and has quite a bit of experience on the gas and oil industry.

I wonder if it would be before too much longer if we could hear from him on the oil and gas policies.

THE MODERATOR: That would be very beneficial to have Mike's expertise or input here. We're really behind. We're covering a tremendous amount of trail in a very short period of time, and we lost literally an hour yesterday. We lost time this noon and started late this morning. I'm apprehensive about the net result of this conference on account of the time factor. It puts us -- we're penalized had at the very beginning.

MR. ACKERMAN: I think it would be very beneficial if we hear something firsthand from Mike on some of our financial problems and our resources and our oil and gas policy. I think he has much experience in the two areas, and they are both closely related.

MS. BULLOCK: Could we finish this communications first?

THE MODERATOR: Since we're into it it shouldn't take too much longer to get the general consensus.

MS. BULLOCK: It shouldn't take long.

THE MODERATOR: -- together here on a position statement on communications. There is in put from bush people that will be saddled with emphasis on educational TV. Mrs. Burnett touched on the area of barenness of the human input in the classroom, sterile delivery system. We do not

want that. We do not envision that it would be a totally sterile delivery system at all. The delivery system would be maintained by the classroom teachers. Testing and tutoring would be conducted by the teachers in the classroom. The teachers would have to be prepared to conduct the courses of instruction in the event of satellite earth station failure or failure within the equipment facility.

Yes, Mr. Ackerman?

MR. ACKERMAN: In telecommunications you do have two way communication, and I think we ought to stress the telecommunications a little it longer than with we --

THE MODERATOR: Right.

MR. ACKERMAN: We're running -- we're having a class in Juneau now, and the instructors in Fairbanks. And it's a two-way thing --

THE MODERATOR: That's right.

MR. ACKERMAN: All the way through, and I think that that's something that we really should explain and put an emphasis on.

MR. BORODKIN: Mr. Chairman?

THE MODERATOR: Yes, sir, Mr. Borodkin.

MR. BORODKIN: The satellite, in the event it breaks down you have back up system whereby you could use video, cassette type thing that you can plug in without too much

problem. So that's one way of, you know, you have that back up

THE MODERATOR: We're doing that now to some extent. Yes.

MR. BORODKIN: They're using it in some areas.

MS. BENNETT: Mr. Chairman could I ask a question of Mr. Parker

THE MODERATOR: Yes, Miss Bennett.

MS. BENNETT: Mr. Parker when you mentioned that our earth stations that we bought five years ago were already on the verge of being outmoded -- if a lot of money is put into a telecommunication system, now, is that likely to happen soon again or are the systems -- is it built into them that the new technology can be utilized or --

MR. PARKER: You've got to regard your telecommunication systems just as you do your car. It's not going to last forever. It depends on how often you replace it depends on how well you want it to operate.

MS. BURNETT: Excuse, sir. I don't think you can compare it to a car. Lots of the State of the art punctuates such that by the time -- I just felt that a comparison in communications -- telecommunications and phone systems and so on is not a good comparison because the State of the art fluctuates at such a rate that sometimes by the time we get a system installed it is

already obsolete or at least it's functional. Don't misunderstand me but you have to re train your people in order to make it --

MR. PARKER: You have the same problem with computers.

MS. BURNETT: True.

MR. PARKER: We'll have the mini rapidly advancing system. What I'm saying is you have to make a decision sometime --

MS. BURNETT: Right.

MR. PARKER: -- and so you just have to make your decision on the basis that what you're buying now is going to serve your needs for now and evaluate your position five or 10 years down the line as to whether it's still serving your needs, whether it's better to buy a new system or better to upgrade the system that's partially obsolescent. The problem with the smaller stations now is it's not enough capacity in most of them to serve most places to provide adequate telephone services and do all the things a lot of people want to do in education and health service and so forth. So the question you're faced with technically is whether you want to add on to existing smaller stations or whether you want to buy a complete new small earth station. Well, that's an answer that you have to have some analysis you. Have to come up with your best option, something that I'm not capable of providing you at

this time or even coming close to providing you because the work -- the preliminary investigation hasn't been done as to which is best -- the best option there.

MR. STUMP: I question whether or not this group has the ability to make -- to really even consider those particular concerns. It seems to me that if we were to just stick with establishing our needs, trying to prioritize our needs, that we could be doing the best service we can for this legislative affairs counsel, and perhaps maybe we should get right to that.

THE MODERATOR: This is why I alluded not to the hardware but to the saturation of the system.

MR. PARKER: Mr. Chairman, it depends on whether you want a communication systems that's like the one it is now with a voice that's hard to use, it's expensive to use or whether you want one that's easy to communicate at every level and some effort is made to spread the cost of operating the system as to total impact and not upon the bush. So you've got the two areas, as I see it, the two main areas of concern, how effective a system you want and how you will finance it.

MS. BULLOCK: What are the costs involved, though? You see? This is something we don't have the information.

THE MODERATOR: Yes, the cost on these new satellite earth stations is coming down because there's so many

bright young men from Stanford University and MIT and so forth that have gotten into the act. There is so much of that hardware available it's becoming highly competitive. Like the first model T Ford. Then everybody started building substitutes and locomobiles and Essex and Wimpit and Chevrolet and you name it. There's no machine aircraft manufacturers the same way.

MR. PARKER: Mr. Chairman?

THE MODERATOR: Yes.

MR. PARKER: This is -- it costs the existing carrier -- it needs to have something like 60 million a year in revenue now to operate the system, isn't it? It's more than that. In any case, most of that need is generated from the urban areas. The extra costs for the rural areas are probably on the order of a magnitude of 10 percent more than what it costs to operate the system now to bring the rural system up to a level that is comparable to what the urban areas --

MS. BULLOCK: 10 percent more.

MR. PARKER: Yeah, 10 percent more, roughly what revenues Alaska would needs.

THE COURT: The new hardware is on -- it's on cards that a housewife could maintain.

THE MODERATOR: Mr. Dahl.

MR. DAHL: In the interest of time, rather than get

too much into some of the details that really are far beyond the technical skill that we're able to muster right here at the moment I've drafted some language that I'd like to present for discussion.

THE MODERATOR: Please proceed.

MR. DALL: A resolution on Communications: To expand and upgrade communication service and facilities throughout Alaska with special consideration to, one, television conferencing for legislative and educational purposes, two, efficient telephone systems with a single toll area spreading the cost throughout the State, and three, other appropriate technology with a goal of integrating Alaskan society while preserving the contributions made by diverse cultures.

THE MODERATOR: Very well done.

MR. ACKERMAN: Move to adopt, Mr. Chairman.

THE MODERATOR: There is a move to adopt. Is there a second?

MS. BULLOCK: Second.

THE MODERATOR: Is there an objection?

(No response.)

THE MODERATOR: Discussion? No discussion? Question.

MS. BULLOCK: Question.

THE MODERATOR: Those in favor indicate by raising their right hand.

(Indicating.)

THE MODERATOR: Those opposed.

(No response.)

THE MODERATOR: Thank you very much. Very well done, Mr. Dahl.

MS. DUYACHAK: Would you like us to Xerox that and distribute it to the people?

THE MODERATOR: Please do.

MR. BORODKIN: Mr. Chairman?

THE MODERATOR: Yes.

MR. BORODKIN: I'd like to suggest that here after I think such a resolution before it's adopted and passed, voted on we should be afforded a copy of that resolution so -- in writing.

THE MODERATOR: Would you care to -- would you desire to make that motion rescind our action?

MR. BORODKIN: No, no, I don't.

THE MODERATOR: I must apologize. We're pressed for time, and with the vote I believe it's a consensus of the body that Mr. Dahl had it in focus.

MR. ACKERMAN: I was wondering if possibly we could hear from Mr. Bradner before we get into another topic.

THE MODERATOR: Yes. At this time I'd like to proceed to hear from a representative, Mike Bradner' in the area of finances and oil gas policy. Mike Bradner you have the

floor.

MR. BRADNER: Thank you, Senator. I was asked and had the opportunity to write a paper for your backup material. I'm not sure how they've got these numbered. It's on B75, towards the end of the book. And I tried to take a broad conceptual sweep dealing with disposable be revenues and all of that implies. And of course there were disposable revenues derived basically from one good fortune. No magic, perhaps, or skill or exceptional planning on the part of the State. Just the good luck of a series of holes in Prudhoe Bay which now will support over 75 percent perhaps up to 90 percent of the State budget regardless of what else we choose to do with the money.

The paper was developed with an idea of giving people a background of basically what the policy of the State had been in spending in territorial days, what it was in the early period, what it was in the first periods of excess revenue spending, meaning excess revenues in terms that revenues were available clearly beyond the dimension of what almost any other operating democratic government in North America would simply dream about.

And I chose to suggest also that produces some difficulty because it immediately impedes your priority. And I tried to stress one thing in the beginning of that paper, that perhaps the universal parameter of our American

policy has been you didn't have enough money. And that's what made you select A or B over C or D. And now we've had a little experience with having enough money to do some of the things we wanted. We now face another arena of having possibly from 15 billion to $75 billion in excess revenues between now and 1995.

I detailed in the early part of the paper basically four things that a government could choose to do under those circumstances: They can reduce their existing revenues and lower taxes. We've heard a little of that. That doesn't make a dent in our disposable revenue. We can increase spending on our historically established services. What we're familiar and used to spending money for, what we're comfortable with. If you go outside of those bounds you're going to have difficulty. We can try to find new services that are more ordinary to government to spend. We're talking about communication. As an example that some other governments might not spend money, might not be so traditional where we can simply allow the accumulation of funds and with no use. Send it to New York and bury it beneath the streets.

You can look at the last period of excess revenue, and I think the message in terms of conceptual diagram that I would like to leave is that was the easy job. Alaska, like all governments, is spending money on education,

transportation, health and social services, in that order. You get that by giving money to local government.

They then spend it on the people because that's the government that delivers direct services directly to the people with the exception of health and social services in Alaska. It's not true in other states. Even health and social services in other states go through local government.

The task was easy the last time around. We simply spent money, the 900 million, by giving it to other governments, and we spent it to maximize spending on education, transportation to a much lesser extent on health and social services. And if you want to look at the degree we now fund those governments you could almost make a case that it's not possible without distorting those institutions dramatically to spend more money on it.

Now, there's some exceptions in rural areas where, obviously, the service requirements have not been met and partially because the difficulty of a lack of structure to easily translate them.

THE MODERATOR: Uh-huh.

MR. BRADNER: In stressing these points you often have heard that, well, also there aren't certain taxes that are exacted in the rural area of the State. But any more urban areas have complaint. 75 percent of the Anchorage budget comes from other governments. As of 1977 the Fairbanks

borough owned $23 million as a borough indebtedness. As of that time policy actions of the legislature the State paid for $40 million in those bonds leaving an indebtedness of only $3 million.

The point that I would like to stress is we try to get a concept of where we are now. It's that is an un think able situation. To any other government in almost any other place in the United States or any democratic society. So there's another thought that goes with that. We really can't look for guidance, for precedence, from other places. There just aren't any. So now we're in the difficult situation, not having an easy policy parameter of not having enough money. It makes it easy to tell you or you or you why I can't do something. You don't have enough money. You understand that. That's part of your daily life. That is no longer a really viable answer for the polititon. So our caution flag sometimes of making our options maybe should be there. If we recognize that discipline has been removed we're in danger of trying to do everything for everybody all at the same time.

The thrust of my paper tried to arrive at a point by saying we've done the easy thing. We've increased spending in the general service area to where in terms of most of the urban community you probably can't increase it too much more unless the State simply could run the whole

show.

THE MODERATOR: Uh-huh.

MR. BRADNER: And when you pay the whole figure sooner or later you're going to call the shots.

Now, in terms of rural needs it's a different question. But I would only submit that in terms of the dimension of money before us, what you could possibly spend to meet those needs -- you're going to meet the needs because the money is going to be there. You really arrive, then, at the next dimension of: What do you do when you've spent money relatively to the maximum where government is used to spending money. And that brings you to a very uncomfortable point in how our government has been used to operating. Because it brings to you the point, then, of what role government has in insuring there's some economic equity. In insuring the fact that government is rich doesn't mean that the private individual benefits other than having this child go to a little better school or, you know, having a flushed toilet and a few other things. It doesn't mean that he can pay his house payment with it and survive in an economic society.

What we have learned at this point -- that every time we poke hole in Prudhoe Bay or the Beaufort Sea or anywhere else that economic development is simply inescapable, to Fairbanks, the urbaners. That's why your

economic structure exists. It may not always be the kind of development you want, but something is going to happen.

I once heard the statement that there's one group of people who will inescapably benefit from native land claims. And that's the people in the urban economic structure. Because regardless of what happened out in the field is an economic benefit in the Senate.

THE MODERATOR: That's right.

MR. BRADNER: But what I would submit is the converse isn't true, that general development doesn't necessarily mean that people in the outer reaches of your economic I can structure benefit. And the thrust of my paper -- I brought it up to the point of suggesting that whether we like it or not and whether people at this table philosophically believe it's a good idea or not, if the State is going to be dabbling in direct economic participation or direct energizing by some means the economic structure with the next series of disposable money that you have. And that that situation is maximized by the fact that Alaska also is an owner of resources.

It might interest this group to know that the State of Alaska is the second largest oil reserve holder in the United States. So when you put the de facto situation together, whether we think it's a good idea how closely government operates within the private structure we're a

gigantic resources corporation. If you put that together with the fact that you generally have excess capital that it probably means one way or the other that state policy is going to reach out and try to find a bank to make those revenues meaningful in terms of private paychecks. And that is, perhaps, more realistic to recognize that not only is that going to happen but it is happening. It's happening as quick as you say bottom fish, state loans program, not business loan programs. There's been talk about public financing of a gas plan in Fairbanks, gas line participation. It's coming all the around us. And that it may well be useful to recognize the fact that that has happened and is going to happen and try to direct that policy to more prudent areas in the State. Which are actually less wastefull than feeling that, you know, it has not happened because it's there.

So I think, you know, the underlying thrust of my presentation was that the oil revenues of the State as derived has put the State in this financial position. Again, I feel I'm going to be able to say that and be a screaming, you know, believer that by golly government shouldn't get in private business. The fact remains that you were a multi-billion dollar financial corporation.

And the fact remains on the other side of the fence that you are one of the world's largest and most

research corporations in North America.

And you have to find out what do you with those two things and how you put them together. And I think the second thrust is that it's easy for us to talk about how you deliver money and what you do with money in those areas that we're really in common agreement on. Americans have always been willing to spend almost any buck they got their hands on for education or on transportation or on health and social services. I would include things like communication within transportation. As long as you have the money. And often a group you could get caught, and it's easy to be talking about the details on how you deliver those things.

The next area is extremely uncomfortable, and it's unclear how to do it. There's lots of problems accomplished.

THE MODERATOR: Thank you, Mr. Speaker

MS. BURNETT: Could I have one clarification before you proceed?

THE MODERATOR: Yes, please.

MS. BURNETT: Mike, you said that -- or the impression, I guess is that the municipalities really benefited from, like, say, the holes punched in the ground and like the bush or outlying areas did not.

Being involved a little bit with local government,

we were faced with tremendous problems that we had to solve at the local level. We had double shifting in schools, we had crowded schools, we had increased needs for special services we had to increase taxes to pay for them. I want you to explain a little further how the municipalities benefited from this because I don't understand that.

MR. BRADNER: Well, we're both, of course, talking about Fairbanks. The State got $14 million of impact aid to Fairbanks. When taxes went up a lot of it was because the sales tax generated a lot more money coming into the stores.

The very existence of the last pipeline in Fairbanks increased the tax basis from $300 million in 1973 to about 1.6 billion. Fairbanks now -- it's problem is not that of having government -- we were a tax- poor community in 1969. Our taxes were 28 mill, 2 mill short of the legal limit. And as both of us know the taxpayer was in full revolt. By 1972 we were at 15 mill. By 1976 we had $1.6 billion tax base with only about 15,00015,000 for population. And so here we are. Fairbanks taxwise, is now a more wealthy community than Anchorage. As per capita. But that doesn't necessarily mean your economy is good. That's just the point I'm talking about.

MS. BURNETT: Your quality of life is different.

MR. BRADNER: That's right.

MS. BURNETT: You said that you know these thing are supposed to somehow improve the quality of life. I have to disagree that it has improved the quality of life for the municipalities as well as for the other. Maybe a few. But overall the need to provide services and so on has increased so that the volume of life has decreased in spite of this. And they have not been a failure. If that's --

MR. BRADNER: Sure.

THE MODERATOR: Okay. Now we'll get it in order. We will start with Mr. Tom Dahl and come down the table this way.

MR. DAHL: I'd like to pass on this.

THE MODERATOR: All right, Mr. Fisher.

MR. FISHER: This is the one I wanted to skip over and go on to resources.

MR. DAHL: Yeah, I did, too.

MR. FISHER: No, I'm going to skip. That's unusual for me.

THE MODERATOR: Mr. Jacobson?

MR. JACOBSON: Same thing.

THE MODERATOR: Skip? Mr. Ackerman?

MR. ACKERMAN: I'm going to respond a little to what Mike was saying. I was on Local Boundary Commission for many. Lots of bush areas aren't even organized ment they received no revenue sharing at all. And that was the only

thing available to them. And I think on a per capita wide basis on the money we spent we spent it in the urban areas. We did not spend it in the bush. And the bush is behind and now is the time that we can catch up a little bit. The North Slope Borough was created specifically -- I attended the hearings when they formed that borough up there, and they didn't even get public anything. Nothing off the 900 million. And that's why they formed the borough. And so they could -- I think that's what Mike was saying. The urban areas have got too much; it's just that the rural areas have got too little. Now is is time --

MR. BRADNER: Mr. Chairman let me make one point of clarification.

THE MODERATOR: Okay.

MR. BRADNER: I think what I'm trying to say, Mr. Chairman because of pipeline or whatever reason -- your service entity is irrelevant. Your personal economics grew in a great peak you came crashing down. You're a little squealing right now. But noticed in the rest of the State, that those areas many of them went into depression 40 years ago. But somehow because they were rule, you could of add the word subsistence to them or else that was ignored. Now, you're beginning to hear Anchorage squeak a little bit. And you watch people respond and you watch that legislature responspond right now. (Indicating.)

But in 1948 the Alaska railroad quit burning wood in the Yukon River and the all wood yards dried up and the cash economy dried up with it. There once was a fur industry out there, and that was one of the magic renewable resources. Somebody didn't want it any more and it was gone. People used to be able to work in a lot of different ways in mining operations, whether it was at Grant Creek or -- when I came to Fairbanks it was true from Oolahue to Luisa and somebody else working in the summertime. Suddenly they weren't there any more. In 1962, 1963 Chatanika shut down. Chester shut down. But nobody knows. Now, Seattle, when the SST contract was cut off the people jumped out windows. The PHH's went bananas. Somebody noticed. What I'm suggesting is that when you look at Alascom resources, Inc., and you are a large financial corporation one way or the other we'll probably shake out of or dull drums and pursue the problem creating the private economy, and there it is wiped out and nobody's noticed.

THE MODERATOR: Okay. Mrs. Burnett.

MS. BURNETT: I'll pass.

THE MODERATOR: Mrs. Bullock.

MS. BULLOCK: Pass.

THE MODERATOR: Mr. Stump.

MR. STUMP: I'd kind of like to see our process for discussing this to go more towards a discussion-oriented

thing rather than just one at a time making comments around.

THE MODERATOR: Do you want to change procedures. It's perfectly amenable. It's irrelevant to me.

MR. STUMP: I think it would give us an opportunity to get more involved in pertinent discussions and developing our resolutions.

THE MODERATOR: Okay. Whatever is's the wish of the body.

MR. DAHL: Mr. Chairman?

THE MODERATOR: Yes, Mr. Dahl.

MR. DAHL: I sense a need to deal with the one remaining subject matter that we have, and that is resource development or Resources. Before we get into how to spend the money. I see that as a content thing rather than a procedure thing, and I would suggest that we do that.

THE MODERATOR: I see the need to, if I may, address the disposal of revenues in the -- in the vein of resource development. They can be synonymous. If I may digress a bit on this round table proposal that Mr. Stump suggescs -- we have the youngest population in the United States, and I'm convinced it will always be that way. Now, most young people and young families, I believe, are very real, normal people that are beginning to strive to build a family and develop an estate. I see the canneries and the fishing vessels and the processers owned by the Japanese. Because

the commercial banking system in Alaska was unable to cope with the financing of Alaskans for ownership.

Now, I see no reason why the disposable resources and in the long term investment funds and leveraging section of our revenues from our nonrenewable resources -- why, then, therefore, since the commercial banking structure obviously hasn't had the capacity to finance these -- this industry where it would amount to Alaskan ownership -- why we cannot develop a device that will make ready financing available, bona fide Alaskans, where they came -- develop ownership in the renewal resources and then, therefore, become solvent, independent, healthy, the whole shot. I just throw that out for some food for thought.

MR. BRADNER: However, I think where I've been going -- and the question is you use the State's financial corporate wealth. In fact, $75 billion the City made. You're as big as the biggest bank in the United States. And you use the fact as an omen. Other states aren't owners of resources. That's a very rare exception. You own something, acres of land, you get a cut of a percent. You have access to marine resources and other resources. You own a three mile limit of the coastline, 60 percent of the UnitedStates. That is a gigantic resource corporation. You have the financial corporation, the resource corporation. Do you institutionalize those some way to develop your own

resources and through that then you create to develop your own resources. You have a chance to direct the resources. Because I want to point out something that's over here. We are not a sovereign. We are a sub-sovereign. There's a little thing that a polititon doesn't like to recognize. A commerce clause of the Constitution. I cannot interest local hiring and have protection by governmental action of business as much as I want to. But they resolved that question 200 years ago up in Philadelphia. In the United States Constitution it was not about freedoms and things like that. That was the Bill of Rights. That was after. The Constitution was the commercial document. At that point they resolved the problems discriminating against each other's trade. And so what I am suggesting -- and a lot of us that have been through other -- as I think the Moderator has -- is that, you know, you may find your avenue for directing your policies to the best benefit of your citizen, not by trying to act as a sovereign but trying to act to control your resource wealth and financial wealth, by directing it at a different place. I think that's the question. Are you going to use those two roles to develop the resource wealth. And then are you goin o try to ease that -- not as government but as a manager to see that it again fits the right people in the right places.

THE MODERATOR: All of that.

MR. BRADNER: So, it's all problems of economic equity. Otherwise we can have some growing economic islands.

MS. BULLOCK: Mr. Chairman?

THE MODERATOR: Mrs. Bullock.

MS. BULLOCK: It may seem like an extraneous question I'd like to ask Mike: How does the Alaskan municipal bond bank authority operate with the thought, perhaps, we might have a centralized financial institution through which these monies would flow?

MR. BRADNER: Okay. There's a variety of things you can move money for. The bonds pending usually had been a device where government went and got East Coast money, bought it back and reloaned it. And none of us who are involved in this kind of thinking suggests that you should use or loan money, but some way you can facilitate the use of someone else's money. If you can get State institution, part of a revenue bond, bring other money, use that with your loan. Which leveraging money obviously, that's what you do. And you don't, you know, ever use your own capital. You use somebody else's capitol.

THE MODERATOR: Right.

MR. BRADNER: There also -- we have many participants in such efforts around the State. I don't think -- the State can't be a joint investment and a profit making corporation in the structure. There's lots of potential

Alaska owned partners in the State these days that worked there 25 years ago. But don't exist in any strained economic areas. They're rural areas.

THE MODERATOR: Mr. Stump.

MR. STUMP: Reference is made to foreign ownership of corporations in Alaska, and it -- there's more, I think, to the problem than just the inability to get the financing local in or, you know, into residents or into Alaskan hands. I think a lot of it had to do with just a matter of expertise, and I think that the way that the native corporations have responded to their wealth by getting into management partnerships with people who do have the expertise there's a possible solution to that to see the ownership develop towards more Alaskan people involved and whatnot and to still avoid the pitfall of having a tremendous amount of wealth to go into nonefficient management or un -- not as capable management people.

THE MODERATOR: But then in the example of Household Finance, we -- for all these years for 50 years, we managed. And all of a sudden, "Hey, they've gone the stateside route." In order to get financing to buy aircraft, to compete with the rising cost of fuel I had to go out to a financial department and they went to the loan sharks and the loan sharks bought him out and they owned 50 percent of the stock. And there's no Alaskan-owned company any more.

That's what I'm talking about. We have the expertise in Alaska to manage our industry, but we have the capacity to go out and hire management to bring them in.

MR. BRADNER: Mr. Moderator, there's another good example of the mill at Haines the timber; you would have to sell a lot of timber at Fairbanks. They haven't sold timber at Fairbanks for 15 years. They needed money to finance their operation. They have to go farther and farther for timber sales. The only money available is Japanese money. Now, when somebody provides money because they want to buy your product then we say we want the product and we want all of it. So they just chip the sides off the logs; they went straight to Japan. That mill has been in the act of actually trying to get out under that ownership pattern so they could go into additional processing strictly for coming back into the Fairbanks and Anchorage market. That's the kind of response your having. They want the resource back over there on the cheapest possible basis. That's the reason they buy it.

MR. STUMP: I beg to differ with you on that, Mike. And I don't want to get involved in here, but I'd like to talk to you more after because I'm fairly particular about those circumstances; which I think you're confusing.

But to get back to the question of the State, how the State is going to handle the excess revenues and how

it's going to get it in the hands, I would like to bring out the problem of -- that you brought up, I think, very, very well in your article here in the booklet of how to get it into a private enterprise and to see that it gets to the people in the most direct way allowing them the most direct control or the most --

MS. BURNETT: Discretion.

MR. STUMP: -- discretion, individual discretion, whether that be individual as a single person or an individual partnership or corporation. But in order to bypass the problems and the -- of bureaucratic control, central planning and whatnot. I'm not disagreeing with planning as a basis, but I think --

MR. BRADNER: But I'm saying that's only a problem because traditionally we have not confronted it in the United States. It chose to either be separate or tend to be separate than we are. That is not true with other governments in the world. British petroleum is one of the most innovative petroleum companies in the world, one of the most successful. Government owned, government finance set up in a highly entrepeneurial fashion. Canadians are very successful at I.

Now, many times they will opt never to be the operator. They will always be a private operator. But they are very direct participants. Now, I acknowledge that

the fact of getting into this agreement, lots of problems, and there's going to be some losses and tragedies along the way, but you're better off recognizing that, the fact of what you're doing. We're already doing it. We'll hang pretty words on it and pretend like we're not doing it but, in fact, we're going down that channel whether we like it or not and into that area. And I have simply advocated that you recognize what we're doing and institutionalize it so we can see the problems as they arise and also suggest that by doing this in this way you have some control of the resource actions in your state. The counter argument I would make is excluding that you have no control.

THE MODERATOR: Mr. Borodkin.

MR. BORODKIN: Yes, Mr. Chairman, I agree with your remarks and also Mr. Bradner. I think our renewable resources are being taken over by the foreign countries. And one reason is because of financing we cannot today get out and get a $10 million -- this is just an example. Get a $10 million pact from them to operate a processing plant. We went through this exercise this year, and what happened is we paid 15 percent interest and upward of that. So it's pretty hard to survive when you're paying that kind of interest. You just can't.

And if this trend doesn't change I think with the native corporations that own 40 million acres you're

looking at huge amounts of renewable resources. Timber and your hard rock minerals is going to go to the foreign interests because of financing problems. This is a real problem. It's -- there's no way around it unless the funds that -- disposable revenues may be one way of solving this. The Federal Government is not, you know, making too many loans available for renewable resources. That's the real problem. I just don't know how to deal with this. Right now we're in a position of really breaking even because of high interest rates and improvements we made, gear financing, boat financing. It all takes money. Maybe somebody else can carry on from there.

THE MODERATOR: Mrs. Burnett had raised her hand.

MS. BURNETT: I think, you know, in the overview we all want the same thing for the, bush, whatever. We want to improve the quality of life. We want to use the money in a way that it won't be depleted and have something for future generations. We found out last time around that the politicians tried to meet the needs of the people when they came and asked for more money. They raised the expectations, perhaps, of local governments and so on, and now that those revenues have decreased we're in a lot of trouble. We need more. The municipal needs a 300 percent increase to try to meet just basic services, police protection, et cetera. That's just the facts.

What I think we all want to do is take this money and get it into private enterprise. We don't want the government to handle it for us. We want the least amount of government possible. I would prepare a very simplistic formula, maybe in addition to or maybe in lieu of revenue sharing, is that we -- State government on a per capita basis allocate to the municipalities investment capitol to be placed in local banks, perhaps on their capitalization to handle it. We in the municipalities could run our operating expenses from the interest. The banks would take the total risk for loaning their money to the private sector. We don't want to insure loans for people. The SBA does it -- you, it doesn't work. It's a big operating problem. Once you establish all these things then they become government agencies that you have to keep funding and funding and funding. We have something that would put it so the people coming in, now, the scope of what you're talking about, you know, the millions -- would possibly have to have another formula. But I think for local revenues, I do disagree with life. Our quality of life didn't go up. It went down. The people -- the old timers suffered. They had a lot of trauma. We had a lot or problems during this time. They did spend more money. State government spent more money.

So my proposal is to allocate, perhaps maybe

through the native corporations, through the Boroughs, through the municipality, somehow on a per capita basis this money and then that that capitol cold not be touched, only the earning. that would give the basis for capitalization through the private sector and let the banks worry about whether they get bad loans or not from the State.

THE MODERATOR: The banks got it and they took it and invested it on the outside. And they'll do it again.

MS. BURNETT: Yes, but the local governments and the people didn't have control. Only bureaucracy had control of that.

MR. BORODKIN: Mr. Chairman, I do want to qualify my comment that in no way that I am pitching for the native corporations or -- I think what I was trying to say was if there is a loan program, it should be on a statewide basis not only for the area.

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: I think what Mr. Bradner was talking about you know with the cooperation of the development between the State and the native corporations is an appropriate thing. He is personally in area of. We're looking at 40 million in Bristol Bay. We have processing facilities for 20 million, and he's out talking to the Russians and Japanese and everybody else to process our

timber. We've got one $10 million plant that's really a nip and tuck operation because it's 15 percent interest. And that should have been a cooperative between the State and the corporation or whoever it did, and that financing shouldn't have been that difficult to develop an Alaskan resource. You know, I don't like to disagree with Mrs. Burnett on, you know, the quality of life in Fairbanks, but we have one of 15 in the country trash compactors, and we have a solid base disposable system second to none. It's a very small one. It's the smallest in the United States. It cost three and a half million dollars. That would not have been available if it hadn't been for the impact funds that went into the Fairbanks municipal economy. And that is one benefit we did receive.

THE MODERATOR: There's one resource factor that is being overlooked here in this area of disposable revenues and term investments. And that is that the north Pacific Fishery Commissioner rules by very rigid guidelines, and if we do not utilize the fishery to its maximum benefit --

MR. ACKERMAN: Right.

THE MODERATOR: -- and it isn't harvested we have to get the foreign fishermen to come in forever more. So we're almost forced into a corner of getting into a crash position to say -- to whole communities: Here's so much gear. Go fish." We have to say to the airlines AI and so

forth -- we need so many planes to fly these fish out of the communities. We have to say to the processers we need so many processing ports to come in and get these or the North Slope, Fishery Commission is going to dictate we lost so much foreign gear to come in now and forever more.

MS. BULLOCK: What is the timing on that?

THE MODERATOR: I don't know the timing, but Senator --

MR. BRADLEY: Tilla.

THE MODERATOR: -- Tilla, sent us notes, and he's deeply involved in that commission, and I strongly suspect Bob Bommert knows, and other people. People from Bristol Bay. Anderson and -- those people. Kodiak people. Because that's their -- now, their cup of tea, they're commercial fish oriented just as these gentleman -- Mr. Borodkin and Mr. Alexie -- they've been up on the fishery. They recognize it for what it is. We're going to have to get off a high center and move. With efficiency and dispatch authorized to protect the resources for Alaskans for all time. And I say it's a crisis period that we are in because if we don't move rapidly and efficiency we're going to lose a substantial amount of that resource because we .dn't utilize it.

MR. BRADNER: Mr. Chairman, one clarification. I didn't mean to infer that people necessarily living -- the quality of life in Fairbanks improved necessarily, a period

of economic activity. What I do suggest is that when you analyze not only Fairbanks but every other State in local government and State you find the service profile has been pushed to a level that the State policy makers are probably very nervous about allocating too much more revenue for fear of local control because you'll be becoming the only funding source around. And we're very concerned about going any farther and that the margin of revenues immediately in front of us is fine. You can put $150 million into that service area. You can put a hundred more million dollars into it. And I could venture to say we could put enough money into the banks with no problem that the bank could come tiptowing back to the State legislature and say, "Look, you're distorting our priorities, too. It's not healthy for us." This fact, in 1970 that happened. Because we didn't have deposits in the bank. We jolly well put them there, and they told us very quietly to stop. That leaves you at the next point.

THE MODERATOR: We're going to have to stop here and change the tape.

(Short recess.)

THE MODERATOR: We're back on the record.

MR. DAHL: Mr. Chairman, I understand that Rob Kocsis has been asked to leave? Is that correct?

THE MODERATOR: Asked to leave?

MR. DAHL: Or encouraged not to participate in this group?

THE MODERATOR: I was not aware of it.

MR. DAHL: Okay. I think he misunderstood, then, because I think his participation here -- it's been very helpful for me to expand my thinking.

THE MODERATOR: Where did that come from?

MR. DAHL: I'm not sure. I think we should make a point that he needs to be invited.

MR. BRADNER: Mr. Chairman, I might offer one point of clarification. I found myself in on the creation of the permanent fund. And it's a broad conceptual thing. I was for it. Where I began to see it go from there I began to become very uncomfortable. And I found it to be a period when -- because people were comfortable and relatively prosperous that, you know, everybody said, "Wow, let's just put the money away for ever more." That was the tenor of the political current, whether it came from the Anchorage Chamber of Commerce or anyone else. And I found myself in the position of saying, "Wait a minute. A minimum of funds should be available for -- and there's a difference -- present and future generations. And there's one bill in the Legislature that reads only "future generations." And money can be a tool for today and tomorrow and be used to guide a lot of social benefits and economic benefits in the

State. I think only as a moment of panic right now because some people -- the concept was maturing and people were beginning to have some change in concepts and different ideas. Now suddenly because of restricting economy and federally tight money maybe some people panicked too far the other way. But that will pass.

MS. BULLOCK: Mike, do you have any feel for the legislature that's coming up about what their thoughts might be or what the trend might be?

MR. BRADNER: Two years ago was very much short of a purist's permanent fund concept. Last year less, this year even less so. Mainly because I think the temperaments in rural legislaters who also have had great reservations about the permanent fund.

THE MODERATOR: Mike, I would like to see legislation that would handle these funds within the states through the state banking institutions to strengthen or our banks, to strengthen our communities, our business communities. Consequently our communities. But I don't want to see these funds channeled outside of the State of Alaska where they will not be put to work for the development of the renewable resources and non renewable mineral resources of Alaska.

So one of the reasons that -- one of the principal reasons that fishing industry in total is

virtually controlled by the Japanese today, is because the Alaska banks didn't have the capacity to handle the financing the industry needed and the outside participating banks weren't willing to participate. And now if the Legislature will roll up its sleeves and go to work and sit down eyeball to eyeball with Alaskan bankers and put it together we can turn that around. Fishermen can get $10 million from Alaskan banks at the legislatively interest rate that the bank manages for managing it. Give the bank 2 percent of the action for handling it. We can -- our people can become the most viable, independent, well to do people per capita, perhaps in the free world by this approach.

Mr. Dahl.

MR. DAHL: Mr. Chairman, I've been concerned -- I had the same concern in 1969 that I have today, and that is that our effort result in not only increasing government service but an increase in the size of the State bureaucracy.

THE MODERATOR: Yes.

MR. DAHL: I think it's critical -- well, I agree with Mr. Bradner in that we have -- the world is fresh for us. We have a different set of decisions to make in that the reason that other jurisdictions, other governments are opposed to the increase in bureaucracy is that they can

afford that bureaucracy. We are not in that position. I can't afford a large state bureaucracy, and I fear that.

THE MODERATOR: I do to. Scared to death.

MS. BULLOCK: So do I.

MS. BURNETT: Nobody wants it.

MR. DAHL: I don't know if we don't want it. I know on one hand we say we don't want it. On the other hand we say, "Provide services. Provide services, provide services." And I don't think you can provide services without people to do it. Unless the -- and I think it has to begin with this group maybe -- we begin with the philosophical position that supports a free enterprise stance.

MS. BURNETT: Yes.

MR. DAHL: Now, if we are really creative we will develop the kind of funding sensitivities or --

THE MODERATOR: Mechanisms? --

MR. DAHL: -- programs or projects or whatever that will allow private enterprise in Alaska to be viable. One of the geniuses of the act that established the Alaska renewable resources corporation, I believe is what that's called --

THE MODERATOR: Right.

MR. DAHL: -- is very low overhead, three trustees, a good chunk of money - I can't remember how much, but a

bunch -- that they were encouraged to use as venture capitol for renewable resource activities in the State. That is, or for example: Fisheries, timber, any other corporation -- one of the reasons that private enterprise has had this status is they can't get money for things. Alaskan banks are not creative in their financing. It's easy for an Alaskan bank to say, "I'm sorry we don't have the money." And that's why many Alaskan businesses are forced to go outside to get funds. Well, why should any Seattle bank loan money to an Alaska business with the Seattle economy burgeoning the way it is. It doesn't have to.

Venture capital is critical, and it seems to me that State partnership with private enterprise, State providing funds for private enterprising in creative ways -- one of the things I've been talking about with Mr. Kocsis -- it's not a few considered, but it's a fresh idea for a lot of us, and that is for the state to provide a -- an airplane, for example. An air taxi operator in a bush village needs an airplane that will provide all kinds of services to the area. He does not have the capital to do it. Where does he get that capital? He -- does he borrow the money? Maybe. That's certainly one approach. It's a very traditional approach. There's a more creative way to do it and that is for, the State to buy the airplane and

lease it to that air taxi operator where the revenue that's generated by his own service pays the cost of the lease and the insurance, no risk to the state and the airplane is dumped into a mountain the state is paid because -- by the insurance, yet it provides this air taxi operator with the capital that he needs to provide the kind of equipment that's necessary. And this sort of thing can translate into various kinds of business ventures, and I think it should.

THE MODERATOR: All right. Now, would this instrument, then, be handled -- serviced by a bank in that air taxi operator's area?

MR. DAHL: I don't think even the bank has to involve at all.

THE MODERATOR: So hoping the bank on the other hand, has air taxi operator clients that they're financing aircraft that -- and these two taxis are competitors. Then how does that fit? There can be a discrimination there against the banking system's client and the banking system.

MR. KOCSIS: May I respond? One of the things you can look at in that instance is, if the state is involved they could allow the local bank to be the processor in the service organization for that particular instrument. What the state would do in a situation like, that I would suspect, is they would be able to control the amount of

service charge. Banks make their money on that sir service charge.

If the state is willing to make a commitments, the bank should be allowed to make some profit, but it ought to be held at reasonably, so that the citizen does have the benefit directly than the state is trying to get to. The bank will still make money. They will not make as much money because we will control the spread.

THE MODERATOR: All right. Now here if you have a young fellow with no seed money. You know? Strong character like a young man I know at Nome, Chuck Fagastaf. Started in with just nothing, just nothing. But he had character. He was industrious. He was sober. He was aggressive and positive. And he's off and running today. Now, in my own experience in getting started -- and I talked with a man that is deceased -- he's gone now but was a friend 33 years ago, Captain Austin E. Lathrop at Fairbanks. He owned the bank in Fairbanks. I met him as a student when I was a student at the University of Alaska. The Captain told me -- he said, "Young fellow, if you have an idea and you can satisfy yourself in your own mind you can make it work. But you don't have all the expertise to handle it, you can hire brains for 35 hours a week." Now, this was 33 years ago. We can do the same thing today for $35,000 a year. I banked at that bank for 33 years, and I

started in there -- when I started in there, I had -- I started out with a savings account of $12.50. And I've borrowed probably a couple million dollars at that bank down through the years. I had the finest kind of treatment. But I started with nothing. This is what I want to see happen. Character loans. They have to be careful, they have to be well screened, but character loans so that our people in our rural communities don't have anything but have a resource they can develop, can get bankrolled.

Mrs. Burnett.

MS. BURNETT: Mr. Dahl, I don't know the -- you seem to know more about this corporation. You said you had three executives what's the State corporation that was goint to loan?

MR. DAHL: Alaska Renewable Resources Corporation.

MS. BURNETT: Could you tell me how long ago that was set up this.

MR. DAHL: No. last year?

MS. BURNETT: As I understand it, over a year ago -- and they hired these three executives at over 50,000 per person and they have yet to make a loan. That's why I believe in the private sector. A bank would go broke on that kind of operation.

THE MODERATOR: You better believe it.

MS. BURNETT: A bureaucracy -- you know, it doesn't

service the people.

THE MODERATOR: I think she should dump them.

MR. BRADNER: Mr. Chairman, there's a variety of ways that partnership -- financial partnership between state can be set up. And it would be a mistake to think you could conceive anyone that would do it.

Now, there's a real naive approach of the resources corporation. First of all you have three commissioners helping people package loans and develop them at the beginning and then they're going to approve the loan. You know, no banking institution or anything would set itself up that way, a slightly different bunch of cats.

And I think most what we would find would emerge in any partnership is where a lead role is taken in a private institution, package is a resource project together, bringing it to participation because that does allow the single thing that Mr. Chairman mentioned, that the banker can use.

And a bureaucrat -- because you're taught that basically it has a hard time using. line up two loans side by side, one looks good but something up here tells you it's bad. (Indicating.) And it may be just the sheer talent and ability and confidence in the people running the show that it doesn't quite look as good on paper and it smells good. And with the private operator doing the

packaging it allows for that kind of intuition to be applied to the process. And I would think certainly -- because again I'm saying we all get back with this image that bureaucrat sitting there parceling out loans. I think that's what we're talking now because we sort of come in backing in the door to anything. We just set up sort of conventional state loan programs. And of course that's all we know so that's what we do. There's all kinds of packaging, I think -- I certainly conceive of any financial partnership being one of -- where generally the package is developed and brought to you by private individuals, barkers, maybe an outside loaner. You know. There's all kinds. And a broad sweep in a state policy should encourage the development of the institutionalization that facilitates this partnership between state and private industry. And we do hope maybe there's enough state input that a priority may be directed to pushing development where it's the most needed. The demographics are best.

MR. ACKERMAN: Mr. Chairman, I wonder if possibly we could get this down on paper and circulate it for, you know, consideration as one of our concepts?

THE MODERATOR: I think it's time that we get it down on paper. We've kicked it around and that beat it to death. .

MR. ACKERMAN: I wonder if Mr. Bradner has got it on something or possibly --

MS. BURNETT: How about Mr. Dahl?

MR. BRADNER: The points he sort of drew --

MR. DAHL: I haven't finished it, Mr. Chairman, but I've got a start. Alpha group resolves that the Legislature adopt the policy of a financial partnership between the state and private enterprise in cooperation with local banks in order that -- and that's where I stopped.

MR. ACKERMAN: Mr. Dahl and Mr. Bradner confer.

MS. BURNETT: The availablity of funds to be allocated to a private sector, something to that effect.

MR. DAHL: As long as you don't use the word "infrastructure." I have to idea what that is.

THE MODERATOR: And let's get incorporated in there right down to the gut hard character loan approach where we have people without collateral that are of strong character. They're young and healthy and aggressive and progressive, that all the indicators are with reasonable diligence, they'll be able to pay that loan back.

MS. BURNETT: At an expedient process or something that will move this thing. You know, a year of three $55,000 people isin credible to me. That haven't made a loan. Money to burn.

MR. BORODKIN: Would that be a prime rate or what --

MS. BURNETT: No, we can't get into -- we can't.

THE MODERATOR: No, it would not be prime. It would be at a lower interest factor.

MS. BROWN: That prime rate doesn't apply.

MS. BENNETT: That's right. That should be in the resolution. That's what we're trying to do.

LINDA BROWN: That definitely should be. We may wind up with -- paying prime rate.

MS. BULLOCK: Probably something should be in there about the difference between the lending and what the bank is going to get out of it, too. So if there's some suggestion the way we'd like to see this operate.

THE MODERATOR: Mr. Dahl, did you hear Mr. Bullock?

MR. DAHL: I'm sorry.

THE MODERATOR: Let me repeat that, Edith.

MS. BULLOCK: Well, I was saying that I think there probably should be something in there that would say that the bank would get the certain percentage limit this so that they do not have that ability to --

MR. KOCSIS: Mr. Chairman, while Mr. Dahl is poseing here I might tell you something. There's such a plan that is asing you -- I want it on the record the Senate Bill 1 which is pending before the Senate right now combines a lot of what this group is talking about, and broadly what it does is the State has to manage its money the most efficient fashion, Senate Bill 1 is responsive to money

problems the State has right now, the potential. We have the permanent fund. What it says is the State's major role concerning its money is to manage it wisely. The kind of investments you put your money into your most secure don't exist in Alaska for the most part there's government papers and grade A stuff that's outside. So you invest it in that and take the income from that investment and you leveage it and use some principal and create some way, then, after you've got this bundle of money that you've leveraged based on the income from the responsible investment and you distribute that to people. Senate Bill 1 says you do it throuh the loan program. If the banks can participate in that program to the effect they can service the loan and they can the state will fund the loan out of this fund. The banks are controlled, however, in the amount of interest they can charge or service charge they can level. Now, because the state is involved -- and we think we can package the loans properly -- you're getting tax exempt revenue bonds as the source of the money. That means that it comes in view at the lowest possible level of any money in the country, if the bonds will sell because them because -- guarantees you're able to provide on the income at the same time. Under the Internal Revenue code there' a loop hole that says for any amount of tax exempt bonds -- if you issue $100,000 you're allowed to indicate and issue 25

percent above that at the same interest rate, the tax exempt rate. That 25 percent can go to any purpose. It is not restricted to public purpose investment. The central bill brings together the management of all the money in the State including that surplus in the general fund, puts its in a big pool and makes it available for the guarantee and says now we've got some leverage capability here. When you start issuing bonds and real sigh the 25 percent that comes in at the same right -- well, if you've got a billion dollar bond you've got a lot more than 25 above it than if you're issuing a hundred thousand. It's arrangement technique. But the approach that the Senate is taking, if what I'm hearing is correct -- I think you're indicating something along those lines. There's a lot of problem about the leveraging and there's a lot of problem about how you give it out to the loan program. You can't charge much more than, I think -- a rate of percent and a half above what you get the money in for.

MR. BRADNER: Yeah. Tax exempt bonds -- there's a stating that federal rule you can only be above so much. We ran into the reverse problem a few years ago. Alaska Finance Corporation dropped so low due to a lucky sale it created such a run on money that it was -- I mean, it wiped it out prematurely. But I would say that it's a standard practice now for any money that's facilitated through

government carry limitations on it. No bank is going to be able to mark you up on excessive interest rate.

MS. BULLOCK: What about the rate that the State would get? Is that

MR. BRADNER: The practice to date has been for the State to run, you know, at a certain margin below the rate going at the normal market.

MS. BULLOCK: Below the prime rate.

MR. BRADNER: From time to time you may have to have some unusual ability because you can get the situation where you can -- you know, if the Feds knock the rates upright now we can create a run on your funds and you may want -- you know, like you might want to give the governor the authority at any time to curtail the flow of funds.

MR. KOCSIS: I think it's real important that people look at the State function in two ways. One is the creation and management of money. The other is the distribution. And in that position you've got enough. If you manage it well, you can literally leverage everything you'd ever dream of doing. The question is is it really responsible? Do you really want that much money out? The management function, if you organize it right, will allow you to do. Walt wants transportation -- hell, we can do it all, if you manage it right. We can manage some of the money necessary to do it. You're at the responsible

distribution level. I think the Legislature sometimes fails to separate that.

MS. BENNETT: Mr. Chairman, when we talk about loans for private enterprise are we including craft cooperatives and things of this kind also? We're not speaking just -- I assume that it would, wouldn't you?

THE MODERATOR: I don't know why not.

MS. BENNETT: They're a money making enterprise.

MR. BRADLEY: Sure.

THE MODERATOR: It's enterprise.

MR. BRADLEY: I just want to say now that everything's died down, and our two men are down there drafting that resolution.

I'd just like to back up what Michael said. In '75 I personally was a great backer of what's tur ed out to be the House's version of permanent fund or conception. Mr. Kocsis has referrel to it as a management tool that was rather conservative. I've now come 180 degrees by looking at -- I think the Senate version of the Senate Bill SB-1 is a much more humane and progressive and dynamic document in the house. And like Mr. Bradner, my personal friends are on the other side, or were on the other side along with myself. But I don't know how to explain my renaissance except that, you know, times change and your views change.

THE MODERATOR: Right. They sure do.

MR. BRADLEY: And I think that character loan -- from a guy with gray hair I'm -- I'm really impressed.

THE MODERATOR: Thank you.

MR. BRADLEY: No, really, seriously. Because that's absolutely okay, you know. There are all sorts of people, you know, young people which I'm not that much any more. 35, but....

MS. BENNETT: We have to be careful, too, that everything is a viable business.

MR. BRADLEY: It should be reasonably viable.

Let me tell you I really think we've got a great problem in the state with excessive timidity. Nobody's willing to take a chance, nobody's willing to absolutely want to study it to death. You want to hire every consultant in the world so you can't make a mistake.

Now, maybe in New Jersey you know they've already gone through their formulating period and they're all messed up. But in the frontier -- in a frontier setting you've got to be able to -- I mean, that's what pioneering is all about. Every pioneer didn't -- you know, a lot of them got bushwhacked and starved, you know. You've got to take some chances, reasonable chances.

MR. KOCSIS: We did do some things for the people of Alaska, for ourselves. That can't be done anywhere else. When you talk about the credibility of the individual

involved. You've got to be responsible but we want to move in many direction of allowing decent people in this State to benefit of their own mind, trusting each other. Hell, /ST it doesn't mean anything to be in Alaska I guess we could pose a system like the rest of the world. But we think it means something. We thought enough to come here and talk about it. It's irresponsible to the Legislature not to give you an opportunity and what they're basically saying -- I work for them -- I hear we are frightened to let the people make that decision, so we sit on them.

MR. BRADLEY: And even more they're questioning their own manhood, or womanhood that we don't know, enough the shysters from New York they might take us, you know. I mean pound for pound, we're brighter than they are because we're here. It's clear on the face of it.

MR. BRADNER: I think what Bob has referred to is very valid today. There seems to be a tremendous fear that some private operator is going to get one buck away from you, you know, and somebody's going to say, "Aha, you let Mr. Big take you for a ride." But, boy, you let a bureaucrat throw it off the dock, you know --

MR. BRADLEY: Or not do anything, you know.

MR. BRADNER: You really have to get back to the point where you say you're not afraid to make some decisions or try some avenues and maybe come up with egg on your face

occasionally and --

THE MODERATOR: For 12 years when I was on the House Senate Finance Committee there was a feud every year, the Alaska veterans' revolving loan shark. It was a healthy fund. They had a loss of one-half of 1 percent per year and here last year it evolves that it's in trouble. And people want to abolish it do away with it wipe it out because it's in trouble. It's in trouble because it's a people thing. The people that managed it let it get in trouble. Get rid of the people and get new people to manage it. Don't get rid of the program. The program's right, the people aren't.

MS. BULLOCK: What about the farm loan, revolving fund? Same thing?

THE MODERATOR: Same thing. It's a people management thing.

Mr. Dahl.

MR. DAHL: Mr. Chairman, we have drafted a resolution, but in considering if you'll have to realize this is not a race horse. This is a camel.

THE MODERATOR: Right.

MR. DAHL: This camel is a horse that was put together by a committee, and that's what this resolution is.

I have a Pollock story about that.

Alpha Groups resolves that the legislature adopts

a policy of a financial partnership between the State and private enterprise in cooperation with local financial institutions with a view toward, one, supporting private enterprise through the provision of venture capital, two, capital support for projects and equipment through leases with the lease rate based on actual revenue received from use of the product and, three, approval of borrowers based on relevant factors beyond those presently considered by banks. The State economic policy should be developed with goals of desirable social and economic development looking toward the improvement and strengthening of the private sector.

THE MODERATOR: I'd like to change one of the hooves on the camel.

MR. DAHL: Just give it another hump.

THE MODERATOR: Okay. Leases or lease purchases? How does that fit?

MR. DAHL: Fine. Some of these things are going to surface as a result of such a program they're going to be so good some of the banks are going to say, "Hey, we'd like to have a piece of the action.

MR. DAHL: Mr. Chairman, before we move on this I would suggest that we have our support staff type this and get copies of it before us so we can see what the language is and move in that direction.

THE MODERATOR: Is there any objection?

(No response.)

THE MODERATOR: No objection. It is so ordered.

MR. DAHL: Thank you, Mr. Chairman.

MR. BRADNER: Mr. Chairman, one maybe final comment: I had the experience of being in the Legislature a number of years, and you thought you were dealing with a lot of problems outside your urban areas, and after a while you found out you were treating the end product and you try to provide a water system or help with a housing program with some of these. But you could never get at the main problem, and that was the economic base. And by instinct as a politician you knew in the first place you didn't have the revenue to even try. The basic resources and tools weren't there.

Alaska, Inc., as I call it, your resource base was very immature. So you really were just beginning to feel that. And you had no real ak excess revenues and so you've dealt with the problems the only way that we had a system to do it, and that was dealing with the end products of just, you know, reaching in and doing what you can. And I think now something's changed and you have two very interesting tools to deal with, and another one that the Land Claims Act gave you, which is this quasi public private entrepreneurial treaty that exists in the form of

the land corporation, who would have their own set of problems and their own successs and their own mistakes.

And only one following comment. I think how bewildered the State is and unsure of going into this area is exemplified by the fact that the Land claim settlement is now eight years old, and I will defy you to find one place fundamentally where the State has chosen to recognize the value of that resource and the State has a great value of working functionally with it to try to help facilitate an economic base, you know, out yonder. And, I mean, eight years is an awful long time, but it's better than nine years. And so there's really three potential tools laying there that weren't there in the years that yourself, Mr. Moderator, and I serve in the legislative body.

MR. ACKERMAN: This is a point we taught to bring out because we haven't looked at it, and we've sort of excluded it.

MR. BRADNER: Certainly. People always say, well, gee, why don't the corporations do something? And of course the reason is capital. And to seek reasonable security and reasonable profits, you know, do something back home. But it might be very interesting for the State to look and see how they could help secure and facilitate the use of the corporation's capital back home without making them, you know, at an extreme risk situation. I think we have to

recognize their capital is no different than anybody else's capital.

THE MODERATOR: Mr. Bradley.

MR. BRADLEY: Excuse me. Go ahead, Gary.

MR. ACKERMAN: I think this gets to the point that in eight years we have to start doing things in cooperation with the native corporations. You know, we've got 103 million with the 40. That's 43 million acres, you know, that's available to us that's under federal control. And I think we have to live with it in joint participation. And I think this is something that really needs to be included in our sale. I think you know we really need to bring it out in the light of day to look at it and start talking about it and start working together in thse areas.

MR. FISHER: Instead of hoping it will go away?

MR. ACKERMAN: Right.

MR. FISHER: that's what I hear of the land claims. For eight years the State says I could go that way.

MR. ACKERMAN: Well, we started out with land claims and we were talking -- we were talking about a million acres of land. And then we finally, you know, said why a million acres if we could get a hundred million acres from under the feet the federal domination the entire stating going to benefit from it and we ended up with a compromise of 40 million acres. It's not under the federal domination.

So now we should start with the 103 million we had from statehood we should start looking at joint development in things, you know. And we really need to get on the road with it. And like I say there's no reason for going nine or ten years before we start looking at it.

THE MODERATOR: You're going to have to get that land in production, get it yielding revenues as soon as it's transferred because in twenty years time after it's transferred then it's subject to fee -- fee simple title land is subject to taxation, if the State elects to tax it. It's going to have to be yielding revenues in order to pay the taxes or they'll lose it.

MR. KOCSIS: Shouldn't we draft a resolution of this? Presently, there's a real strong feeling we ought to get out on the record. I agree with you.

MR. ACKERMAN: The straight resolution is appropriate. For one thing we were talking about it before earlier in our transportation costs. You know we pay for a round trip ticket and get a one way ride. If we start developing these areas, you know, we can start, you know, getting a round trip ride. We have to do that first -- it's essential.

THE MODERATOR: Mr. Bradley.

MR. BRADLEY: Mr. Chairman, I didn't want to miss this opportunity to put my good friend Michael on the hot seat.

And for a specific project. That I know that he and I have strong feelings on. We both have a little bit of conflict of interest, maybe he more than I. But since we've obviously demonstrated a certain level of trust for Mr. Bradner I think he's a very honorable and trustworthy I just want to bring it out, and that's the gas line. And I'd like him to impart his -- you know, as much knowledge and opinions that he has on that issue that's going to be at least one specific issue that's going to possibly be dealt with because it deals with the resource, gas. It has to indicate the availability of financing through local government, State Government or both of those, at least the State. There's private enterprise involved with that. Classic private enterprise and the whole host is sort of a cornicopia number. And I wondered if he could --

MR. BRADNER: Bob, in a way that is the type of thing that's almost outside of the type of thing we're considering here because I think when you're dealing with what you call medium size deveopment. When you're trying to package a loan -- maybe its the developing of $20 million again. Three million coming from here and 4 million come from there and the State alone is 10 million, and it's something you can expect institutionalize the process so the Legislature is not involved in any one. Obviously, anything that's being held, State participation,

involvement, something like with the gas line and measure themselves in hundreds and millions of dollars. I mean, we're naive if we think that, "Hey, let's give legislators that make every one of those decisions on an individual basis." You know, this would be the case with the gas line. If it's good investment or it's good policy or there are social benefits or other things that will go along with it, if the project is needed, you do it, you know, and if it's a good return on it. Like the gas line could end up in a lot of ways being a very good return that might support other items. But I don't think there's any way that you set up loan committees of private enterprise, buyer contracts or anybody else who would dare take the risk to make those decisions because they'll find a way to say no every time because they're scared to death. It's the safest thing for them to do. So there's no way of -- you know, that those what I call magna investment decisions are simply going to have to come to the legislature each time. They may have some source of advice if there's an investment corporation for retaining consultants or this sort of. But that's simply going to be a case by case process.

MR. BRADLEY: Right. And I agree with you. What are your feelings also on case by case on that specific case?

MR. BRADNER: Yes, I got involved in that project

because I thought basically Carter was going to be an energy leader in America. A lot of us may have to content with El Paso and some of those thing but basically the energy market of North America isn't the West Coast, it's the East Coast, and you draw a straight line between the two, and I always felt your best policy ought to be -- especially where there's a large draw of federal control and you want to retain as much control as you can, you use every device you can to get it. And you may want to be involved in future oil lines, gas lines, gas plants, not misallocate funds. If you can use somebody else's money to do it, you do it. But there's lots of different scenarios you could use. For instance, you could making a case that the state was a 20 percent participant in some type of petroleum development. Believe me they could have a large say in it because they may have something like a gas line that none of the other partners have. They have future gas to sell. So, I mean, that's obviously what Exxon was after, the gas line. They came along and they said, "Hey, we want 30 percent control or 40 percent control. We'll have future gas to sell. All the other partners are consumers and were 48 States so you don't need 51 percent control of something. And I think that's the message, that the State can retain a basic resource policy because you have other future resources too, you know, to offer in the

future. You don't need anywhere near 51 percent control that when you suddenly approach your partners and say, "Look, we'd like to see a labor agreement because a non-labor agreement in avoidance of labor negotiations usually means you scatter hire all over the other states. And what the labor organizationers can't get out of them, even though a labor agreement doesn't mean exclusive Alaska hire, it means 75 percent. So believe me, your partner stands up and says, "Well, yes, sir, because you have something down the line they want, a good example might be we allowed Valdez to issue a billion dollars. We didn't allow them to do. We could rant and rave now of of the Alyeska policy, what do they need from us? They don't need anything. We can't even raise any tax. If you raise the taxes on them, you're going to have to do it on maybe a marginal line that goes from there to Dyon. So you can't even go after Dyon in Canada. Say if Dyon is a corporation, developed gas or oil in Canada near Fairbanks. And it would very marginal. It would be a very marginal operation. So if you wanted to try to get at Alyeska and you increase the tax rate to 30 mill you have to do the same for the marginal operation. And what I'm saying is this: We had no hold, we had no real hold on Alyeska as a pipeline company. However, had the State perhaps issued those bonds and there might be a certain posture since you can issue tax exempt bonds for

harbor improvements and so on that Alyeska might be considering the fact that they might want to come back to you again. And get a half a billion dollars from improvements, which is all the New York bankers want, you just facilitate them. And when you made certain suggestions to them how they might moderate their social economic policy they might be interested because the businessman in adopting such policy only infer one thing. He understands money. And so when you develop resources and so on and so forth you have to work with money.

MR. KOCSIS: The State's role, then, for instance in the pipeline, gas pipeline why not facilitates the proposal for the priorities which is the simple thing. North Slope or you've got the one in between and the Fairbanks, I guess are the ones we go across. Those three government entities join together and the North Slope -- beg your pardon -- biuild the treatment plant for the gas, they own their portion. The next borough owns their portion and the next borough owns their portion. They make a profit on the line they manage it through a tri-bureau authority and there's production of -- reduction to local control but the State would not be as heavy participant because there's pretty good tax basis there. Is that a healthy thing.

MR. BRADNER: I know, I think you can develop all kinds of different scenarios. Sometimes there's some

defects of, you know, an industry 00 horse around a local government, too.

MR. KOCSIS: What we're talking about in overall policy maybe the State wants to begin thinking about that kind of commitment. To support local government that in what if you've got total state support the State policy is we're going to go trace development of local control and the local tax base we get those kinds of things those are the decisions.

(A short recess was taken.)

THE MODERATOR: We have a finance resolution draft before us, financing resolution.

We have some stuff to go back into. Government transportation.

MR. STUMP: We haven't touched resources yet.

MR. FISHER: Mr. Moderator, I've got a draft resolution working for discussion.

THE MODERATOR: Fine.

MR. FISHER: It's in the process of being typed the second time.

THE MODERATOR: In what area, Jamie?

MR. FISHER: Transportation. So it ought to be coming. The staff seems to function almost with lightning speed. I can't believe it sometimes.

THE MODERATOR: Let's go ahead, then, with this

financial resolution draft copy and review that for action.

Alpha Group resolves that the Legislature adopt the policy of a financial partnership between the State and private enterprise, in cooperation with local financial institutions, with a view toward: One, supporting private enterprise through the provision of venture capital; two, capital support for projects and equipment, through leases or lease purchases, with the lease rate based on actual revenue received from use of the product; and three, approval borrowers based on relevant factors beyond those presently considered by banks. The State economic policy should be developed with goals and desirable social and economic development toward the improvement and strengthening of the private sector.

That is the problem that Mr. Borodkin brought to our attention in the area of $10 million loan for handling raw fish purchases.

Is that substantially correct?

MR. BORODKIN: No, I --

THE MODERATOR: You had to get it through 15 percent?

MR. BORODKIN: Yeah, I don't think I should be made part of this resolution.

THE MODERATOR: Not that wording but -- direct that kind of loan financing or that kind of financing to be available.

MR. FISHER: Let me suggest something. No No. 2 right after "Capital." Why not put a capital or operational support."

THE MODERATOR: All right. Very well. You're always very good at amendments, Jamie.

MS. BENNETT: Also in No. 2 -- the leases and lease purchases -- it seems to me that we could strike "projects" in that. We're talking about equipment in that.

THE MODERATOR: Projects? Capital support for projects and equipment.

MR. FISHER: And --

THE MODERATOR: Projects could be a mining project. It could be a milling project.

MS. BENNETT: But it's still for equipment for the project. For fish, not necessarily.

MS. BULLOCK: No, no, it's for capital investment. and I'm talking specifically about leasing and lease purchase agreements for equipment, right?

THE MODERATOR: You could lease a facility on a lease purchase.

You could lease a building.

MR. FISHER: Maybe she's --

MS. BENNETT: I'm just really talking about a minor point in the wording of it.

MR. FISHER: Are you suggesting to strike equipment

because capital and operation support project and leases. That will take care of everything.

MR. BORODKIN: Would that take care of it without saying "fish"?

(Discussion off the record.)

MS. BULLOCK: Mr. Chairman --

THE MODERATOR: Yes.

MS. BULLOCK: In the second line after "enterprise" we should put in the State of Alaska.

THE MODERATOR: Very good thought, Edith.

MR. STUMP: And Alaska's private enterprise?

THE MODERATOR: Modify Alaskan companies. Or "Alaskans." And we wouldn't want to be extending this kind of a financing device to a company that was controlled from outside.

MS. BULLOCK: Right.

THE MODERATOR: If they're controlled from Outside let them get their financing from Outside.

MS. BULLOCK: Private enterprise.

THE MODERATOR: Whether it's a Household Finance coming in to -- use leverage their money and use our money in financing aircraft for Household Finance lien. We wouldn't want that to happen. It's a foreign held airline now for all practical purposes. We're striving to use these nonrenewable resource revenues for the development of

industrial activity.

MS. BULLOCK: Alaskan owned?

THE MODERATOR: Alaskan owned industrial activity. By Alaskans. It's for Alaskans.

MR. STUMP: Between the State and Alaskan owned private enterprise? Would that cover that?

MR. FISHER: Wasn't the suggestion just kind of physically? That's what she's looking for.

MS. BULLOCK: Well, I really am thinking it should be confined to the Alaskan entrepeneur. But how to best state this. What does Mr. Dahl say?

THE MODERATOR: Line 1, supporting private enterprise through the provision of venture capital to Alaskans --

MR. DAHL: Mr. Chairman?

THE MODERATOR: For development within Alaska.

MR. DAHL: Wow. I have some problems with that. I think you're limiting the legislation more than you really want to.

THE MODERATOR: Okay.

MR. DAHL: I think what we're doing in these things is giving some fairly -- a fairly clear direction as to policies that we like to see follow. I agree with you, Edith, that it's good that this be limited, and I think your original idea was really sufficient, and that was to say -- supporting private enterprise in Alaska through the

provision of venture capital."

THE MODERATOR: Okay. Where do you want to amend that?

MR. DAHL: Just add the words after "enterprise" add the words "in Alaska." That was Edith's original thought and I think that's excellent.

THE MODERATOR: Jamie, where were you coming from on that?

MR. FISHER: Object to my proposal? My proposal was in paragraph No. 2: Capital and then insert after "capital" the words "and operational support for projects and equipment through leases and lease purchases." Because of the illustration that Mr. Borodkin gave us with respect to the loan the what he's talking about is not just the facility. They need operation money, and that's what the PAC loan is.

THE MODERATOR: Capital and operational support for projects and equipment through lease or lease purchases with the lease rate based on the actual revenue received for use of the product.

MR. FISHER: It's ambiguous enough you can read anything into it you want to.

MR. DAHL: It's designed to confuse as few as possible.

MS. BENNETT: It doesn't say it's only through leases and lease purchase? I mean, that's what --

MR. FISHER: You put the only in.

MS. BENNETT: It seems to me that's what that sentence says.

MR. STUMP: How about including? Change it to including.

MR. FISHER: How about including but not limited to.

MR. STUMP: Unnecessary.

MS. BENNETT: Yeah.

THE MODERATOR: Including -- strike after equipment strike through and insert "including but not limited to?

MR. FISHER: No, just including.

MS. BENNETT: Just "including."

THE MODERATOR: Okay.

MR. ACKERMAN: Where do we put "including"?

MR. STUMP: Replace "through."

MR. STUMP: I'd like to see us vote on it.

MS. BENNETT: I have --

THE MODERATOR: A motion --

MS. BENNETT: I have one more addition. We still don't have anything in here about the preferred rate of interest, do we? And number one that could added.

MR. ACKERMAN: I think Mr. Bradner said they were really limited to that. There could only be one and a half points over the money we've got. I mean that's a requirement that's already on it.

MS. BENNETT: Okay.

MR. ACKERMAN: That takes care of it, Mr. Chairman. Before we start on it, if you could read it its entirety as it's been amended.

THE MODERATOR: All right. Alpha group resolves the Legislature adopt the policy of the financial partnership between the State and private enterprise in cooperation with local financial institutions with a view toward: One, supporting private enterprise through the provision of venture capital in Alaska; two, capital and operational support for projects and equipment including leases or lease purchases with the lease rate based on actual revenue received from use of the product; and, three, approval of borrowers based on relevant factors beyond those presently considered by banks. The State economic policy should be developed with goals of desirable social and economic develop many toward the improvement and strengthening of the private sector.

MR. ACKERMAN: Move for adoption.

MS. BULLOCK: Exception.

MR. STUMP: Exception.

MS. BULLOCK: My proposal was to move on the second line after private enterprise within the State of Alaska. That covers the following points. And number one says supporting private enterprise through the provision of venture capital. Is that correct?

MR. DAHL: Mr. Chairman?

THE MODERATOR: Right.

MR. DAHL: Sorry if I misunderstood, Edith. I thought your amendment was to change number one to read: "Supporting private enterprise in Alaska through the provision of venture capital."

MS. BULLOCK: Well, if this is the way you like, that's fine.

MR. DAHL: That's what I thought you were asking to do. I misunderstood that language when Bob read it.

MS. BULLOCK: So now we have it: "Supporting private enterprise in Alaska through the provision of venture capital." Okay.

THE MODERATOR: Supporting private enterprise --

MS. BULLOCK: In Alaska.

THE MODERATOR: -- in Alaska through the provision of venture capital.

MR. STUMP: Where are we? Question?

THE MODERATOR: Okay. Number one: Supporting private enterprise in Alaska through the provision of venture capital." Is that correct?

MR. KOCSIS: That's correct. Mr. Chairman?

THE MODERATOR: Mr. Kocsis.

MR. KOCSIS: Is the question called? I'm assuming on the record I would agree with the wording but I'm assuming

by "providing they would also help in facilitation of that, too. In other words, they'd provide seems to indicate they would be the ones to give the money. We also should agree they should go out and facilitate it for them wherever it is. Is that included?

THE MODERATOR: Through local financial institutions. It would be State funds handled through local financial institutions.

MR. KOCSIS: Do you want also to indicate the State could facilitate federal funds on that, too, for instance. They could facilitate the native corporation participation.

THE MODERATOR: Right.

MR. ACKERMAN: Why don't we say --

MR. KOCSIS: On the record, is that part of what we're saying? Is that assumed in there? Is that the feeling of the group?

MR. ACKERMAN: Why don't we say, "provide and facilitate" it?

MR. KOCSIS: I'm not asking to amend. I want to make it clear. The record will be available, if you want to say it. Okay. I want to make sure I'm understanding it to do everything they caN. You do mean they should encourage all participation, not provide just their own money. They get in everything else they can, too.

MR. ACKERMAN: I think we add provide facilitate it

will give us a lot more opportunities to do what we want to do. We don't necessarily have to provide all the money if we can facilitate it it serves the same purpose, and I think we ought to include it in the resolution so it's clear.

THE MODERATOR: Okay. Is that paragraph one? Supporting private enterprise in Alaska? Is that the paragraph?

MR. KOCSIS: It would be it says "through the provision of venture capital." The specific situation I envision that I think is covered -- I just was trying to make sure what the record is: For instance, the State would subsidize loans. Well, they're not providing all the capital they're providing a subsidy or they're guaranteeing a loan. They're facilitating a loan. They've not actually giving you the chunk of money. I want to make sure we're dating that. I just want on the record that's what you do mean.

THE MODERATOR: It's a rather laborious the way I interpret it. Let's read it.

MR. KOCSIS: Yes. Supporting private enterprise through the provision of facilitation of venture capital.

MR. DAHL: Keeping the words in Alaska.

MR. KOCSIS: in Alaska, yes, sir.

MR. STUMP: Would you repeat that?

MR. KOCSIS: You're merely adding after -- I will read the whole thing. Supporting private enterprise through the provision or facilitation of venture capital in that Alaska."

MR. STUMP: I'd agree with that.

THE MODERATOR: Supporting private enterprise and then delete "in Alaska there." All right. Through the provision or facilitation of venture capital in Alaska." Is that the way you want it?

MR. KOCSIS: I think we've discussed enough so the record will show what we're talking about. Yes, I feel comfortable with that.

THE MODERATOR: There was a motion by Mr. Ackerman for the adoption of this financing resolution. Is there a second or an objection?

MR. ACKERMAN: I think we ought to read it again so it's going to be the way through. We've had a couple of changes since that time.

THE MODERATOR: All right. Your motion is on the floor.

MR. ACKERMAN: I'd -- there was an objection.

THE MODERATOR: All right. You seconded it. There can be an objection for reading and then there can be withdrawal of the objection and we can vote for adoption or rejection. Do I hear a second?

(No response.)

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Conference on Alaska's Future Frontiers

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CSR #3592

THE MODERATOR: There's no second to the motion?

MR. KOCSIS: Second, second, second.

MR. DAHL: Second.

THE MODERATOR: Second? It's been seconded. Is there an objection?

(No response.)

It's open to discussion. We will now read it one more time. "Alpha group resolves that the Legislature adopt the policy of a financial partnership between the State and private enterprise in cooperation with local financial with local financing institutions with a view toward: One, supporting private enterprise through the provision or facilitation of venture capital in Alaska; two, capital and operational support for projects and equipment including leases or lease purchases with the lease rate based on actual revenue received from use of the project -- product and; three, approval of borrowers based on relevant factors beyond those presently considered by banks. The State economic policy should be developed with goals of desirable social and economic development toward the improvement and strengthening of the private sector."

MS. BULLOCK: Question.

THE MODERATOR: Question. All those in favor significant by raising your right hand.

(Indicating.)

THE MODERATOR: All those opposed.

(No response.)

MR. FISHER: If you call for a voice vote some that weren't delegates could vote on the voice vote.

THE MODERATOR: It's carried unanimously.

MR. FISHER: That wasn't very funny, was it?

MR. STUMP: Before we get off, finances I'd like to direct a bit of discussion and possible resolution dealing with the growth of State government and bureaucratic growth. I think that we're looking at, of course, a tremendous amount of money becoming available within the State, and I think that I personally would like to see a direction to the Legislature to limit the expansion or growth of the bureaucracy in its various forms. I think one possibility we we've gone through the expansion as they did in Washington State limiting, or tying it to the growth of the individual income levels. There are other ways that are possible, but I think that we have expressed in this original financing resolution the idea of improving and strengthening the private sector. I think that this would make it a resolution directed, as I have indicated -- further direction for the legislature to avoid a tremendously expanding bureaucratic -- bureaucracy within the State of Alaska.

MS. BULLOCK: I'm in favor.

MR. FISHER: Let me ask a question. If you're going to be accountable -- if we're going to hold the government accountable for handling the money or are we going to do it? You've just got to have people?

MR. KOCSIS: Mr. Chairman, maybe we could tie in kind of a thought of reducing bureaucracy. And I think we're looking at the State government. Maybe what we can talk about is directing responsibility to local entities whenever possible instead of creating a centralized government unit. Management of contracts and so forth -- a lot of things that are done from Juneau could be done by local government. The State government is really -- they can do it. The money comes through legislature they passed on local communities for managements and so forth, I don't have to have a lot of guys sitting in Juneau. If I've got a few local people doing it.

THE MODERATOR: But then you get caught in the panacea of the local governments boroughs and so forth building a huge buracracy.

MR. FISHER: That's right.

MR. STUMP: Right, I would agree with that entirely. What I have in mind and what my direction is is to limit or to streamline and to reduce the participation or the control and the growth of the bureaucracy in that the direction of our activities of the economy and to see it go

more directly to the private sector --

MR. KOCSIS: Okay.

MR. STUMP: -- and I know that that does cause a problem. We're talking about expanding telecommunications and educational things and whatnot, aspects of government, but I think that -- I think that we have got to recognize that some day even this unexpected revenue is going to be gone, and unless we start taking a look right now at limiting the role of government we're going to have a real problem in Ketchikan. I think this is pretty much true throughout the State. You have pretty much close to 50 percent of the employment in government jobs. When you go over that role, over that majority limitation, now, you run into, I think, some real dangers of not having government being responsive to the economy that really produces the wealth. Now, the State's role or the State's ownership of the tremendous amount of wealth, as Mr. Brandner was pointing out is one thing. The production of wealth is generally within the private sector. And I think that when you have the -- when the employment runs -- tips over into the scale of the majority being outside the private sector I think that you lose a lot of -- I think you lose your balance.

MR. FISHER: Let me ask a question. Didn't Mike Bradner also point out that the production of wealth this

state was the State itself in its resources?

So, you know, admittedly what you say is customarily the situation almost everywhere else, but we turn up being unique in being the exception. So hadn't we better respond with -- you know, hadn't we better respond to account for that both internally and externally? We've got to watch out that we don't hold control, too much hold down the State administrative system too much or it's going to pop up on contracts.

MR. STUMP: I was not giving any specific eliminating factors.

MS. BULLOCK: Right.

MR. STUMP: I was giving a direction of a feeling and a philosophy. Now, maybe -- maybe you can't have one without the other, but I think you can. I think you can put -- I think you can give a directive, if you want to avoid or to limit as much as possible the growth of the bureaucracy over control of our lives. Economic as well.

MR. DAHL: Mr. Chairman, I think one of the questions -- philosophically, I would support that position. And under normal circumstances I would fight on your behalf. But I think what we have to consider in thinking about limiting government, limiting the growth of the bureaucracy is the reason for limiting that program, the growth. The traditional reason for limiting the growth is we can't

afford all these people running around doing things that, you know, some cockamamy ah may me program that's just extra to our lives. That is no longer a reality in the State.

THE MODERATOR: Well....

MR. DAHL: And it seems to me if we are to do what you want to do we need to say it in a different way. And that is to say that we -- that we're limiting programs in a certain way, that we aren't just -- we aren't just saying government will be limited for the sake of limiting government growth. I think we have some other responsibilities that we need to take care of in saying that.

THE MODERATOR: Well, Mr. Dahl, looking back on my personal experience with this North Prudhoe Bay Revenue Funds and the '68 legislature and in the last session in 1970, when the Senate Finance committee was relieved by the present Senate, the new committee was reappointed because we were too conservative. Governor Miller had position requests for 1100 new positions, 1100. And the committee of which I was a member cut that budgetary request to 350 new positions, and the new committee of which I was reappointed but declined to serve on and was replaced -- the new committee allowed in excess of 700 of the 1100 positions. And the screaming bureaucracy -- even with the

funding that will be available, the bureaucracy can become -- every one of those people is a horse and you've got to feed it. And with all of the retirement programs and all of the fringe benefits I can see an operating budget that's absolutely astronomical.

MS. BULLOCK: Education.

THE MODERATOR: The whole shot.

MR. DAHL: Mr. Chairman?

THE MODERATOR: Yes.

MR. DAHL: I don't want to go on record as supporting growth in the bureaucracy. I'm not. The only thing that I'm saying is that if we are to adopt the philosophy of limiting government growth, let's do it for reasons that we understand. The traditional reason for limiting government growth is that we can not afford government. The fact is we can't. The reason that the Finance Committee in 1970 had a responsibility to limit government growth is that they recognized a very limited -- a very limited structure or a mound that $900 million really was. And once you build a bureaucracy you build it forever. I don't want to say anything more about it because I'm inclined to agree with you. I like that policy and think we want to do it.

MR. STUMP: Let me clarify what my real root cause or reason for this concern is. When over 50 percent of the people employed in the State are receiving -- are dependent

upon the State government and not dependent upon the health of the private sector -- okay? When you vote in people your legislaters and your administration who make decisions that are going to affect those businesses, the well being and the ability of the private sector to continue in a healthy state, you've got --

MS. BULLOCK: Vested interest.

MR. STUMP: You have no -- let me back up a bit. The people voting in the control and the direction for government policies, regulatory taxing and whatnot -- they're going to have no concern for the health of the private sector because they're not dependent upon it. And when they're not dependent upon it, when the majority is dependent upon the State, then I think you lose your ability to make your best government policies in particular as they relate to the economy.

So it's more than just the ability of the State to provide to pay for these government jobs. It deals with the whole concept of the role of the private sector and the safeguarding that role.

MR. ACKERMAN: Mr. Chairman.

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: The one thing we're going to have to look at here is we're getting into a new area now. If we're going to limit the expansion of our State government

at this time possibly that, you know -- it expanded our State Government a little bit to take care of the things we've been talking about doing resource development timber, fishing, mining and things like this, you know, you're -- and the State getting into the development of these things -- if you don't put the people out to develop these jobs, then you'll continue in your manner where we'll get the balance. But where you can take and put on a few more State employees or add a few more bureaucrats it's going to create five times as many people in the private sector then your percentage starts going the other way. So at this point in time we have to watch that we don't do that.

MR. STUMP: Well, if that was the time, the original time in the first place it became in tie month to the growth of the private sector or the private income levels, then you allow for that expansion and you gave an incentive for the government to see a growth of the private sector in the first place. So I don't know. We're getting down to chickens and eggs. But....

THE MODERATOR: I'd like to make an observation. The more government you have the more regulation you have the less liberty you have. We mustn't overlook this. I can see I'm apprehensive about our Lynn you are tease, and I can see the unprecedented growth of the Department of Fish and Game, the biologists and enforcement agents and

administrative rules and regulations promulgated under Administrative Procedures Act, putting all kinds of regulatory pressures on the people. So we must be very cautious in this area now for 400,000 people to have 85,000 wage earners as a total populous, to have 42,000 of them in the public draw, in the bureaucracy, and the power of the administrative procedures act and administrative regulations they could promulgate as a result of their interpretation of laws governing themselves that then they circumvent the intent of legislative acts to voice their will upon the people that can deprive us of our liberties and the very real lifestyle that we maintain.

Mr. Kocsis.

MR. KOCSIS: Mr. Chairman, I agree with what we're saying I think we're talking of reduction of government.

A VOICE: We have to consider government is here to provide services. If you reduce government it does not mean reduce services, I don't think. It means someone else besides government in the community situation provides services I don't really mean creative borough government that do the same thing that federal -- or the State Government does -- the borough can receive the operating money and so forth, the administrative state present each has. The State just passes it on and then the burough contracts out to a private sector. They do it this such

things as corrections. Senator Hohman last section introduced a bill on adventure based education. It allows private contractors to set up rehabilitation programs for juveniles, and it authorizes the court system to use those private contractors in villages in this State, cities, as an alternative to the government systems, courts systems and the incarceration system for dealing with those people. That's what I mean. You create a public sector or you go to public sector that can provide the services. You're shifting.

MR. DAHL: Private sector.

MR. KOCSIS: I'm sorry. But what you're doing is you're reducing the number of bodies in the nationalized government and the services that they perform you're passing over to public sector. That's, I think, what it means, that the expense will possibly be the same and it may continue to grow. But the emphasis will be entirely different. It will be people receiving the money in local communities, rather be $6 million to McLaughlin for justify m-- which goes into Valdez, Alaska you can spend that where it makes a different in local community and we get a better prospect for the money. Not a reduction in cost and the benefits we give may go up. Have you to realign where that decisionmaking power comes and who provides those services.

MR. DAHL: I would certainly support that.

MR. STUMP: That kind of programming, that kind of funding of the funds to obtain the goals desirable goals is really what I'm talking about. And I certainly would agree that we can -- I think that we can work out some wording that would still give a directive to the Legislature about our attitude, philosophies, regard g public and private sector.

MR. KOCSIS: You want to encourage the government to turn over as much provision of services to individuals as you possibly can, turn those provision of service requirement over to a private sector.

MR. STUMP: For example, the electricity I television coverage. As a result of a process it did go to K-2. But the idea there of allowing the opportunity for the private sector is what I'd like to --

MR. FISHER: -- coverage provided here is one-half the cost of hiring what it would have given the local firm. I talked to the guy this morning. What they did was use force account and though employed a camera, they hired a camera, rented a camera and they provided for one-half of what it would cost here from a commercial TV operation. So, you know, you've got -- you're into a tough, tough situation. Another thing that's happened -- the Federal Government has substantially stayed at, you know, roughly a level, not a whole lot. But what's happened? The State

and local governments have just mushroomed. So you can't both beat the horse and hold it in at the same time. You just can't do that. Now, I didn't -- and one thing we're already doing in the State is we're moving a lot of that stuff into contract. Now, maybe that's more desirable. Maybe it's more flexible. But you're going to end up with quasi government employees or contract government reply ease where you had, you know, those on the payroll.

THE MODERATOR: The federal government's doing the same thing.

MR. FISHER: You're right, you're right. They are doing the same thing. They are redoing to think tanks --

MR. KOCSIS: Excuse me. Mr. Chairman. I think you have to look at the way it's regulated. If we make it clear the legislative policy statements, group statements likes this what we're talking about is not that regulatory not that you say government. If you can't let them tie with that regulating. They're tying it up, you can't do it you have to stay at the State level this is not a regulatory program. This is a problem we're giving responsibility to local levels we'll check it but we're not going to saddle them with the kind of crap. They've have too much, that's not the -- and I am tomorrow was I think the people gave a statement of this when they opted out of Social Security. They're tied of this federal

regulations. They're tired of the -- the federals gave us and taking nothing. And we can insulate ourselves.

(Discussion off the record.)

THE MODERATOR: Okay. Where are we now?

MR. ACKERMAN: Mr. Chairman, I have a resolution here ready for consideration. Are we done with the other one? Or do we have anything that's -- we want to consider at this time?

THE MODERATOR: Let's consider your resolution since it's in draft form before us.

MR. ACKERMAN: Okay. This is a joint resolution with John Borodkin. It's a financial resolution. It's the alpha groups resolves that the Legislature recognize the existence and opportunities provided by the existence of the native land claims corporations and the unique opportunities provided by those rural based private corporations for developing mutual economic and socially desirable goals in rural and urban areas of the states. Alpha group further encourages the legislate too develop structure that can provide creative mutual interaction between the State, native corporations and other entities concerned with a healthy and desirable Alaska urban and rural society.

MR. DAHL: Mr. Chairman, I move its adoption.

THE MODERATOR: What might other tent tease be?

Elucidate.

MR. FISHER: Nonprofit corporations? They don't necessarily have to be native nonprofit corporations. But they could be nonprofit corporations.

MR. ACKERMAN: We have farming coops and several types of cooperatives in the State.

MR. FISHER: There's a regional corporation up around Galena. It's called company AKON development 789 it was set up back in 1969. And it's -- it's membership is substantially all village leaders of 11 villages. But it isn't necessarily a native nonprofit corporation.

THE MODERATOR: There's a motion --

MR. DAHL: Move to be adopted.

THE MODERATOR: Second? Is there any objection in?

MR. FISHER: Second.

THE MODERATOR: Discussion?

Response.

THE MODERATOR: No discussion question. All those in that significant by saying aye.

Aye.

Opposed?

(No response.)

THE MODERATOR: The ayes have it. So ordered.

MR. DAHL: Mr. Chairman, it is almost five o'clock. What is or schedule?

THE MODERATOR: Our schedule is to work until 6.

MR. DAHL: Okay.

THE MODERATOR: Take a two-hour break and come back and work for two hours. And adjourn until morning.

MR. DAHL: All right. There seems to be one major subject area that we have left to do, and that is resources. Is that is that correct?

THE MODERATOR: Yes.

MR. DAHL: Okay. Before we do that, then, I think that I would suggest that we have a couple of housekeeping things that we might be able to take care of in the -- in a short time.

THE MODERATOR: Yes, we do.

MR. DAHL: I have prepared just while we were discussing other things a resolution that I think summarizes the discussion we had on education yesterday. And I would like to present it to the group for discussion.

MR. DAHL: I went through my notes of our discussion yesterday, and in my opinion this is what we discussed: " Alpha Group resolves that the Legislature consider the following recommendations in the area of education: One, that the State of Alaska provide scholorship loan funds to any Alaskan students for the first two years of post

secondary education with special attention paid to: A, preservation of a student's fredom of choice of colleges or university; B, recognition and protection of the signature and important contributions of private higher education in Alaska; CT, providing new and that expanding opportunities for vocational and technical education and training; and, did, loan forgiveness based on years of service in Alaska in the public or private sector; to, that the State of Alaska allocate funds for local school districts for tell he conferenceing and so indication actual education according to a policy other than average daily membership in order that all elementary ask secondary students in Alaska might be provided the option of a technical trade appropriate other for the --

Mr. Chairman, I move its adoption.

MR. ACKERMAN: Second.

THE MODERATOR: It's been moved and seconded that the education resolution be adopted. Do I hear any objection for the purposes of discussion?

MR. ACKERMAN: Mr. Chairman, I wonder if we might include someplace -- I think one of our major problems -- and was our area of counselling. Could we personally include that could where we have people from other different technical trades? Can that enter into counselling, you know, before the secondary levels so they

do get a secondary educational enable them to get into a trade or occupation?

MR. DAHL: That was the intent of my language in No. 2. I was taking it from the notes that I took with your suggestion, Mr. Ackerman, and I certainly don't have any pride of authorship in this. Anything you'd like on do with it or -- it up to amount this I'd be happy to.

MR. ACKERMAN: I think we do need -- the counselors we have now -- I think we might have to go out to the industry and private sector to explain job descriptions and if they want to go to work in this industry what's available to them, what they have to learn to get into it and things like that. And I don't think that you can employ a counselor who can adequately counsel in this area. For everything. I think that we need to bring people in. Maybe on a contract basis to go through the early stages of the secondary education so they can make up their mind what they want to do and have some sort of motiviation for learning something. And I think that you need to stress that we do need to bring in other counselors who are more familiar with the different occupation.

MR. STUMP: Do you have some language that you might substitute?

MR. ACKERMAN: No, maybe Mr. Dahl could include that in there somewhere.

THE MODERATOR: Well, I suggest that we take a short brake, you re structure it, get your heads together and re structure there to your satisfaction and present it.

MS. BULLOCK: May I ask a question?

THE MODERATOR: You may, Mrs. Bullock.

MS. BULLOCK: In B what do you mean by "protection of the private higher education"?

MR. DAHL: Part of our discussion yesterday, Mrs. Bullock, was that to say the danger in saying the first two years of college education would be subsidized is to give that money to the University of Alaska, which would put the university in a -- an incredibly advantageous competitive position with Alaska Pacific University and Sheldon Jackson College. And it would cause either the -- just the total restructure of those schools as schools that provide education beyond the third year -- the third year and that beyond. And what we discussed -- or at least my recollection of what we discussed was that instead of -- because we have a constitutional provision that says the State can't give direct aid to private education we can give student loans why the student has its choice and that in doing that we are recognizing that private institutions in the State do make a significant contribution. And we aren't putting the State university in a superior competitive position.

MS. BULLOCK: I understand what you're saying now. I didn't understand what you meant here, and I'm wondering if there could be some misinterpretation by --

MR. DAHL: I'd be happy to change it in any way.

MS. BULLOCK: If could you change it so it would refer to the scholorship arrangement of some kind I would be happier.

MR. DAHL: All right.

MR. ACKERMAN: I'd like to speak a little bit to this recognition protection significant in sort of a contribution of higher education. Union apprenticeship programs are higher education and they are something that rally needs to than protected. Also when we get into -- usually if you go through union apprenticeship program you have a job when you're done. They have just built a new facility? We spent over a million dollars for welding school and we've gut one of the finest in the United States from what people in the Lower 48 have said about it. And it doesn't necessarily need state funding. All our members pay 45 cents an hour to fund it, you know, to develop the industry and make sure that we have qualified Alaskans that can go on work on these jobs. We can afford to do this, and we -- I think that we've fulfilled our obligations. I'd say that's a considerable at of money to pay out of your pay they can or every hour that you work for every

member. But we can't afford to get with anybody. Or with a lot of people. We're not asking for funding.

THE MODERATOR: Okay.

MR. ACKERMAN: At this time.

MR. FISHER: Do you want to insert that phrase?

MR. STUMP: Mr. Dahl, what was the purpose of limiting it to the first two years of post secondary education? Dahl all a lack of vision.

THE MODERATOR: what?

THE MODERATOR: Lack of what?

MR. BRADLEY: Vision.

THE MODERATOR: Then you're ah mean able to amendment to four years?

MR. DAHL: Shut lee. As I stated, Mr. Chore mun, this is simply a means to get the issue before the body. I have no pride of authorship in this the all. I have no axe to grind. I simply took my notes and smashed out a resolution. Cut it any way you want to and I'll fight you for it.

MS. BULLOCK: I think there might have been confusion in this two years doing away with the tuition for the first two years of post secondary education, which has been suggested. But the scholorship loan funds going for the four years at the present time.

MR. STUMP: And graduates.

MS. BULLOCK: And graduates.

MR. STUMP: If you were to strike the first two years of in your resolution then I would think that would be much, much better.

MR. DAHL: You're absolutely right, miss Bullock. That was a confusion, and I appreciate the clarification.

THE MODERATOR: Then it will read, then, therefore, as follows: "To any Alaskan student of post secondary education with special attention paid to, quote, colon. And delete for the first first two years." Delete that language.

MR. STUMP: Leave in the f-o-r, the four.

THE MODERATOR: What?

MR. STUMP: To any Alaskan student for any post-secondary education.

THE MODERATOR: Right. "For."

MR. BRADLEY: Mr. Chairman?

THE MODERATOR: Yes, Mr. Bradley.

MR. BRADLEY: I didn't mean to interrupt you. I wasn't here during most of this discussion, but just to the chair was there any discussion raised as to postgraduate or professional education?

THE MODERATOR: We did not address that, to my knowledge.

MR. BRADLEY: Well, I'm not a member but I'd throw out that, you know, we're scarce on doctors and scarce on

dentists, and should there be any emphasis put on the construction of those facilities while I know that they're expensive to construct and equip was that discussed or tuition postgraduate training for the professions? I guess the four that comes to mind are law and dentistry and medicine and accounting?

THE MODERATOR: As I recall, it was not addressed.

MR. BRADLEY: I'm tempted to at least mention -- are there any dentists or doctors here or CPA's? I know there are a couple of attorneys so maybe I shouldn't mention law school because --

MR. FISHER: You don't need a law school for lawyers. They'll come in like --

MR. BRADLEY: But Mr. Chairman what about all the hundreds of individuals in Alaska -- of course, not myself -- that might want to pursue that and not want to leave the --

MS. BULLOCK: Well, what about the WAMI program. W-A-M-I. That fulfills the needs for doctors.

THE MODERATOR: We need to be careful that we do not create a device here for people to become professional students.

MR. KOCSIS: Here here.

MS. BULLOCK: Right.

MR. FISHER: Let's just focus, if I may, on -- and its ice my understanding. Maybe it's just part of the

protective structure that medical schools or doctors put up. It's my understanding you have to have a community of a million in order to support a medical school. Now, I don't know whether that balances out, but I don't know where I -- if I recall it from '69 or -- and maybe it's out dated, but that's my understanding. You've got to be careful on some of those things that you don't -- you know, you know, over reach too far. You don't have to have a community law school.

THE MODERATOR: The way this reads is not eliminate student using the scholorship loan fund to pay tuition to a school outside.

MR. BRADLEY: That's right.

MR. KOCSIS: As a matter of fact, it implies that the freedom would be totally on the student's part to do that. I believe is one of the things. I think.

THE MODERATOR: In Senator he had Merdes' address in the opening day of our deliberations -- he was striving to encourage the development of a resolution that would aid and ah bet Alaskan students to go to college in Alaska.

MR. DAHL: That's right.

THE MODERATOR: Is that pretty much correct?

MS. BULLOCK: Right.

MR. DAHL: Mr. Chairman, may I speak to that?

THE MODERATOR: Yes, you may, Mr. Dahl.

MR. DAHL: That's exactly right, and I disagree with Senator Merdes for the reasons stated this this resolution. If you are going to aid Alaskan students to go to college in Alaska you must do two things: You must first of all establish -- you must make a choice. You have to stay we're going to aid the school, and then you say private education is not really important. That's all he was talking about was the first two years. Or you aid the student and then you give the student that chooses to go outside -- you put him at an unfair disadvantage, in my opinion, that he does not have the advantage of state assistance, support, help, for his education. My concern is not that the University of Alaska be supported any more than it is presently. The budget, as I mentioned in our discussion yesterday at the University of last is something like 105 million dollars. The point, it seems to me, is that when students leave this place they don't come back. And President Olds of Alaska Pacific has described that as a brain drain. I think that's an accurate description. This is a -- it's a serious problem, and we were discussing this yesterday after the education area was concluded, and one of the points was that Alaska itself is the -- is the appeal to draw a student back. And that certainly is a truth, but it's not the whole truth in that what happens is that Alaskan students who have had the benefit of years of

experience living in this culture and in this society leave and stay away. And students who have been born and raised in Iowa and Illinois and Indiana come to Alaska, go to school and stay. Or go to school Outside and then come to Alaska and work. We are losing the advantage that -- the contribution that students that have been born and ra[illegible] in this culture and in this society and in this Stat[illegible] make to this -- to Alaska, and I think we need to do something about it. And that's what I'm trying to speak to.

THE MODERATOR: Okay. I don't think they should be economically coerced into attending the University of Alaska. I any what the Senator Merdes has alluded to in that his two year factor was that his -- the experience that he had with his daughter attending for two years ask then she decided well, dad it's so great I want to spend all four years. On the other hand, if a student were locked into attending a university for two years then had the option to attend outside, then they're going to lose some credits this transferring. It happens every time. If any of you've transferred you know what I'm talking about. You lose some credit hours.

MS. BULLOCK: Mr. Chairman, we're not losing site of the fact, are we that those students who return to Alaska for work or for occupation in their careers are released from the obligation at the front.

THE MODERATOR: That's correct. We don't want to overlook that because that the way it is at the present time.

MS. BULLOCK: We wouldn't want to eliminate that.

MR. ACKERMAN: I'd say going to the school outside of the State would be a part of the learning process. My children have never been outside the State. My kids are rady to go to school now and for them -- well, they've never been outside. Never seen the city, big -- most of them haven't seen Anchorage.

THE MODERATOR: By going to school outside they don't become provincial in their thinking. They should be, that's part of the learning process and yet we keep that from them.

MR. KOCSIS: It just seems, Mr. Chairman, what we've got is are we're making a bottom decision. We keep talking about renewable resource? What the State -- or are we talking about the relationship with that university? I don't think you really need to look at that even. We're talking about students.

THE MODERATOR: That's right. There are two ways it's real obvious, I've got to be better. One way to control is you've got to take state contributions -- can be measured in dollars. We can have the legislature analyze how much money can we give to each student and that's how much he

gets. If it be 5,000 or if it be 20,000 during his career in Alaska that's how much is his for an education loan, if he chooses to use it. The other way I guess you could limit it is he could go to school for a period of time. He will support a dowry program. When he comes out with a dowry we will then pay him all the way as long as we get satisfactory progress reports and secondly you could just say if it takes four years we know in this date to get a degree that's how many years he can draw and he draws 5,000 a year. The commitment has to be the student. Anything else is just an artificial imitation and it real each doesn't have anything to to do so with the support of the university. I really believe that. If he wants to go overseas and he's willing to come back with a better perspective -- and if he doesn't come back what we're talking that is educated informed citizen, and that's our highest resource and our highest value.

MR. STUMP: I think that all of our concerns are quite well addressed in the resolution as it's been slightly changed. The loan Section D loan forgive those based on year of service in Alaska in the public or private sector provides that kind of incentive to bring -- to avoid the brain drain. It gives the students the freedom of choice inside the State, private or public or outside the State or outside the country, for that part. So I think it really

addresses it. I would like to add on or consider adding on the fact that there were there were quite a few students who are -- have already participated in the present loan program. And I think that -- I think that the Section D, loan forgiveness certainly has merit. I think it could actually be because of the unexpected revenue that we could increase the forgiveness rate for those people who already have the loans.

MS. BULLOCK: Don't they have that presently?

MR. STUMP: They do have an own forgiveness.

MR. FISHER: 40 percent in law now.

MR. KOCSIS: We could just say the State has this if you want. That's one extreme.

THE MODERATOR: After -- it could become a grant after -- in the loan forgiveness area based on years of service in Alaska this public or private sector. 100 percent grant.

MR. KOCSIS: You bet.

MR. ACKERMAN: Mr. Chairman, I think one thing we have to keep in mind about this resolution is that it's concept and that, you know, it is in legislation. It's a concept.

THE MODERATOR: It's a concept.

MR. ACKERMAN: I really like what I was talking earlier, that had to do with, you know, I guess secondary education. It didn't have to do with this here, and I think we ought to draft something on that. But I think

this for concept is what we're looking at, and I think when we get into legislation then we can get into some of the specifics that we're talking about.

THE MODERATOR: All right. Mr. Ackerman, other a concern about the structuring of Paragraph 2. Are you prepared to submit an amendment to us on a counselling basis?

MR. ACKERMAN: No, I think that's an important paragraph. The recognition and protection of the -- you know, other facilities. I think this covers --

MR. DAHL: Talking about Paragraph 2, not Paragraph D.

MS. BULLOCK: He's talking about the last one.

THE MODERATOR: Paragraph 2. That's the last one.

MR. ACKERMAN: Oh, I didn't mean that. No, I didn't have anything -- what was that

THE MODERATOR: You had alluded to language that would address counselling from the building construction trades.

MR. ACKERMAN: Well, not only building construction trades. Professions in the industry.

THE MODERATOR: Okay.

MR. ACKERMAN: I think we have to add more adequate counselling and I think it needs to be done by a teacher. I think we have to bring representatives in to do that. But I think possibly that the education is a large area and maybe two resolutions would be in order. And think think

that if we get into our second -- one on secondary education on higher education it would be appropriate and we'd have the thing that George Hohman has been talking about which we watched this morning. This is alternative methods.

THE MODERATOR: Then, therefore, it now appears that this education resolution is pretty much in order now for action and difficult posts you will, is that correct?

MR. DAHL: Mr. Chairman I have one suggestion of some alternative wording, given Mrs. Bullock's suggestions or problem with Subparagraph (b). I would add to my motion with the concent of my second that Paragraph B that it appears there be deleted and the following language be substituted: Recognition that private prior education makes a significant and important contribution to this state and that the Legislature not adopt policies that place private higher education at a competitive disadvantage."

MR. AKERMAN: Agree to the amendment.

MS. BULLOCK: Excellent.

MR. DAHL: Shall I read that again?

THE MODERATOR: I'm getting it down.

MR. DAHL: All right.

THE MODERATOR: Recognition that private higher --

MR. DAHL: That private higher education makes a

significant and important contribution to this state, comma, and that the Legislature not adopt policies that place private higher education at a competitive disadvantage.

THE MODERATOR: Do you so move?

MR. DAHL: Yes, I do.

THE MODERATOR: Second?

MR. ACKERMAN: Concur.

THE MODERATOR: Concur?

MR. DAHL: This is an amendment to my original motion and with the consent of my second it replaces the original motion.

THE MODERATOR: Right. Are you ready for the question?

MS. BULLOCK: Question.

THE MODERATOR: All those in favor of the adoption of this education resolution that we have before sing by saying aye.

Aye.

THE MODERATOR: Those opposed.

(No response.)

THE MODERATOR: The ayes have it. So ordered.

MR. FISHER: Mr. Moderator, there's another resolution that's on -- within whether it's been distributed or not. I think it's up there by you on transportation. It's on Sheraton stationary. There's a stack of them up there. Maybe you want to deal with that now.

(A short recess was taken.)

MR. DAHL: Mr. Chairman, the change that I would like to see made in the education resolution with the consent of the body we could simply include it in our approval is at the end of Paragraph 2 that we add the following language: "Soliciting counselling from industry," period. So it reads: "Provided the option of a technical trade appropriate for the 19 years comma soliciting counselling from industry, period."

MR. AKERMAN: I would hardly endorse that. I believe speaks to the problem we have on the counselling and --

THE MODERATOR: You second it?

MR. ACKERMAN: Second it.

THE MODERATOR: Is there any objection?

(No response.)

THE MODERATOR: It's been moved and second. There's no objection discussion?

MR. STOMP: Question.

THE MODERATOR: This is a question. Those in favor say aye.

Aye.

Those opposed?

(No response.)

THE MODERATOR: The adoption is carried. So ordered.

MR. FISHER: Let me do a little bit of dreaming here.

I agree with what Edith Bullock says because she's probably the most experienced in Marines transportation --

MR. DAHL: Mr. Chairman, number of the discussion that we had about transportation is on the record.

MS. BULLOCK: For the record, I would like to say that I take exception to the transportation resolution on number one.

THE MODERATOR: On paragraph one.

MR. DAHL: Mr. Chairman, may I suggest that for the sake of the record Mr. Fisher read the resolution into the record, and then it would be before us and we can discuss it.

THE MODERATOR: Thank you. Mr. Fisher, please read the resolution for the record.

MR. FISHER: All right. The resolution is as follows: Alpha group transportation. Alpha group resolves that the Legislature consider these recommendations for transportation needs: One, xpand the Marine Highway system to the entire state including but not necessarily limited to the Alaska Peninsula Erosion communities. Western Alaska, Yukon, Kuskokwim and tributary system and other areas as later selected.

Pargraph 2: Preparation and implementatin of a statewide plan for air and service transportation.

Paragraph 3:

Construction of a complete system of rural air transportation navigation aids and facilities relatively equivalent to present regional airport saw Valdez.

Four, develop a complete inventory of the entire state's transportation facilitates. Five avoid imposeing transportation intrusions on communities or regions whose residents do not wish to have them, i.e. unwanted highways.

Now, maybe Edith Bullock ought to -- Dahl second for discussion and move to amend.

MR. FISHER: All right. I'll move its adoption.

THE MODERATOR: It's been moved for adoption. It's been second and a move to am.

MR. DAHL: My amendment is in paragraph one we delete the words Western Alaska, Yukon, Kuskokwim and tributary system.

THE MODERATOR: I would object.

MR. STUMP: Is this open for discussion?

THE MODERATOR: It's open for discussion.

MR. STUMP: I think we ran into a similar kind of a problem earlier when we were dealing with getting too involved in specifics and instead dealing with more general directional policies and recommendations. I think that wraps we could solve our problem on this and also one that I have not voted yet, but would if it were not changed to this wording -- to change it to, number one to read: To

improve and expand the Marine Highway system throughout the entire state -- or throughout the State with recognition that such a system provides highways for communities that cannot develop highways to provide the traditional access. Now, perhaps that's a little bit wordy at the end there, but I think that that would -- than would give the direction to the State, to the Legislature that we want to to use some of these unexpected funds for improving transportation, water-borne transportation to facilitate the transportation needs of our communities that do not have access to roads do not have the economic situation, economic and geographical situation situation to have a road system. And then when it gets down to what specific rivers or what specific areas that that is a decision that has to go through the political process and be made at that point rather than here this this short time period that we have.

THE MODERATOR: I believe that we should put some emphasis on -- very real emphasis on a road link between the Yukon and the Kuskokwim.

MR. DAHL: Mr. Chairman, for the sake of --

MR. FISHER: Speed.

MR. DAHL: Speed, I think. Thank you, Jim. This was Miss Bullock's concern, that the Marines -- that this group not go on record as supporting the extention of the you are

Marine Highway system in Western Alaska recognizing Mr. Fisher's realization and information given to the body that it would be a very simple matter to extend the present system out to the Alusion. I think that my amendment, if I may speak to it, deleteing the language covering Western Alaska Yukon Kuskokwim and tributary system speaks to that. The language would be expand the marine highway system to the entire state including but not necessarily to the Alaska Peninsula, the Alusion communities and other areas later selected, which would give the Legislature sufficient latitude to expand it, if they saw fit.

THE MODERATOR: We neglect to give any specific direction and regard to the Kuskokwim problem.

MR. DAHL: I would suggest that that would be -- that that is another number, that number one speaks to the highway system and not to roads into that area. I would certainly agree with you, Mr. Blodgett that that needs to be addressed. That was a very good idea. It was inadvertently neglected, I'm sure.

MS. BULLOCK: Are you moving to adopt the motion?

MR. DAHL: Yes, I move to amend the resolution to delete that language.

MR. ACKERMAN: I second the amendment.

THE MODERATOR: I'd object for the purpose of discussion. I'd like to hear from Mr. Alexie.

MR. ALEXIE: Well, of course I've been wanting to say, you know, on this Marine Highway, Bethel is the center where everything comes -- what comes from Seattle and further out landed at Bethel, and there's several boats come in. And couple times my grocery stuff not come because the barges were already loaded, and I'm taught the only person who survived in winter without any groceries for my children. So I read agree with this that I would like to have something better on Marine Highway system to serve me and the other people and even the Yukon. Because sometime winter comes fast, and last month I've seen two barges stuck on the ice. And a good thing we had the range to pool them on the shore. And the fuel shortage or the education materials can be delivered to the villages on time.

MR. ACKERMAN: Mr. Chairman.

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: I'd like to stand on this. The only thing Mr. Alexie did leave out is he paid for the groceries before they were shipped in. He paid for those groceries and he's stuck with having to go buy new groceries, go through an insurance claim process then fly them in. While I was on the Boundary Commission on this area -- you know, this was something that was bought up time and time again. I don't think there was one village on the river that this

problem wasn't expounded upon. The groceries sit on the dock, you've paid for them, then you gather to go out and purchase new. Besides that the air transportation then. Either that or you just do without. So it's really an area every concern.

THE MODERATOR: I've lived it, Mrs. Bullock has lived it with being our tug and barge and elsewhere. Weather catches you and early freeze up -- it's part of the -- it's the greatest mixture company in the world.

MR. AKERMAN: What Mr. Alexie is saying is there's not the capability of getting it up there.

THE MODERATOR: Right.

MR. ACKERMAN: Like I say you are you purchase it and you're flying it this and you can't afford to buy the in the first place let alone the difference in the air freight and river freight. And besides that there's the time involved, and you've got to go through insurance, you sit out and freeze so you've got to go through an insurance settlement -- the insurance companies just don't like to pay. So there you are you've spent your money and you just don't have your resources to do it so that they do have to do something in this area.

MR. ALEXIE: Again, this one lady -- she was not depending on Welfare, she depended on her arts and craft. The both got in and then it freeze and they had a problem

on transportation. I think the both had to go up to Nome first and then back to Bethel. It freeze had, and that lady she chartered a plain to haul them to the smaller village. Again, she couldn't charter a plain to bring her groceries at once because of the landing strip. And the charter on that year was $80 for this -- for that one plain plane to haul her three loads.

THE MODERATOR: $80 a trip.

MR. ALEXIE: $80 a trip.

THE MODERATOR: What kind of language would you like to see in this, Mr. Alexie?

MR. ALEXIE: Well, I'm very poor in language making. I have hard English education. So if somebody put it up correctly in order to satisfy me and the other people, I'll be satisfied.

THE MODERATOR: Mr. Borodkin?

MR. BORODKIN: Yeah, I'm just wondering. I've looked on the map there with Bethel is, and I'm not sure whether an ocean going vessel would negotiate the river up to --

MR. DAHL: It will make it.

MS. BULLOCK: Betheling the transfer point. It's a transfer point.

MR. BORODKIN: Oh, okay.

MR. ACKERMAN: It's on transfer, but we don't have the boat to get from Bethel up the river. That's what we want.

MR. BORODKIN: I didn't know.

MR ALEXIE: That's why I fully support to expend the Bethel docks, because they waste their time while they're waiting to -- the other barges to be unloaded.

MS. BULLOCK: Right. And you get cost with the ice and --

MR. ALEXIE: Yes.

THE MODERATOR: Could perhaps -- Jamie, could you live with amending Western, leaving out-- and leaving Yukon, Kuskokwim tributary and other areas as later selected?

MR. FISHER: Sure.

THE MODERATOR: How would that fit Mr. Alexie?

MR. ALEXIE: Repeat it again.

THE MODERATOR: We delete after communities, comma, delete Western Alaska, comma and leave Yukon, Kuskokwim and tributary systems in. How would that fit?

MR. ALEXIE: Well, I think that --

MR. DAHL: I'll accept that as an amendment to the amendment.

MR. ALEXIE: It sounds good to me.

MS. BULLOCK: Mr. Chairman I'll have to go on record as being opposed but I'll probably be the only one, so....

MR. FISHER: I think we ought to pass the resolution we ought to institute the program and if she takes it, we ought to hire her to run the system.

THE MODERATOR: Thanks a lot, huh?

THE MODERATOR: Yes, Mr. Stump.

MR. STUMP: Mr. Chairman, I'm going to have to -- and I don't want to belabor this point, but I'm not going to be able to support that section unless there is wording recognizing the Marine Highway system that does exist in Southeast Alaska. A need for improvement and expansion in Southeast Alaska as well. There are an other lot of communities in Southeast Alaska of ferry significant size and certainly size to benefit substantially from expanding the system in Southeast Alaska. And I don't think that it would really be very hard to change this resolution -- this section of the resolution to recognize these needs in Southeast Alaska. Perhaps, if I could give just a little bit of a situational report of the Marine Highway system in Southeast Alaska, we do have for the most part boats -- vessels that -- were built in the mid '60s or early '60s, so they are getting quite on in years, and there are substantial amount of problems, mechanical problems with these vessels.

Sighting just, for example, last week with one ferry in the -- already in Seattle for winter maintenance and out of service is on schedule. First of all, one ferry -- one of the remaining ferries and then later on in that week a second of the ferries was -- had mechanical problems that

delayed or stopped their activities in Southeast Alaska. So this again is our only non air link between communities and to the south freight or to the rest of the Alaska through Haines or Skagway. And we have some real needs to improve that part of the Marine Highway system. And I in all conscience I couldn't go along with the resolut on unless there was a recognition of that need in Southeast Alaska.

THE MODERATOR: Thank you Mr. Stump.

Will Ackerman.

MR. ACKERMAN: I think if we just -- and expand that would speak to oust the problem because it is the only marine highway system we have at this time. This resolution supports the entire state, which would be added communities in southeast. But if we just said upgrade and expand Marine Highway system that would speak to the problem with your equipment in southeast because that's all we have.

MR. FISHER: I would accept that. I think that's fine.

MR. STUMP: Perhaps, then, I could move it be worded to either improve or upgrade and expand the Marine Highway system throughout the State, et cetera, as is.

MR. FISHER: I don't see any objection on that either.

THE MODERATOR: All right. Please state it again, read it.

MR. FISHER: I'll let the amenders --

MR. ACKERMAN: Just up great everybody.

MR. FISHER: Upgrade and in front of the sentence in lieu of two after the language highway system throughout the entire state.

MR. ACKERMAN: Be we had that?

MR. FISHER: We do this.

MR. AKERMAN: What we have now is upgrade and ex panel nt Marine Highway system in the entire state included but not necessarily him Ted to the Alaska Peninsula Alusions Chain, Yukon, Kuskokwim and tributaries in other areas as later selected.

MR. FISHER: Yeah, I think you're right.

THE MODERATOR: With Western Alaska deleted?

MR. ACKERMAN: It was deleted as being something we wanted to point to. It doesn't preclude us from expanding service to area. We can do it with the entire state as needed.

THE MODERATOR: Right. Do you so move?

MR. ACKERMAN: So move.

MR. FISHER: I'll second it.

THE MODERATOR: It's seconded.

Mr. Borodkin.

MR. BORODKIN: Yes, yesterday I was concerned with the proposal because I recognize a gap in the Marine Highway

system from Southeastern Alaska into Cordova-Valdez area, Seward.

THE MODERATOR: Right.

MR. BORODKIN: But the remark she made I they we all realize that the cost we're looking at, especially on ocean going vessel. But I still would like to see that made a part of the record. My concerns.

THE MODERATOR: On ocean going --

MR. BORODKIN: No, the gap --

THE MODERATOR: Into Cordova?

MR. BORODKIN: Yes.

THE MODERATOR: Upgrade and expanded the Marine Highway system throughout the entire state including but not necessarily limited to Cordova, the Alaska peninsula? How would that fit?

MR. STUMP: South central? Perhaps Cordova?

MR. BORODKIN: Between Southeastern Alaska through south central, I guess.

THE MODERATOR: Including but not necessarily limited to South Central Alaska, the Alusion -- the Alaskan peninsula, right? How is that?

MR. ACKERMAN: Mr. Chairman, I think an important thing that we have to keep in mind -- that this is a concept. It's an idea that we'd like to put for the. It is thought legislation when we get into legislation they'll

have to to consider and have a debate on it. And I think we have a good record on it and I think it's a good concept. I think we need to put it for the, you know, in that light. We're not, you know, getting into specific as to what we're going to do, but it is a concept that we would like to put for the.

THE MODERATOR: Upgrade and expand Marine Highway system throughout the entire state including but not necessarily limited to South Central, the Alaska Peninsula Alusions Chain Alusion Kuskokwim and tributaries and other areas as later selected. How is that?

MR. ACKERMAN: I so move.

THE MODERATOR: Second?

MR. DAHL: Second.

THE MODERATOR: Second, second. Discussion?

MR. AKERMAN: Question.

MR. FISHER: Let's go.

THE MODERATOR: Those in favor indicate by saying aye.

Aye.

THE MODERATOR: And those oppose indicate by saying nay.

MS. BULLOCK: Nay.

THE MODERATOR: The ayes have it. There's one nay vote. Let the record refect. And the resolution is now before us.

MR. DAHL: Mr. Chairman, I have an additional amendment. No. 6: Upgrade and expand inter-village road systems including but not limited to the extension of the road to Tanana, and the connection link between the Yukon and the Kuskokwim River.

THE MODERATOR: Do you so move?

MR. DAHL: I do.

MR. ACKERMAN: Second.

THE MODERATOR: Discussion?

MS. BENNETT: That was enter not intra? Enter, between?

MR. DAHL: Yes.

THE MODERATOR: Intra.

MS. BENNETT: No, he just said enter.

MR. DAHL: It means roads reasons roads between village.

THE MODERATOR: Within the village.

MS. BENNETT: No, between the villages.

MS. BULLOCK: That's extra.

THE MODERATOR: What? That would be like a road between -- Dahl.

MR. STUMP: Could you change that to villages to communities?

MR. DAHL: Sure. I'm easy. Enter community road system.

MR. STUMP: There are options for logging camp communities and whatnot --

MR. DAHL: I understand.

MR. STUMP: -- fish, communities.

MR. DAHL: no problem.

MR. STUMP: It's a matter of semantics but I think using the broader to be word --

MS. BENNETT: Would you say it again, please?

MR. DAHL: Upgrade and expand the enter community road system including but not limited to an extension of the road to Tanana and a connecting link between the Yukon and Kuskokwim Rivers.

THE MODERATOR: It's been moved and seconded.

MR. ACKERMAN: Yes.

THE MODERATOR: Discussion?

MS. BENNETT: I'd like to discuss that. Why agree with that. I thought we had talked yesterday about the fact that we did not want roads correcting many villages.

MR. DAHL: All right. Let me show you what we're specifically talking about.

THE MODERATOR: Paragraph 5 takes care of.

MS. BENNETT: Now we're saying to May in this resolution we're saying the opposite. That all dull protected by No. 5, though.

MS. BENNETT: Okay. I can see that, right. I --

MR. DAHL: Just for the sake of clarity, the road ends here at Tavey, at least according to this map. (Indicating.)

MR. ACKERMAN: That's not correct.

MR. DAHL: With a slight extension it could go to Tanana, and with a connection between the Yukon and the Kuskokwim at -- where is it?

MR. DAHL: Right here. Between Piamute and Calsak it's about 30 miles. You're talking about a road that will carry freight to Tanana freighting freight by barge down river to this road crossing here and moving it down to Bethel. (Indicating.) With that extension you've got Bethel connected to Fairbanks and that's something you've never had before, and it's critical to the area.

MS. BENNETT: But I think the resolution could spcifically address that particular thing, without saying we want to upgrade the enter community --

MR. ACKERMAN: How about a bridge across the river?

MR. FISHER: Well, that's the use of the community road. The big option is Fairbanks to Nome. That's the option.

THE MODERATOR: Or Anchorage to Nome.

MS. BENNETT: Well -- there are a lot of options. It sounds really general to me.

MR. DAHL: Right. And I meant it to be.

MS. BENNETT: And I do understand what we're saying, I'm just saying the wording sounds really general.

MR. DAHL: I meant it to be as a policy statement that's limited by No. 5. Where roads are not imposed on a community.

MR. ACKERMAN: Why don't we replace -- make No. 5, and that No. 5 -- and that will sort of --

THE MODERATOR: Do you so move?

MR. ACKERMAN: Yes.

THE MODERATOR: Hearing no objection, it's so ordered. Let us --

MR. ACKERMAN: Removed the road. We are telling them we want these roads and then we're saying we want to be able to have a veto power over them.

THE MODERATOR: Let us move on now. It's six o'clock.

MR. ACKERMAN: Mr. Chairman, we have one more item here, and it was facilities on the rivers. I mean whether we expand the highway or not. The people that are using them don't have them in Bethel now. We have -- that's a similar problem all up and down the river, is docking facilities. Maybe we ought to include docking facilities on the river here someplace.

MS. BULLOCK: Mr. Chairman, I again have to make my objection to this sort of thing because it's a cost benefit ratio involved here that I do not think is justified.

It's a tough situation on this transportation problem, as I very well know, but it's a matter of tonnage. Have you no passengers. And when you get into docking facilities, when you build a wharf or you build a dock, you get into a pretty expensive operation.

MR. ACKERMAN: In the normal sense you are or talking about a dock at Anchorage or Valdez? Something like that? A public docking facility --

MR. DAHL: That's fine.

MR. ACKERMAN: -- on the river. Isn't that much of -- I waddled up in the muck. I mean these people around the airplane off. There was nothing on it, and it was coming right off. We landed on the river. We couldn't even get off the docking.

MS. BULLOCK: But by the time you take your equipment in there and you do your construction and you take your equipment become out you can't do that with just a shuffle.

MR. ACKERMAN: If we were going to constantly spending all our money in Anchorage. I don't think that's something we can do. I think we have to have a facility. What good does it do have to the transportation if you can't get off it.

THE MODERATOR: There's a tremendous population that services that watershed through Bethel. And with the road link between the Yukon and the Kuskokwim, I envision that

rail freight coming up the rail and getting on tug barges and going down the coast and being transhipped across into Bethel is going to have to be handled -- I look for a substantial increase in freight. I don't think there's any way that freighting activities are going to go in Alaska here on in by that. And I -- I'm compelled to support the concept the dock facility at Bethel, Edith.

MS. BULLOCK: Bethel. That's fine. I thought you said up and down the river.

MR. BORODKIN: Mr. Chairman, I would like to know a little more about docking facilities. I don't know -- I don't know how those are done up there. But in a river, you know, when ice starts flowing, how does it affect the -- is it built in such a fashion where -- is the ice that's flowing will not wipe it out?

MR. ACKERMAN: Mr. Alexie can see to that. He's lived there. I think you just pull them back.

MR. ALEXIE: Now, we have a dock, and the ice can bump and go over it and it won't disturb the dock. If it's built correctly, the way --

MS. BULLOCK: If you build correct.

MR. ALEXIE: The way ours is built. And up at cattle stack we don't need a big one, just to lift up the barge and unload it. And I don't think that will be too expensive. But I think the price will be covered enough.

MR. BORODKIN: I think I know what you mean. You mean just a ramp instead of a dock.

MR. ACKERMAN: Right. That's right.

MR. BORODKIN: Just an unloading ramp.

MR. DAHL: Not a pier?

THE MODERATOR: Not a pier.

MS. BULLOCK: That's a little different, yes. I'm thinking of -- that's different.

MR. DAHL: Mr. Chairman, it's 6:05. Can we continue this? Are we ready to vote on this or --

THE MODERATOR: I believe we're ready to vote on it. As we can finish this one if we address this here with dispatch.

MR. ACKERMAN: I was asking Mr. Dahl what the proper wording was that we were looking for for a docking facilities.

MR. BORODKIN: Then it would be --

THE MODERATOR: Landing.

MR. ACKERMAN: Landing facilities.

MS. BULLOCK: Landing.

MS. BENNETT: Or loading.

MR. ACKERMAN: This is a concept. It's something we don't have is what should leave our options open to, the specific legislation.

MR. BORODKIN: I think there's a distinction between a

dock and a ramp, though.

THE MODERATOR: River, oh both landing.

MR. ACKERMAN: Off loading facilities?

MS. BENNETT: Uh-huh, uh-huh.

MR. ACKERMAN: And on.

THE MODERATOR: We're ready for -- are we ready for the question?

MR. STUMP: Question.

THE MODERATOR: Is there a motion to adopt the resolution?

MR. DAHL: Mr. Chairman, do we have the language for that No. 7? Again, you know, it will chew it up here we're going improve and expand river loading facilities.

THE MODERATOR: So move?

MR. ACKERMAN: Second.

MS. BULLOCK: Uh-huh

THE MODERATOR: The objection seconded.

MR. BORODKIN: Question.

THE MODERATOR: Those in favor indicate by saying aye.

aye.

THE MODERATOR: Opposed.

THE MODERATOR: Let the record show there was one descending vote.

THE MODERATOR: I entertain a motion for adoption of resolution.

MR. DAHL: So moved.

MR. ACKERMAN: Second.

THE MODERATOR: Second. Objection?

MS. BULLOCK: No, I'm sorry. I didn't mean to object to your amendment. I wasn't paying close attention. What I meant to do was to vote against the total resolution.

THE MODERATOR: The resolution.

THE MODERATOR: Question?

MR. DAHL: Question.

THE MODERATOR: Those in favor of adoption of resolution transportation indicate by saying aye.

Aye.

THE MODERATOR: Opposed?

No.

THE MODERATOR: Let the record reflect there's one nay vote. The resolution is passed.

(A recess was taken.)

THE MODERATOR: We've covered an awful lot of material in a very short period of time. Things are moving very rapidly in the State. The revenue picture is changing very rapidly in the State, and I'd like to suggest to the body that we discuss the presentation of a resolution in the Alpha Group to the conference, that in lieu of waiting another 10 years before another conference of this nature be held again, that we set it up, do it again -- Alaskans

do it whether we're still kicking it around or not or whether we're delegates. But five years down the road a new frontiers -- Future Frontiers Conference be conducted to see where we were, where we're headed and where we want to go. And provide for more time in order for us to be more deliberate.

I feel that in some respects we're almost guilty of shooting from the hip, and I don't like to shoot from the hip. I like to get my sights lined up and then shoot.

MR. ACKERMAN: Mr. Chairman, I think that's an excellent idea we have another one in five years, but I think it would help we have regional conferences, you know, as preliminary and regional conferences, select your delegate to the state conference. That way we'll get a lot better participation buy the regions and we'll be more familiar with the issues we want to discuss at the State conference.

THE MODERATOR: Broader anticipation.

MR. ACKERMAN: Broader.

THE MODERATOR: Anybody care to make a motion to this effect? The chair would entertain a motion.

MR. ACKERMAN: I would recommend we have another conference in five years and it be preceded by regional conferences that would select the delegates for the State conference.

THE MODERATOR: Is there a second?

MR. FISHER: I'll second it.

MR. BORODKIN: He'll second it.

THE MODERATOR: Discussion?

MR. DAHL: Question.

THE MODERATOR: All those in favor indicate by saying aye.

Aye.

THE MODERATOR: All those opposed it by saying nay.

(No response.)

THE MODERATOR: The motion is secured. We'll have to get it drafted in final form for delivery.

We're down to the topic resource of section four. Oil and gas tally.

MR. DAHL: Mr. Chairman.

THE MODERATOR: Mr. Dahl.

MR. DAHL: As I look over these papers I -- I'm concerned that little has been said, if anything, about the most important resource that Alaska has, and that is its people.

The -- I'm particularly concerned about children, about the care of children in this State. Not very many months ago I was elected President of the Board of Directors of Alaska Children's Services, which is the largest private child caring institution in the State. And

participating in the deliberations of that board have been -- have learned that the State, although it has responsibility for children in its care for various reasons, reasons of parental neglect and others, the State by any stretch of the definition could not be considered a good parent. The State has not provided adequate care for its children. It has not provided the kind of support for its children that a good parent would provide. Case in point: The Department of Corrections has numerous children placed under its care by the justice system. Some of these children are placed in institutions throughout the State, in homes, in foster homes. Some of them under the auspices of Alaska Childrens Services.

As of July, the budget had some problem, and the State of Alaska, with its astounding wealth is in debt to private agencies to the tune of some $36,000, and it's -- when asked for that money, this is for the care of children where I, as a parent take that -- take my child and say, "Will you take care of my child for a period of time?" And that person says, "Yes, I will." Provides the care, shelter, food, clothing and nurture, and then I, as a parent, say I'm sorry, I cannot pay you until my ship comes in, or sometime down the road.

That's unconscionable in a state as wealthy as this. I've prepared a resolution that I would like to have

this body consider. I'd ask you to pass it around. While it's being passed around I'd like to read it for the record.

Alpha Group resolves that the Legislature consider the following recommendations in the area of child care: One, that the State continue to use the resources of private child caring institutions to deliver services to children entrusted to the State's care and, two, that child caring institutions be reimbursed promptly and fully for services rendered to those children. The policy of the State should be -- and there's an error in here. The policy -- I see. No, wait.

THE MODERATOR: The State policy should be that of a good parent.

MR. DAHL: That's right. That's right. The policy of the State should be that of a good parent that cares well for children for whom it is responsible and pays its bills quickly.

Mr. Chairman, I move for its adoption.

MR. ACKERMAN: Second.

THE MODERATOR: Discussion?

MR. FISHER: Yeah, I'd like to ask. This is an excellent form. It's a very serious problem, but it seems like it's too narrow.

MR. DAHL: Well, I used the corrections example only as an example the fact is that the State does not provide

full cost I care for its children. Not only does it not pays its bills on time, and causes serious cash flow crunch in all institutions in the State, but it simply is not willing to pay the costs that it takes to take care of kids.

MR. FISHER: It doesn't pay any of the capital cost.

THE MODERATOR: Don't feel like the Lone Ranger. It doesn't just child care.

MR. DAHL: I understand that.

THE MODERATOR: We -- my companies do not seek or desire to contract with the State for any supplies or services of any kind whatsoever because it's so dilitary.

We get invitations to bid, we don't respond.

MR. FISHER: But isn't your situation where it's more voluntary than the children?

THE MODERATOR: Yeah, you know, I mean it gets into the Department of Administration.

MR. DAHL: Our agency is running what we call emergency shelters, receiving homes. I think we have -- we had two, I think we now have three. The -- those receiving homes are emergency shelters are known about by the police, they're known about by the Department of Corrections and other agencies where kids that -- that need immediate care can be brought to these shelters and say for a limited time, not for many days but for a few days. They're well cared for, not just warehoused but cared about by loving people.

And this is something that -- this is a service that this state does not provide. The State simply -- they ought not to. They not to to get involved in this thing becaue private enterprise can do it better. They proved they can do it better. But when these kids are brought there by the State, the State ought to pay the bills. And the State has simply relied on the goodwill and charity of churches and social -- socially mind had people for years. I think it's time to stop.

MR. FISHER: That's why I asked. Isn't it too narrow? I realize the money can -- an extreme crunch somehow or other, just the money seems a little -- something's wrong.

MR. DAHL: How do you want to change it?

MR. BORODKIN: Mr. Chairman?

THE MODERATOR: Mr. Borodkin?

MR. BORODKIN: Would this be something like foster parent time thing?

MR. DAHL: It's similar, but it's not the same. Now, this is -- foster parents are one form of child care. Most of the kids that are in the care of Alaska children services --

MR. BORODKIN: This be would be in a larger way.

MR. DAHL: Right. Jessie Lee Homes, one of the services that we operate, which used to be Unalaska, and then its Seward and after the earthquake moved to Anchorage.

The receiving homes are here. All the services are here. This is not a limited resolution. It deals with the statewide problem.

MR. ACKERMAN: Mr. Chairman, I think this speaks that we have the responsibility for the care of our children and it ought to be something that's foremost in our minds, and since we're depending on, we should, you know, the private sector to provide these services, you know, that we're using we should pay for them.

I think it's a good resolution and I think it speaks to the major problem we have at this time. And I think it's appropriate. I think that we could -- we can get into a lot of specifics and would lose a lot of the meaning of the resolution.

THE MODERATOR: Thank you. Anybody else?

MR. BORODKIN: I have another question. This institution or institutions -- any child is, you know, accepted in these institutions.

MR. DAHL: Absolutely.

THE MODERATOR: Miss Bennett?

MS. BENNETT: Mr. Chairman, in some ways, Gary, I think that it needs to be, if we're going to address child care that there are some other general concerns that haven't been discussed.

For instance, I have a -- I serve on the board of

the day care center? Fairbanks. I have an interest in the day care assistance program, which I don't feel is funded as fully as it should be. This is a program where the State provides assistance for day care so that we can employ parents who would otherwise not be able to work and be on the Welfare roles, et cetera, that that is also a very valid child care concern. Child care is something we haven't really discussed. I'm sure that there are others that are equally importance as this. I to feel that it's a little bit specific, which is not to debate the importance of this particular concern.

MR. DAHL: I meant it to be quite specific, because I'm concerned about the cost of care.

THE MODERATOR: Any further discussion?

MR. ACKERMAN: This doesn't preclude, you know, you from putting people -- children in a day care center and paying the cost of it promptly, in a private day care center, and this is something we're developing in Fairbanks. We have special use permits for day care centers once a month on the planers only. And this doesn't preclude it. It incourages that do these things, and it's a tool that you can use, you know, to pursue that.

MS. BENNETT: Right. I think -- did you understand me to mean assistance to the day care centers? Because what I meant was assistance in State assistance to paying the

bills for the child to go to the day care center. Is that what you mean?

MR. ACKERMAN: This provides this.

MS. BENNETT: No, this -- this is children that are in state -- actual State care. I'm talking about children that are still in the homes of parents that need to be employed. It is actually a different program but a similar problem is what I was saying, it hadn't been discussed. In other words, this doesn't cover it, but I'm not necessarily sure that it should. I just feel like we didn't really discuss this when we were talking about finances, and maybe we should have.

MR. FISHER: Let me ask one -- I still think it's too narrow because I know a little about bit about some of the problems of the cost of care.

THE MODERATOR: Please speak up.

MR. FISHER: The State always leans on the cost, and the cost of care centers are usually half to three-quarters of what the State would have to pay in State run institutions. But the State is always limiting, and they won't let you -- they won't let you -- in some instances they won't provide -- they only pay on the amount of kids that are actually in the facility. And they don't -- so sometimes some of the institutions don't -- aren't even able to maintain staff waiting for the crisis that occurs

with kids. And I've seen a very good one almost go under just because of that situation. Fortunately they had an excellent management and kind of got through. I still think it's too....

MR. ACKERMAN: I was looking at this. I've always been told that children are a ward of the State, you know, and unless the parent had custody of your children this they were adjudicated all children of the State were wards of the State. So, possibly this is speaking more to adjudicated children that are in actual custody of the State and removed from their parents custody?

MR. DAHL: Yes.

MR. ACKERMAN: We still have the problem of those that are adjudicated and still under custody.

MR. FISHER: Let me talk some more. I'm sorry to take up so much time on this. But I've actually been in contact with a group of these people when they made a trip down to Juneau. I think it was last year. And they go down there and they have to justify their costs and they have to justify everything that they do. So they're very closely regulated. But they are leaned on so that they don't -- you know, they aren't paid quite fully, they weren't paid -- somehow or another they get -- there's always that element of contribution that has to be made up somewhere. Now maybe it should be made up somewhere, but in some cases it

puts tremendous pressure on the organizations and devotes energies that ought to be devoted to the children to finance this. And the thing that I keep thinking is it's just too narrow just on the time of paying the bill rather than pay the quantity.

I would hope that the resolution could be broad enough that you could -- you could use it as justification for the annual meetings when you meet with the -- meet with the Department of Health and Welfare and for funding with the Legislature. You know, get it altogether so we can point back and say well, the Future Conference, assuming it did that, said that, one, the State doesn't pay on time and, two, it doesn't pay enough. Now, that's very general. And that's what I think you ought to try to do if you could tell us how to do it.

MR. DAHL: You don't think I've said that?

MR. FISHER: No, I don't think so. All you say is it doesn't pay the State. You ought to say something like the State policy should not that a good parent pays -- that cares well for children for whom its responsible, pays it bills quickly and fully, something like that. I'm not very happy with that word. I think if you're giving a general statement like that, I think you could then argue and say, well, you know, because they always knock you down on some of the things, and they say there's some law. But then

change the law.

MR. DAHL: Would it be helpful to change the -- in section 2, to change "reimburse" to "paid"? Is that what you want?

MR. FISHER: Reimbursed promptly -- I don't know. Maybe I don't know what I'm talking about.

MR. ACKERMAN: Why don't you say all services provided for the wellbeing of the children.

THE MODERATOR: Promptly?

MR. FISHER: Well, he said promptly. Maybe the thing that I'm confused about is the fact that the final paragraph is a reiteration. Maybe you ought to strike the final paragraph.

THE MODERATOR: Please identify yourself for the record. You have the floor.

MR. DAVIC: It would be sufficient to call me Aaron, and I have to admit my ignorance the gentleman across from me, I don't know your name, sir. You raised a point I would like to see not go unobserved, and that is that the institutions like the receiving homes -- their budgets are often based upon the head count, and they don't necessarily always have the funds to deal with the crises that arise.

From my own experience I've seen receiving homes in the State purposely keep warehoused, as it were, as Mr. Dahl said, in order to insure their continued budget. That

means they could have let children go back to situations that may or may not have been the place to back to. However to keep their budget and their position alive they've had to pretty much hang onto some children in some cases, and that -- whether of not that's positive or negative is besides the point. It's valid and vitally necessary to how the facility is available when they were needed. -- what that percentage should be, but it should be a specific amount and significant amount of capital to allow for the provision of those services.

THE MODERATOR: Anybody else?

MR. FISHER: It's inherent.

MR. ACKERMAN: You've got a problem when you get into the percentages and reallocations of State funds and revenues. But, you know, you could have, you know, a base formula, you know, and operate an overhead expense that you provided to the facility and head expense afterwards and operating offerage and when you have somebody in the system then, or head count would take care of the additional expense. But, in the meantime, you have funds and figure out an overhead expense. And that's what you're talking about. We've got an operating, overhead and expenses lumped into one and have you to represent you do have an operating overhead expense. Every institution has one, whether you open the doors or not.

THE MODERATOR: We're going to have to move along and dispose of this. We get on to the rest of it. This is our last work session.

MR. DAHL: Mr. Chairman, let me suggest it be laid on the table for a few minutes and let me massage the language and come back to it. Would you do that?

THE MODERATOR: Do you so move?

MR. DAHL: Yes.

THE MODERATOR: Second?

MR. FISHER: Second.

THE MODERATOR: Question. Please indicate the voice vote. The ayes?

Aye.

THE MODERATOR: The nays.

(No response.)

THE MODERATOR: The ayes have it. It's on the table.

We're in the area of resources, oil and gas policy. It's Mr. Kroft's paper, oil and gas policy and Connie Barlow paper in State Use of Petroleum Resources,R-6.

Miss Anasogak, do you have any input in this area?

MS. ANASOGAK: I haven't had too much time to go over the material, and I'm not very familiar with it, so I --

THE MODERATOR: All right, thank you.

THE MODERATOR: Mr. Alexie?

MR. ALEXIE: I'm in the same boat. I don't know what

say about oil and gas policy.

THE MODERATOR: Very well. Thank you very much, Mr. Alexie.

Mr. Borodkin?

MR. BORODKIN: No comments here either.

THE MODERATOR: Miss Bennett.

MS. BENNETT: My personal feeling is that I would rather see the State get into more of our renewable resources. We are obviously greatly involved in oil and gas resources, but I have doubts about the quantity of subsidization that people talk about in the petro chemical development. I really have serious doubts about.

THE MODERATOR: Thank you. Mr. Ackerman.

MR. ACKERMAN: Yeah, I think as far as oil and gas policy goes, you know, that the State ought to take a careful inventory and right now we depend upon the industry to do the inventorying for us, and they tell us what we have on it.

And they say we should open up this area and open that area, and I think the State has the resources now through area inventory, release the information to everybody, and that way we'll have four or five companies poking holes to get the same information.

You know, have some realistic idea of what the oil and gas is worth up there. And I think by doing that

we would be able to better judge how many sales -- shall lease sales are really required, you know, to maintain, you know, the oil and the glass flow. And that's something that you have to do. You have to develop prudent reserves. But I think the State ought to look at taking a close inventory themselves, so they do have that information. And I think that in straight processing, you know, is a prime importance. I think there's a lot of fringe benefits created by the whole community of jobs. I think that these need to be high priorities.

THE MODERATOR: Thank you, Mr. Ackerman. Mr. Fisher.

MR. FISHER: All right. I've always got something. I'm never lost for something to say.

I think as far as the oil and gas policy is concerned, I think -- and it's already part of law that we're permitted to do something other than the bonus bid system. I think we should make sure that that is continued, and if there is a need to verify the costs because the oil and gas operation is a very, very expensive one. There is need to verify costs you might actually have to have the State subcontract various aspects of the operation. And I'll give you an example. Subcontract is seismic work, so that they know what's on those oil profits just as well as the oil companies do and maybe furnish that information to the industry. That's one thing you thought to do. If they

think the costs are too high -- and that's a possibility -- maybe we need to copy the British system with VP and set up a partially or a completely owned-state company. So that you've got something to judge the oil company costs by in the way they operate. Now, that's almost -- not quite, but almost rank area -- probably if you're talking about anybody with an oil back you are. But those are two things that I think are important. I think you'd be much, much more understanding of the system, about what it amounts to.

THE MODERATOR: Thank you, Mr. Fisher. Mr. Dahl.

MR. DAHL: Mr. Chairman, I've been especially concerned with what Connie Barlow talks about in the State use of petroleum resources. I don't like that word -- that phrase, and neither does she. The -- and I'm not sure how to place this in any kind of language as a resolution and recommendation, that I can see it as a program. We've done several things over the past not very many years, especially in bush Alaska. We have through what we've defined as progress, changed the lifestyle of villages, village people to create a dependency upon petroleum like has never been known before.

With power plants operated by diesel fuel in every village, fuel oil in homes which didn't use fuel oil up until not very many years ago. In those villages served by the Alaska village electrical supply, the cost per

kilowatt is 37 and a half cents. That's an incredible cost. The burden on people with a subsistency economy whose cash resources are limited -- to have to pay that kind of basic cost for electricity and the terrible costs for heating fuel is just -- it's a burden that we have only begun to understand.

It seems to me that part of our policy in the use of oil and gas ought to then provide assets to fuel oil refined in Alaska to the bush.

Right now, fuel oil is shipped in on the Yukon and stored at Saint Michael at the mouth of the Yukon and brought down to the Yukon villages and up river by barge of the on the Kuskokwim. It's shipped to Bethel and transhipped from there by barge. The cost of that and the burden upon people in the villages is a burden that we, in urban areas, do not understand and would be unwilling to bare, and I, frankly, don't know what to do about it. But I raise it as a serious problem we've got to face.

THE MODERATOR: Thank you, Mr. Dahl.

MR. ACKERMAN: Just --

THE MODERATOR: In the area of -- yes, Mr. Ackerman.

MR. ACKERMAN: I'd just say this is not an area that that's unrecognized in Fairbanks we had an editorial in the daily news that it quoted it as being from $1.05 to $1.30 per kilowatt hour, which puts a 500 kilowatt usage, which

is considered to be a -- Mine runs 1500 is 22,000 a month is 180 to $1.00 a month for electric power. One thing, the road we were talking about from Toby and Tanana we'd have cheaper fuel available in Fairbanks at this time to do the Frank Juan and North Pole refinery, that's cheaper than sewage. We did the fuel oil cheaper in Fairbanks when you do it at this time. This would give us cheaper fuel oil into these areas that most of the villages or another of have them could be incorporate so we could get this electric power in there. But think we ought to look at only sort of power, some alternative energy. I think that there's small hydroponics that we can do, that will get it down. I think every community in the State -- as to what type of alternative power that's available. I think that -- you know, this is one of the best ways that we could spend our money because it's something like a damn project, the hydro project. We receive the benefits after 100 or 200 years. And I think the cost of power is one of the main things, you understand that adds to our cost of living in the State. And why our cost of living should be any higher than any place in the United States, to stabilize the States transportation of our -- If we had economic power and economic transportation our cost to reduce things like buld our houses, and like that -- our cost of living won't be higher to speak of. But I think we need to -- this is

is a real problem area and I think looking to invest in the future alternative energy sources for all areas on it, and we can look to the Federal Government to provide them for us.

THE MODERATOR: Thank you.

MR. ACKERMAN: The Federal Government normally would, but I think, you know, the responsibility is ours and we do have the resources.

THE MODERATOR: In this area of oil and gas policy on my own part I'd like to see the State have several approaches in the disposition of oil land by lease with the few point to determining how -- where and how we get the best deal. And in that vein, in addition to doing our own seismic work, I'd like to suggest that in state oil lease sales, not in all the sales, but in some of the sales so we can use it as a yardstick that we conduct those oil lease sales on the basis of checkerboarding. Checkerboarding by the State would recontinue a lease, and the lease next to it would be put up and the oil lease auction.

It would be laid out in the field potential -- oil basin would be laid out in a checkerboard form. And the black blocks would be state blocks, and the red blocks would be competitive bid. I think that we'll get a better deal. We'd have, then -- we'd retain, therefore, half of a field and we would have on our present formulas 12 and a

half percent of one-eighth royalty in addition to lease revenue fee -- whatever the bid for the lease.

Will Ackerman.

MR. ACKERMAN: I think that's a real fine concept. I had a friend of mine that had several leases in the Swanson River area that was surrounded, you know, by oil well interests, and he paid the lease rate on them and they and it took everything he could scratch together for eight years before they finally bait his -- they really wouldn't develop any until they had the area pretty well under control and so before they developed it. And it's just not their policy to develop until that they could secure their investment a little bit more than the checkerboard operation. After they go to the expense of proving it.

That's why the State should approve of the field first. They're not going in to spend a lot of money and have someone piggyback on expenses for a practical matter. That's not one of the policy decisions made.

THE MODERATOR: In addition to that, I don't feel that we should be in any rush to dispose of oil lease lands. In the face of rapidly depleting world carbon fuel resource, in the face of inflation, in the face of rising prices for proof. We're somewhat in a position of the OPEC nations, in some respects. And they are more deliberate than we are. The more cautious we are, the disposition the better we'll

do in the future.

The Federal Government has designs on locking up 92 percent of the potential oil reserves of the State in the D-2 lands, and this, in itself, makes the State land oil province areas that much more desirable.

Now, in the area of an energy -- and this policy in state use -- they're almost synonymous. It should be welded together. My power company, Teller Power Company, are an independent. We don't have any public financing. Our kilowatt hour rate is a flat 35 cents. We have in our tariff filed with the Utility Commission a -- the ability to levy an oil price increase factor on top of that 35 cents, which we have not as yet done. And we don't operate on 2 percent money like AVAK does. And we don't get grants like AVAK does. And subsidy in the school districts BIR or the REA's and, of course, we don't have a taj majhal of International Airport Road and a staff of high salaried engineers and administrators, either. And this is what the people are paying for. This taj majhal here off of Airport Road and high scale read manager and assist opportunity manager and office manager and accountants and the engineers and write away men and the whole shot.

It's top heavy. The board did not function as a Board of Directors, they functioned as a rubber stamp. Now, then, in this area where we were' paying a dollar threw

sense a gallon now for fuel -- our generator has put us in a squeeze. We're going to be driven because of that factor increment. We'll run it through the computer now and we'll see just what we're going to have to do.

Now, in State use of petroleum resources, for my own part I would like to see the State take it's one-eighth or 12 and a half percent oil and gas out of the gas line at Fairbanks and send it down the rail belt through a State by plane to Seward, taking out of that line at Fairbanks natural gas the people in the Fairbanks area can utilize, taking that line out the rail belt, natural gas that the people at Houston Willow or Vacila or Palmer can utilize. Perhaps marking some of that gas to inlet, putting natural gas in through private enterprise and to Seward. And then selling the remaining natural gas comes out the end of the pipe at tide water to the highest bidder, but don't get locked in on any long term deal unless there's an inflationary factor built into the purchase agreement.

MR. ACKERMAN: Mr. Chairman?

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: Mr. Chairman, I -- you know, there's already -- if the State had been looking -- I don't see any reason why the State shouldn't bring their natural gas all the way off the slope. And possibly the State could bring their national gas all the way from -- and the flare and

the oil companies problems are having now and it would be a vast project that might help them with the large -- I think in Fairbanks we should probably be critical. We offer it more slow.

THE MODERATOR: They want to take the liquids off and put it up in the area with the petro chemical plant.

MR. ACKERMAN: Well, Mr. Chairman, that's one thing about it. State has its own mind when came to buy out the more healthy. In a small pipe, you could carry a high pressure without the heavier thickness that's required.

THE MODERATOR: Right.

MR. STUMP: You can bring it whatever pressure you want take the liquids off the final process and if it happened on the North Slope and put it on the State line and bring the liquids down. So if the State did bring in royalties at it with they could in the same line ship their liquids. And I think we ought to take the broader thing since we're looking at concepts and look at the State by taking royalty oil off the Slope and that are carrying their liquids at the time the market has to do that on the slope at the time.

THE MODERATOR: Right.

MR. FISHER: Let me -- if I may --

THE MODERATOR: Mr. Fisher.

MR. FISHER: Referring to your arguments on Page R-8,

she raises four questions. First one is: Should the state encourage entry in there whose causes are questionable if by the very nature of the size would link region economic wellbeing of its own. Should the state allow its financial des- -- its royalties to become tied up in the industry's operations now, to comment on that question very briefly. I would point out that big oil was not involved and did not believe petro was economically possible, whether they're right or wrong, big oil wasn't in El Paso.

Two, why is it our leaders talk about broadening Alaska' economy and becoming less dependent on oil and gas production yet fail to main that petro chemicals and that petroleum refining will do just the opposite? Three. Why is it feasible to ride the boom bus syndrome of a large scale construction yet promote action that will only add to the construction boom surrounding the gas line. If a prtro chemical plant is build in Alaska for processing North Slope gas liquids, construction of the plant and maybe a separate liquids pipeline from the North Slope, or products line to tide water almost certainly would occur at the same time as construction of the northwest gas pipeline. The conditioning plant and the water flood facility.

Your method chemical industry -- to get one job in the industry, assuming that's the element objective, costs well over a million dollars. As a matter of fact, it

costs a million dollars and when they built the Collier plant at -- in North Kenai. It would sem to what you're going to get is about ten times the number of fishery jobs the same amount of investment you would get if you were in petro chemical.

Maybe I shouldn't say those, but I have -- I worked that debait down -- at Kenai, and we didn't really have a whole lot of debate. Almost chrewed up a representative over it, but we didn't have much debate. Ask him.

The question that we were asked here, in addition to that, when you think about the cost of the federal stocks -- that's what those gas liquids -- shall they had stocks and if you're trying to go into a full-scale -- or a world scale petro chemical industry you're then starting to compete with Saudi Arabia and they flare the stuff right now. They burn it. They're going into the petro chemical business, and they're going to be able to use the stuff that they're now flareing. I don't know. I would doubt that petro chemical industrial will do for Alaska anything more than give us -- well, she asked if you won't guess more ups and downs.

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: I don't think, you know, the jobs are the only thing pregnant we have to look out in petro

chemical development or the State having a royalty why to bring in our product off the -- our share of the product off the slope. Governor Egan talked about the State building a line, and there was a lot there -- you don't lots you money on these transportation systems. They are thought using money. There are blind costs $15 million to Trans-Alaska pipeline it would make money. And the cost of this project which we had no control over at all -- we didn't have any control over who worked on it whether Alaskans worked on it or anything else we didn't -- I shouldn't say we had no control because, I think -- it was or Gene Guess wanted the rifle leasing bill that said use the maximum extent possible. We could increase the lease rate a hundred times or whatever, you know and that's why we had Alaskans working on that job to the maximum extent possible, because because of the lease rate. That's the only thing we have. We have no accountings I've seen doubles, triple, for camp construction costs. I've seen cars often that go -- I'm seen them amortized in the daily room. We were to years into the pipeline before we ever looked at their books. And I mean you've got a stack that you could cover this table with. You have absolutely no accounting of the money that was spent on the pipeline, the double entries on it that an add to the pipeline cost and everything else. By the State -- the pipe line, you're not

going to lose money on that transportation system. You're go going to have more options to deal with your royalties and you're going to get more benefit from a petro chemical plants -- necessarily jobs as much as it is a product that you can by reasonably in the State to lower our cost of living of the I think this is an important thing, that we lower the costs of these products in, and the State would do it and if you should get out that's fine. We should have fertilizer and rate that could you use for or agricultural development at a cheaper rate. There's a lot of other things. I'm not that familiar with all the things that you do do. But I think that the lime and the petro chemical development -- the lime especially this creases our options and gives us the most benefit and mostly of our share of the oil for gas.

THE MODERATOR: We have -- five more subtopics under resources. We've only disposed of -- we've disposed of finances, government education, transportation, law, justice, and communications. We need to address now a resolution on oil and gas policy and the oil and in the in state use petroleum resources. Under this section, oil and gas policy. Rather than double back and have it gets fuzzy in our minds what we've discussed. I now entertain a motion for the adoption of an amendment if member has had the time to make some notes here and get an amendment...

MR. DAHL: Mr. Chairman, I've not taken any notes, but I think it's interesting that in our discussion no one has said that we ought not to develop oil and gas. That certainly is an option. I'm its that I'm particularly recommending. In fact, I'm not recommending. For the record. As I talked to people in other groups, however, we've been quite concerned about making that as a choice not to develop our resources. I -- I'm personally pleased that this group has not considered that as an option. Hour discussion has centered around how do we develop them, what do we do to develop them, but not developing them is not enough.

THE MODERATOR: The closest we came to that is to ring a slow well, right? Not to get -- be hasty but be methodical and deliberate.

THE MODERATOR: Mr. Fisher.

MR. FISHER: Mr. Chairman, of the options considered this the permanent fund discussion, as I understand and probably the best option but probably the lease available would be not to take the oil and gas out of the ground. It would be to leave it there. It proably would be the best savings account there could be.

THE MODERATOR: The royalty or the --

MR. FISHER: Well, the portion that would be assigned to permanent fund -- to leave that in the ground.

THE MODERATOR: Only as the fields depleted the recoverability in that field given substantially.

MR. FISHER: I understand. There's lots of problems. But that is almost what Tom Dahl is talking about, is not to develop and use at a later time. And that was -- that was discussed. Now, I don't think it would, one, be permitted by the United States and, two, I don't think it would really be carried out and be permitted politically in Alaska. But it was considered as being possibly the best return that we could get. And if you think about it, it way well it may well be.

THE MODERATOR: I was reluctant to expostulate on not developing because I don't think the government thought of it, but way can be deliberate. We don't need to be stampeded.

MR. BORODKIN: Mr. Chairman, if we went that way, you know, not endorseing development wouldn't that be at the same time sort of endorseing to lock up shall the resources in Alaska?

THE MODERATOR: It would.

MR. BORODKIN: I don't think I'd --

THE MODERATOR: No.

MR. BORODKIN: -- I don't think I'd want to do that.

THE MODERATOR: No. I don't endorse that concept.

MR. ACKERMAN: I don't think that we should confuse

the transportation system, and I think that you know we're going to have to agree that the pipeline is a transportation system with development. You know, I think the pipeline off the North Slope will maximize our benefit of the gas that we have up there. It's not development of anything. It's a transportation system and I think that the transportation -- we all know there's a direct relationship what we get out of the product is a state and royalty and transportation costs. And I think for the State to put in a line -- I don't know what size would be appropriate -- 24, 30 inch or something most likely in the area.

THE MODERATOR: 26.

MR. ACKERMAN: 36 --

THE MODERATOR: 26.

MR. ACKERMAN: Well, that's close. 24 to 30 but to bring that size line off of the slope I don't think is -- I think it's in the State interest. I don't think that you have the problems you'd have with it. You would have dead control over -- will know what the cost is on it. And it's not -- you're going to make money off the transportation system it's going to be a produce you are of revenue just like is a for alley he is they make money off that pipeline. They're not Lucidine. And they're making it off of us. And I think the transportation system off the Slope

maximizes our options with our resources, particularly since we've been talking about be liquids, if we want to I don't them. We could build a pipeline that we could operate under pressure that would allow us to inject the liquids off of that plant into the pipeline. And I think that this transportation system would maximize, you know, the State's benefits is their revenue income. And I think that's something that we can endorse without get into actual development. We'll take a break here to change the tape now, please.

THE MODERATOR: We're back on the record.

MR. FISHER: Who is going to write the oil and gas resolution?

THE MODERATOR: Do we want to embrace in the oil and gas resolution a recommendation for checkerboarding in a portion of our oil lease land of the State? Not all of them necessarily but as a -- an alternate to the present system?

MR. FISHER: no, I don't think so, but I think it's a continuation of the present policy. I think it's a continuation of what's beening done right now.

THE MODERATOR: Checkerboarding?

MR. FISHER: Yes, I think so. I know the State's tried it. Now whether they're continuing to do it or not I don't know.

THE MODERATOR: Then we want to include in our resolution a recommendation on taking our 12 and a half percent and bringing it through our own line to tied water through the rail belt?

MR. ACKERMAN: I think we ought to look at the State bill royalty line to bring our gas to tide water. I think we should look at the whole thing and shouldn't be than specific on it, you know, as to which route we should take. But I do think we should look at it and to maximize our options and especially with the liquids.

THE MODERATOR: Well, Valdez has a good economy, and this will give Seward an opportunity, and the rail belt the strength in its economy. So we can spread this oil -- begin spreading across the State. This is what I have in mind.

MR. ACKERMAN: I think we should first look at the concept of just bringing it off the slope ourself. This is a concept to where we're going to specifically go with it. You know, if we can get them to look at it, it would be another question, you know, that when we started actually doing it then we could get into that discussion. But I think that, you know, it's -- for the State to get into bringing it off themselves, just to maximize our benefits is something we should look at. I mean exactly which way we should go on it, I think this is something that is a

whole other thing. But I do think we need to bring it off someplace.

THE MODERATOR: Thank you. Are you Mr. Davic?

MR. DAVIC: That's correct.

THE MODERATOR: You're on the record.

MR. DAVIC: I think in the broadest sense, what I would like to see addressed in a resolution involving the oil and gas situation this this state is to prepare for our eventual self-sufficientcy, if that means effect a chemical plant, another pipeline, whatever it takes to provide for that possibility, so that we're in longer stampeded or pushed around by the Federal Government. I think it's highly important to work towards self-sufficientcy and state use of the oil, and state use of other minerals. And indeed, we are in the position of the OPEC nations. And I think the time will come with succession is very real and viable alternative. But I think it's highly important to gear the State's policy and direction toward self-sufficientcy.

THE MODERATOR: Any other comment? Identify yourself for the record, plase.

MR. DAVIC: Yes, my name is Miles David, and for the record I'd like to speak to the gas pipeline. I would prefer to see a rather loosely worded, in one sense, resolution come out with regards to the gas pipeline,

in order to delay any source of decision for a later date, because I feel that the public is perhaps uninformed.

The information that I have as regards to the gas pipeline is, in essence, that if this gas pipeline goes ahead as presently proposed, that the -- we would be losing, perhaps, somewhere between 4 to $8 billion -- 8 million barrels worth of oil out of the Prudhoe Reservoir, which would be unrecoverable, because of losing adequate gas pressure in order to bring it out. Now, investigation should be made of the feasibility of cost. It's definitely feasible of delaying a constructing, a stripping plant at Prudhoe Bay, which would strip all of the gas liquids out and reinject the dry gas into the reservoir. Then at the time that Prudhoe Bay Reservoir has been depleted, then the dry gas will be brought back out. We'll have maximum recovery from Prudhoe Bay and maximum recovery of the natural gas. You will not lose that.

In the meantime, we'll have access to all of those gas liquids to provide -- now, for example, Fairbanks along the rail belt. Now, in those gas liquids we're talking about propane as part of those liquids, so Fairbanks, for example, would have a very good source of a lower cost energy. And then we could build a world class patroleum byproducts, and all the pharmaceuticals and such as this. And also this is part of the OPEC's position

in -- where we have the Saudi Arabians continually addressing Americans what they have to engage in to a really instant and progressive program of conservation, because petroleum and petroleum products are much too valuable for other things that are necessary to mankind, instead of wasting them for just merely creating heat. And also, I would like to add that the figures that I mentioned is 4 to 8 -- I believe it's -- we would have a $4 million -- 4 billion barrel net gain, even after getting all the gas and then having that much more recoverable oil.

So if you just simply multiply four billion barrels is the minimum, and perhaps it will be as much as 9 billion barrel. So, if you'll go the present world market price on oil, perhaps on a contract these days is 26 -- about $ dollars a barrel was going as much as 40 or higher on the spot market. So if we just say $25 a barrel, what we're talking about is somewhere between 10 to $20 million. Now, do we want this available for use, or are we just going to lock up and destroy that resource so no one has any benefit from it, ourselves or the Lower 48 States, et cetera. Thank you.

MR. ACKERMAN: Mr. Chairman.

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: Four to 6 billion barrels, it's up to 200 billion, rather than the lower figure, I believe. But

A state pipeline for the royalty of gas. It could distribute -- the gas could goes into the smaller state transportation system, and the rest would be reinjected. And I'm sure it would comply. Hold development in getting something off of the Slope now when it's needed. America is in an energy crunch and I think the smaller pipeline built by the State could be put together a lot faster than what we're talking about the magnitude of the one that's presently proposed. And I think that's, you know, related.

MR. FISHER: Mr. Moderator.

THE MODERATOR: Mile Davic.

MR. DAVIC: I'd like to add to my remarks on that. The Canadians have recently completed a pipeline in Canada about 1500 miles in length, in which to build an oil line, and they are doing just this thing. They are reinjecting the dry gas, stripping out the liquids, and they're sending them down. Now, other information that I have, you know, unverified at this time, but it is being alleged that the treaty that was negotiated and signed by President Carter with the Canadian government permits the Canadians to strip all of the liquids out of the gas and then send only the dry gas to the Lower 48, you see. So, no part of the United States is getting -- if this were true, this part of the United States would be getting access to it. So the

Canadians are encouraging us to do something that they are not going to do because it's not good business and it's not good resource management.

THE MODERATOR: It's 20 minutes to 10 and we have five major topics here under resources to cover yet. We'll need a resolution on oil and gas policy.

MR. ACKERMAN: I'd like to state one belief, and we can talk about it. I'd move that the State investigate a stripping plant on the North Slope for the liquids and State transportation system to bring off the liquids and the State royalty gas.

MR. DAHL: Second.

MR. FISHER: Yeah, second.

THE MODERATOR: Second? Question?

MR. FISHER: I'd like to talk on that.

THE MODERATOR: Okay. Discussion.

MR. FISHER: Well, Ackerman has talked about this about three or four times. It's beginning to sink in. It's beginning to sound like it makes sense. You know, to look in and to check that out because that sounds -- that's an approach that we don't hear very often. I'm not sure that we've heard it at all. There's been some talk about it, but I don't seem to approach it. And I think, you know, it's an innovative idea. We ought to give it a try to some of it. Maybe we ought to even lose some money on some of

these but to find out what it is. And I think we ought to pass the motion for that reason.

MR. DAHL: Question.

THE MODERATOR: Question?

MR. ACKERMAN: I'd like to add, you know, to increase the State's benefit from the resource. Can you do that?

MR. FISHER: No, that's --

MR. ACKERMAN: Maximum state benefit from resources.

THE MODERATOR: Do you have your motion written down?

MR. ACKERMAN: No.

MR. DAHL: Grab a pencil, Barb, get to work.

MR. ACKERMAN: I think the motion was the State investigate a gas stripping plant for the liquids at Prudhoe Bay and a state transportation system to bring the liquids and state gas out --

THE MODERATOR: To tidewater?

MR. ACKERMAN: To tidewater for a maximum state benefit and utilization.

THE MODERATOR: And what do you think about leverage construction? Keep our money, finance it?

MR. ACKERMAN: Yeah, that's fine. I think that, you know, just putting the idea out, you know, we can -- if we can get it across, we can develop the other things on it. I think we should keep it fairly brief in concept.

THE MODERATOR: Mr. Davic.

MR. DAVIC: Yes, Mr. Chairman, I'd like to see the motion amended to read maximum petroleum production from Prudhoe Bay, so as not to be subject to any misinterpretation, because maximizing benefits to the State can mean all sorts of things to all sorts of people. If we address it in that manner specifically, that would the best import a clear intent.

THE MODERATOR: While the resolution is being prepared we'll proceed.

MR. DAVIC: Can I read this back one more time? My shorthand gets real rusty. We recommend that the State investigate a gas stripping plant for the liquids at Prudhoe Bay? Is that --

MR. ACKERMAN: That's what I said.

MS. DUYACHAK: And a state transportation system to bring -- what was it.

MR. AKERMAN: The gas liquids --

MS. DUYACHAK: Bring the last liquids --

MR. ACKERMAN: Royalty gas to tidewater.

THE MODERATOR: Pipeline system.

MS. DUYACHAK: A state transportation system or pipeline system.

THE MODERATOR: A state pipes line system.

MR. DAHL: He said transportation system.

MR. ACKERMAN: I said transportation system. I think

the pipeline's transportation system -- we're into transportation systems with ferries and things like that, airports.

MR. DAHL: Mr. Chairman, I have a point, too, of that resolution I'd like to enter. That every effort be made to use Alaska petroleum to lower the cost of fuel throughout the State.

THE MODERATOR: You so move?

MR. DAHL: I so move.

MR. FISHER: I second.

THE MODERATOR: Second. Discussion? No. Question? Would you indicate by saying aye?

MR. DAHL: Mr. Chairman.

Aye.

THE MODERATOR: Opposed?

The ayes have it, so ordered.

MR. DAHL: Is that the entire resolution, Mr. Chairman?

MR. FISHER: I think so.

THE MODERATOR: We'll proceed to fisheries.

MR. DAHL: Mr. Chairman, at this point I would like to go move to take from the table the child care resolution. May I do that?

MR. ACKERMAN: Second.

MR. FISHER: Let's go.

MR. DAHL: I have an amendment to Item No. 2 -- I have

this written out for you. Delete the No. 2 that is in your resolution and replace it with the following: "That the State place children with child-caring institutions as a good parent would, providing for prompt payment of full cost of care, comma, which includes a portion of those costs required to keep the institution ready to receive the State's children."

And I would move its adoption.

MR. FISHER: Second.

THE MODERATOR: Second? Objection? Discussion?

(No response.)

THE MODERATOR: Question?

MR. FISHER: Question.

THE MODERATOR: Those in favor indicate by saying aye.

Aye.

Opposing, say know.

(No response.)

THE MODERATOR: The ayes have it. So ordered.

MR. FISHER: The whole resolution. We're in the area of fisheries. I'll entertain input from the floor.

MR. FISHER: Why don't you ask the -- our fishermen. Do they have anything special they think --

THE MODERATOR: That's why I say I'm entertaining input from the floor. Whoever.

MS. ANASOGAK: I'm not a fisherman but I'm a fisherman's

wife, so I know some of the problems that the fisherman encounter at home. One of the problems that is being encountered is the transportation of the fish once you get the fish then you have to wait for transportation. Is while you're waiting the fishing to waste because you're sitting there hoping to sell fish to get the money, and because without the transportation, you let the fish sit. By the time you know that, there's not going to be any way out, the fish has -- is spoiled. And that is a waste, too. I can't think of anything more to add to that right now but I'll probably think of something later.

THE MODERATOR: Mr. Borodkin?

MR. BORODKIN: Yes, I agree with the young woman here, that I think utilization is important, especially with the big reduction for Bristol Bay. There should be some alternatives to look at that and that utilization.

Another area is marketing. I think marketing those be looked at. Right now most of the marketing is done over in Japan, and with the American dollar gain is on the Yen, it -- it's going to affect marketing. It already has. And reading the papers, I think the Governor is looking for marketing over in Europe and other places. I think we should be looking at domestic marketing. I firmly believe that the State should assist fisheries in marketing utilization.

Another area that we should be looking at is agricultural program. I happen to be on Prince William Sound Agriculture Board. Just this past year the Prince agriculture harvested over 200,000 that returned, and the 200,000 -- in excess of 2,000 were harvested and sold to the local processers. I just don't recall how many thousand there was kept for ruined stock.

THE MODERATOR: 200,000 what?

MR. FISHER: Salmon. Pinks.

THE MODERATOR: Pinks?

MR. BORODKIN: Yes. So this that's showing us the program is working. I think the State has on the drawing board to build another hatchery. They've already examined the site. Then there's one in -- that it was just completed just recently and Prince Rupert Sound. I think I've made a remark here either yesterday or some time ago that I looked at State hatchery. I went up this road out in wilderness among the woods. And I came up on a clearing and it was just like walking into some parts of downtown Anchorage with this big huge complex, hatchery complex. I just hope that the press -- the paper would go down and, you know, look at it and take pictures and put it in a paper. I really think that these programs are going to pay off not too many years from now. So I think that we should encourage the State in developing these renewable resources.

I should have taken notes, but I didn't.

THE MODERATOR: Any other comment?

MR. ACKERMAN: One comment.

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: I believe besides this really isn't an area I've been in. I do recognize the problem and, you know, I've been through the area and besides the transportation I think collection points and holding facilities, you know -- there's a major problem. I mean, we can't -- we're always going to have transportation problems, but they would be minimized if we had holding collection point and holding facilitates, and we could have those, and we are developing again recruit hatcheries. You can't get into that place. That's bad transportation. We spent three times as much time trying to get in and out of canneries as we did on the job on it. But I think that we are developing these hatcheries, that our fishery is developing. If these areas are going to realize the benefit we do have to have refrigerated holding and collection points are we can drop our fish if we can get them to transportation. And if you have a heavy run it's hard to get all the transportation in any way. If you have a holding facility and a collection point then you can maximize your harvest without it spoiling.

MR. BORODKIN: One thing I forgot to mention. On the

private hatchery is we have an assessment among the fishermen, and that's, I think, copper reds has asked us at two cents apiece and Prince William Sound Pinks and other species are assessed at three cents a piece. Change to assessed earlier. So it's working real well. We is a matching fund by that processer so it matches the fisherman.

THE MODERATOR: Mr. Fisher.

MR. FISHER: Fisheries on that, I want to get onto this a lot sooner because some of us know a lot more about fisheries than we do canneries. One thing we need to do pretty badly now -- we need to improve our marketing technique. We've got to handle our fish better. We do such a poor job of handling our fish that we're probably going to have some sort of a scandal resulting from the 1979 pack. John Doyle, who is head of the Marines Advisory Program, which is Sea Grant Funded was recently in Denmark, and he said that he was supposed to give a two hour presentation, and he didn't give that presentation because all that they did was raise hell with him, literally hell, about the poor handling of the Alaskan salmon. They led him to believe that we did such a lousy job that when they did get an occasional good batch of fish from Alaska, in order that it would sell -- they had to put a Canadian label on the fish. Now, that's terrible to have a reputation like that, but that's apparently the reputation

we've got. So we're just going to have to take care of all of them, because we can't sit on Cook Inlet and say those rascals in Bristol Bay are no good because as far as the world's concerned we're all Alaskan fishermen. So we're going to have to do something statewide with respect to maintenance of quality and enhancement of quality and we're going to have to do the whole thing.

I don't know how we're going to do it but at long last the State is starting to do something on quality control in the salmon fishery. They've been doing it in the King crab fishery but we haven't done it -- anything we bad we do to fish, we've done to our salmon. And then we try to sell it, and it just doesn't work.

THE MODERATOR: The feedback I get, Jamie, is that there's a lot of salmon on the West Coast and basically a lot, because of the poor quality control in the pack. This is the feedback I get.

MR. FISHER: Can't even can it, it's so bad. That's what I understand.

MR. ACKERMAN: I think one of our problems is getting it out and if we had refrigerated storage facilities and collection areas, we could increase the quality and its collection point we could make our inspections and see whether we ship or not the fish. I think that's our main problem is getting it out and getting it to a processing

facility, and we have have -- we have to have a holding facility to hold it until we can do that. You can't just leave it sit on a river bank or in a box in the sun.

MR. DAHL: It's more than that, Mr. Chairman.

THE MODERATOR: Mr. Dahl.

MR. DAHL: Alaska has come down through the years as a canning industry, and we have not made the shift from a canning industry where the fish are brought from the fishing -- from the fishermen's boat into a tender and they're thrown from the tender into a -- on to a Convair and thrown into a bucket into the cannery and then mashed in a shredder and stuffed in a can. From that to a fish that is picked up by hand and that moved without being bruised or knocked around or cut or-- with a hole poked in it anywhere to a flash frozen glazed wrapped in poly bag product that goes to that Japanese market and the Japanese housewife looks as it whole and, on the basis of appearance, buys it. That is an entirely new process for us, and we don't know how to handle it. And it's even worse in Northern Europe, in Sweden and Denmark.

MR. ALEXIE: Mr. Chairman?

THE MODERATOR: Yes, Mr. Alexie.

MR. ALEXIE: As I work as a deputy, we have two major problems; like one is getting the piece from fish from the fishermen and that having it on the talk or in the barge,

the process and then waiting for the transportation. What I've been wanteding to do is -- and I've told my boss that he shouldn't buy more fish than he can handle because when we get too many we condition handle them before they get spoiled. Another thing that I've been trying to present it to my employees that we should handle the fish like a baby. Okay. There was one Japanese guy byinging our fish. And he took a lot of pictures and then he says -- he called me told me that everything goes good in a freezer and then the fish is thawed. It doesn't look as good as the way we freezed the salmon. It's what I got from the Japanese who was buying our fish. And I think that a man who is buying the salmon should buy fish which we handle.

MR. ACKERMAN: Mr. Chairman? I oh, when I was younger teenager going to go high school, I spent the summer in Homer and went fishing and I went cooking crab in a cannery down there, and this is one of the reasons we got into frozen crab meat, we got into it down there even had a freezer with ice on 110 foot freezer, both that sat by. But that was a heavy run that cannery couldn't process crab that came in there. It's a backlog and you develop your backlog then they got a percentage of the share of the crab that they could bring in and the salmon's the same thing. We don't have a holding facility. We didn't have the holding facilities. We don't have the holding facilities.

Now when you get a heavy run, we don't have the canning facilities to can the catch. And so we have to -- the holding facilities are, you know, a major problem because we have to develop and we're looking at record runs. It was a record run. When we have a record run, we don't have the canning capability and we have to have the holding capability to handle the fish. And this is something that we have to develop.

MR. DAHL: Mr. Chairman, I think we've run out of time.

THE MODERATOR: We've run out of time.

MR. FISHER: I've got a fishery resolution. It's not very good --

MR. DAVIC: Quickly may I see?

THE MODERATOR: Mr. Davic.

MR. DAVIC: Yes. With regard to the gentleman's statement as to holding facilities and the other comments, there, they're all part of marketing. Everything after the fish is produced is all part of marketing and getting it to the consumer, and I feel that the things you're mentioning are planning what the private entrepeneur should be doing.

Now what we need to do is have some manner in which to encourage him to do this and insure to the public as to the quality of the fish. Now perhaps the time also now to establish a Salmon Fisheries Control Board, or just a generally a Fisheries Control Board that will place a

quality -- you know, the Alaska Good Housekeeping Seal of Approval on these things. So they can establish these standards for handling from different ways down the line so we don't have this -- it's an another waste of -- tremendous waste of resources. And a lot of people are not eating. And it is a tremendous waste of the resource it contributes to the higher price at the grocery store where could you have consumer complaints. Could you brought in your market to other countries.

MR. FISHER: Let me try this out for size. Alpha Group recommends the Alaskan Fisheries Program do you, colon: one, encourage and support the best possible harvest transportation and that care techniques for all its multiple fisheries; two, ready necessary for complete harvest and best utilization of all state fisheries products. And three, initiation of the most advanced systems in that quality production control transportation, storage for all Alaska fisheries products. I'll say that over and over again the I move its adoption.

MR. ACKERMAN: I'd second.

MR. DAHL: Mr. Chairman I'd like to add one more statement to that.

THE MODERATOR: Mr. Dahl.

MR. DAHL: That is that we make every effort to train persons in the technical skills to operate in a modern

fishery?

MR. FISHER: I accept that.

MR. BORODKIN: Mr. Chairman?

MR. BORODKIN: Are we under discussion now?

THE MODERATOR: Yes.

MR. BORODKIN: I think I'd be very careful in one part of it. That's -- would you restate that again, please?

MR. FISHER: Which one?

MR. BORODKIN: In the quality control?

MR. FISHER: All right. Initiation in the most advanced systems in quality production control transportation and storage.

MR. BORODKIN: The State already has -- or I don't know whether it's state, but I think canned salmon industry it has quality control. Every plant usually has quality control working within the plant.

THE MODERATOR: Mr. Davic.

MR. DAVIC: Mr. Chairman, in reply to this guy's comments, the quality control that does exist is ineffective. And I would like to see the amendment -- the motion amended to strike initiate and insert "mandate." And move adoption.

MR. BORODKIN: Insert what?

MR. DAVIC: Mandate. Strike the initiate and insert mandate and move adoption.

MR. BORODKIN: Mr. Chairman, I think if it's done in a manner where we couldn't keep up with this thing that the processers are going to be strapped and may have to be shut down.

MR. DAVIC: Yes, yes, yes. Definitely. That's the idea.

MR. ACKERMAN: Mr. -- the storage facility is going to put us a better product to the processer, you know, we're going to be able to -- you're not going to have your fish backed up because you've forgotten if he can can at the cannery. So you're going to have holding facilities. These canneries are not going to do the holding facilities -- I was in Larson Bay when this incorporated. It was 1975. That cannery that's closed down it was -- something for closed down for two years. There wasn't fish and your up and down cycles of your fish. It's hard to get the canneries and say you've got to take into, know, provide something that's going to

MR. DAVIC: Yes, I'm familiar with the problems. I've been that business and handled all -- and I believe.

MR. AKERMAN: Okay. I was.

MR. DAHL: Mr. Chairman?

THE MODERATOR: Yes.

MR. DAHL: I believe the resolution included the word initiate. I would like to call for the question using that

language, please.

MR. DAVIC: Can we adopt that?

MR. DAHL: The amendments not been seconded.

THE MODERATOR: Question?

MR. BORODKIN: I'll second.

THE MODERATOR: Question? Those in favor indicate saying by aye.

THE MODERATOR: Those opposed?

(No response.)

THE MODERATOR: The ayes have it. So ordered. The resolution is adopted.

MR. DAHL: Mr. Chairman?

THE MODERATOR: Then in the area down here fisheries on down Alaska fisheries there's -- I'd like to touch on an area of concern that I have that I'd like to hear from the other members of the body. The State has thousands of lakes in the State. And an example in the Sitka Flats, there's hundreds of lakes up there that are all interconnected with riverlets and streams. And salmon come up to Cook Inlet and they go on up through that water shed and they spawn in those lakes. Up and Blodgett Lake, which is eight and a half miles above Wasilla and a quarter mile off the Parks Highway -- that lake is spring fed, but the outlet goes on and feeds on down through into Big Lake and all the way on into Cook Inlet.

Then under this agriculture program the State fisheries biologists come in to Blodgett Lake and they took all the reds that escaped from there and stripped them for their eggs and they killed off the run into the lake. It's as barren as a flat chested old maid. Then on the other hand, there are any number of the lakes that are being severely damaged, and they're spawning -- salmon spawn at Big Lake. They're being damaged by sportsman with speed boats and waterskiers and rafts and a whole lot of old automobile tubes and you name it, oil spills from outboard motor oil and oil spils from boats, planes the whole nine yards, and the State doesn't have not any policy to regulate the activities on these various and sundry hundreds of lakes that belong to the State of Alaska.

We're very derelict and remiss in that area. We're wastefull. And I suggest that there be substantial inventory taken of all of the lakes, there be a substantial determination of classification made at each and every lake that will limit the type of activity on that lake. Big Lake for sportsman recreation. It's just -- its so far gone that way now you'll never back it up because of public pressure against backing that. These other lake areas and limit the size of outboard motors, the number of boats that can be on the lake and limit some lakes to sailboat activity or rowing or canoeing and that discipline

ourselves, police ourselves so that we live in concert with nature.

MR. FISHER: Mr. Chairman, I agree with everything you say and would like to say it myself but we're going to overlook your suggestion for five years if we don't pass it. May I move?

THE MODERATOR: You may move.

MR. FISHER: The Alpha group recommends another Future Frontiers Conference be held in five years and that it be preceeded buy regional conferences to select delegates to the Skegway conference. I so move.

MR. DAHL: Second

THE MODERATOR: Moved and seconded. Discussion? Question? Those in favor indicate by saying aye.

Aye. Those opposed it by saying nay.

(No response.)

Ayes have it. It's unanimous.

MR. DAHL: Mr. Chairman, we've done an awful lot of work in a very short time, and I think a great deal of the credit for the expeditious handling of some very difficult problems should go to you. I appreciate the way that you've stepped in and have handled this group, and I'd like to encourage the group to express their appreciate buy our traditional way.

(Applause.)

THE MODERATOR: I would like to applaud this group and our stenograph reporter.

MR. FISHER: Why don't we let her go off the record.

THE MODERATOR: And I applaud this group. We're a hell of a team.

MR. DAVIC: Mr. Chairman I'd like to see a motion with regards to your statements.

THE MODERATOR: With rega. to --

MR. DAVIC: The lakes and water.

THE MODERATOR: To the lakes?

MR. FISHER: Why don't you drop it up.

THE MODERATOR: It's a gross oversight. It's been pushed aside, pushed under the rug. We burried our head in the stand like an ostrich. It needs to be addressed.

MR. DAVIC: Do you have time to pass a resolution a motion on that in the morning?

MR. FISHER: Yeah, I think we can meet in the morning.

MR. DAHL: I suggest move we go off the record.

(Whereupon, at 10:20 p.m. the proceedings were adjourned.)

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LECISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Saturday, December 8, 1979

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Anchorage, Alaska

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Reported by: Laurel G. Barefield

CSR #3592

ALPHA GROUP PROCEEDINGS

(December 8, 1979)

Room 101F

THE MODERATOR: When the rest of our group gets here so we at least have a quorum, well, then we can address ourselves to preparing the appropriate resolution for the remaining topics that we have under consideration in this conference. We'll just start there.

In this energy area, I know nothing, virtually nothing, about hydrogen cells. But people that I've talked with that know something about it are very enthusiastic about it. I don't know if there is anybody in our group that has been exposed to it or not, but the --

MR. ACKERMAN: I know when you have hydrogen welding you've got a problem when the cell cracks on you. Besides that, I don't know.

THE MODERATOR: Solar energy has a substantial potential in Western Alaska because we get substantial quantities of sunlight long, long hours of the day for six months of the year. And certainly in Northwestern Alaska, particularly at Wales on the Bering Strait, the wind blows there 95 percent of the time. That community is a sitting duck for redundancy wind generation throughout the

community, where when generators could be dumping heat into the homes and heating the homes with wind energy and at the same time keeping a battery plant charged to drive their electric lights.

Anybody else?

MR. ACKERMAN: I agree with you. I think it's really mandated to install some sort of alternative energy in every community. I think it's the best investment we could make into the future, and we've seen that in the Lower 48, these type of projects. I think also we need to look at our tide power. You know, we have terrific tides in the State, and we should have either a wind power, tide power or solar power or geothermal power or hydrogen-type situation everywhere. I don't think we need look at the economics. I think we have to look at the future, what the future benefit is going to be to our State.

THE MODERATOR: Looking at the economics shouldn't pose much of a problem. Motor gas -- the last word I got was $2.90 a gallon in Paris. And up home it's already a dollar and a half a gallon. So we're going to be keeping up with the Joneses here overnight.

MR. ACKERMAN: Well, I think anything is going to improve the standard of living. And lower the cost and preserve our oil for other things is really essential at this time.

THE MODERATOR: With the substantial tides that we have, 36-foot tides and this region, Kachemak Bay -- and on the tidal generation is a sitting duck. It could be extremely successful.

MR. ACKERMAN: I think we have to look at the benefits of, you know, our tidal potential and our transportation at the same time in crossways that we're talking about so we tie the area together just a little bit. This is just really, you know, a dual benefit thing that we could achieve down here. And our tide power really hasn't been researched enough to where it doesn't have some of the large drawbacks of a hydro project.

THE MODERATOR: These wind generators and units that are available I regard as entirely too expensive, and I'm satisfied in my own mind that we should be able to buy component parts and assemble wind generation units substantially cheaper than we purchased them on the market. I'm thinking in terms of solid-state or brushless generators that can be manufactured by Reliance Electric Company or any other large electric matcher in substantial mass production quantities. And then the propellers for driving the mechanism are available through manufacturers of aircraft propellers. They're already set up with the plant to mass-produce those propellers.

The towers do not have to be highly sophisticated

towers at all. In fact, the more practical they are the better. Towers can be built right in the small communities out of empty gas drums welded together, and you don't have to be a certified welder to weld those gas drums together to make a pole.

And set those tarren on the inside and outside so they won't deteriorate and use those for towers and just merely mount the wind generator on the empty gas drum pole for the wind generator tower. At the same time you can develop a ladder that -- right on those drums that you can climb up and down that gas drum pole to get access to your wind generation unit for maintenance purposes.

THE MODERATOR: Good morning, Mr. Dahl.

MR. DAHL: Good morning. I apologize for my tardiness.

THE MODERATOR: Last night when we closed we were in the area of considering submitting a resolution urging the State to establish a comprehensive program regulating our lakes.

Is that substantially correct, where we were when we closed?

MS. BENNETT: I don't agree we were in the process of establishing resolutions to the effect. I think they were just introduced.

THE MODERATOR: But we're in the process of input.

MS. BENNETT: Talking about it, right.

THE MODERATOR: With a viewpoint to the resolution with the area -- addressing ourselves to the lakes of Alaska.

MS. BENNETT: Right.

THE MODERATOR: In order to protect the habitat and the environment. There are tremendous human pressures on the habitat in the environment in these lakes out across that sit in the flats up here in particular.

MS. BENNETT: I just don't see how we can regulate something like that. It just sounds -- you know, we've just been discussing earlier the difficulty with Fish and Game and that kind of thing. It's that kind of regulation.

THE MODERATOR: Oh, yes, but it must come. It must happen. And it has to be -- people have to be educated to realize that it's to their benefit to -- in the final analysis it's their benefit to discipline ourselves in the manner in which we conduct ourselves in this environment.

MS. BENNETT: I definitely agree with you there. We need to talk about education and discipline. That's definitely true. I'm just thinking about a State agency trying to regulate something like that. It's extremely difficult.

THE MODERATOR: It can be handled very well.

MR. ACKERMAN: I think this could be probably controversial and something we haven't discussed too much.

we went through our Law and Justice. We haven't had a resolution on that. I think our Land and our Energy -- particularly our Energy -- that we do need to develop a resolution.

MS. BENNETT: Yes.

MR. ACKERMAN: Probably we might defer this item to the last, you know, if we have time.

MR. DALL: I would like that.

MS. BENNETT: I agree with that.

THE MODERATOR: All right, fine. We've had our round-table discussion in the area of Law and Justice. We should be able to proceed to address ourselves to the development of a resolution in the Law and Justice area.

MR. ACKERMAN: I think, just to comment -- I'm not going to make a motion, but I think that, you know, from what we had that we can double our system. We have the physical plant, you know. There's no reason why we can't use it and we can't double-shift it. Of course, with that you'd have twice as many judges, we could hear twice as many cases. And there's no reason for our buildings to sit empty 16 hours a day. I think it's something we need to look at. Our second shift could take care of our civil matters. It can take care of our traffic violations and things like that. And I think it would be a tremendous benefit and service to the people. I think they could

better afford justice. But our civil case backload is just tremendous. I had an insurance claim that had to go to small claims court, and it took six months to the small claims court. This is a ridiculous situation. And the purpose of the small claims court was for, you know -- for a speedy resolution of some of these things. And I think we should look at that type of recommendation at this time.

THE MODERATOR: The heavy burden of civil cases in the State in the area of insurance claim controversy results in -- my way of thinking -- a lot of that results in the fact that the State Department of Commerce, Insurance Division has been and is very weak. When I have insurance claims I automatically turn it over to an attorney that handles insurance cases. It's automatic. We don't go around with the adjustors. We just turn it over to our attorney and let them work with our attorney. We don't even fool with it. That's how bad it is because we've ended up having to take legal action so many times that now it's just become automatic. Fireman's Fund in Oregon controvert claims boom, boom, boom, on Workmen's Comp right and left. Very arbitrary and capricious in that area of endeavor. It's almost virtually automatic that they'll controvert claims. The Industrial Indemnity Company here in Alaska, when they have a Workmen's Comp claim -- they drag their feet on payment of the claim, even though the insurance is in force,

the premiums are paid, the whole shot.

We had an employee who got a broken leg, and it was a month before he got a Workmen's Comp check. He laid in the hospital down here in Anchorage, and his family's up home and nothing coming in. And I have to use this as a yardstick. The only claim we had had in 25 years. That's what happened.

Then the underwriter went over to the hospital, and here the guy is in a hospital bed and they waived a $5,000 check under his nose for 100 percent settlement, and he took it. Where he could have been on compensation during his total recovery period at $200 a week for a year and a half.

MR. ACKERMAN: I'd like to -- our union has instituted prepaid legal just for the reasons that you speak of, the trouble with the insurance and also the automobile violations.

THE MODERATOR: These are the sort of things, Mr. Ackerman, that cause the civil cases to pile up.

MR. ACKERMAN: Yes, that's right.

THE MODERATOR: Just an as an example.

MR. ACKERMAN: I agree with that, but now I think by double-shifting our physical facility, you know, increasing our judges and doubling our staff in using this facility twice as long, we can take care of this backlog and

possibly, if we can get rid of the backlog, we won't have so many of them. When we hit a time of -- you know, where we in our schools -- it's a common thing to double-shift our schools and use them when we can't build something fast enough to take care of the need. We double-shift it.

We should do the same with our courts, and possibly it will change the insurance company's attitudes towards this. And if we do this, maybe we won't have the case load in the future. I think at this time, since that is their attitude, that the best thing we can do is double-shift our physical plant and put on twice as many judges and staff and take care of these things.

And I think if we do it on a second shift, it's going to be a lot handier to the public. They're not going to have to take off time from work, and justice is going to be available. For the working man it's hard to take the time off to appear in court. It's also hard to serve on a jury.

THE MODERATOR: That's right.

MR. ACKERMAN: And your compensation for serving on a jury -- if you're stuck on a jury for 30 days, it's devastating. $20 a day. You just can't --

THE MODERATOR: You end up on food stamps.

MR. ACKERMAN: That's a tough thing.

THE MODERATOR: That's right.

MR. ACKERMAN: You don't end up on food stamps. You just do without.

THE MODERATOR: You make some very valid points, Mr. Ackerman.

MR. LAEL: I'm working on a resolution that will cover those two. Would you discuss, while I'm doing it, the issue of improving efficiency of bush justice so that I can get some language? Would you try to recall the kind of discussion we had a couple days ago.

MR. ACKERMAN: I think the big thing in starting the Fish and Game -- that's where most of our problems are. And if we had, you know, procedures that didn't disqualify qualified Alaskans from doing this.... And if we had a people that had a vested interest in our game protection and management, we would have a lot better bush justice for a start. I think we all, when you look at the Fish and Game man, tell you to do something, you know, what you should be able to do. You've got a new law every year. Every year. I have no idea --

THE MODERATOR: That's right.

MR. ACKERMAN: What the communicating regulations are. I'd be afraid to go hunting now just because of what I've done in the past, you know, 20 or 30 years. I'd be afraid to go out and do -- whether I was in a right district or closed district. Moose season changes every year. It's

risky to do this.

And I think we need people that understand that we've had changes in our management, you know, and when you've done something for years and years, you learn something for twenty years, to unlearn it is something you don't do. It's second nature. You have to have people to understand this problem. And I think that the Alaska resident has a vested interest in our Fish and Game management, and I think he's the one that should be doing -- he's the best qualified to do it.

THE MODERATOR: In the area of bush justice, number one, we need ongoing village policemen training, and they need to be better paid. We've had -- the quality of our village policemen, since it is a relatively new program -- the quality of village policemen is very poor by and large. So, consequently, the populous -- the community recognizes that they're not disposed to cooperate and respect the village policemen in the community. This is the way I'm coming from.

How do you feel about it Georgianna?

MS. ANASOGAK: I agree with you. Currently our village policemen is funded under the CETA programs, and one of the CETA regulations state no employee can be employed more than one year.

Now, we have a perfectly qualified village

policeman -- ex-policeman. He's gone -- he was employed on the Police Department, Nome Police Department, for a number of years. Then gone to several village policemen training courses, and now he's not eligible to be a policeman because of the CETA regulations.

MR. DAHL: Excuse me. He's not eligible to be a policeman using CETA money.

THE MODERATOR: Right.

MS. ANASOGAK: That's right. And then the village does not have enough money to pay him properly. I mean, to give him enough salary for him to take the job.

THE MODERATOR: Does White Mountain have a retail sales tax?

MS. ANASOGAK: I don't know. I'm not from White Mountain.

THE MODERATOR: No, no, I mean Koyuk.

MS. ANASOGAK: Yes.

THE MODERATOR: They have a retail sales tax. How much is it?

MS. ANASOGAK: It's 2 percent.

THE MODERATOR: They could go to 3, and that would help to pay for village services.

MR. ACKERMAN: I'd like to talk about the CETA funds. These are federal funds, and they're not entirely federal funds. You have State participation. And I think that the

amount of paperwork that's involved in CETA funds and the Federal requirements that they put on that the State is better off directly funding the CETA program.

THE MODERATOR: Forget it.

MS. BENNETT: Can't forget it. It's put a lot of people to work in our area.

THE MODERATOR: Not the red tape. We can't forget the red tape because we can't cope with it in the village. That's why I say forget it.

MR. ACKERMAN: It's not only the villages. We have a large problem in the Fairbanks area with the CETA. Federal restrictions and the amount of paperwork that you do --

THE MODERATOR: It's monumental.

MR. ACKERMAN: I think the State should directly fund the CETA program. That would take care of the prior problem about being able to pay a policeman. You wouldn't necessarily have to have a year limit on the program. But where it's really affected us -- our program is -- we trained 300 Alaskans, turned them out as qualified pipefitters. We'll have 2,000 pipefitters working in the next year out of our area. And a large majority of the people that came in and upgraded our trades was with the CETA assistance. They wouldn't have been able to afford that they could sit down and go to school for four months, and that's the minimal amount of time to get a person on

the job. I mean, you barely get them enough to get safety on the job. We have a four-year ongoing training program. And CETA will get them on the job -- this will allow them to be able to take off the time, you know, to update his occupation. And we assume everything after that, and he does, too. And he does, you know, for the next three years.

But getting CETA funds now is next to impossible. It's next to impossible to qualify the issue we took in 872, our apprentice program. We really should be looking at training many people in this pipeline, welder helpers and things like that.

THE MODERATOR: Let's get back to this Law and Justice thing, right directly into it, okay? We're running out of time, Mr. Ackerman.

MR. DAHL: Mr. Moderator, I have a suggested resolution.

THE MODERATOR: Go ahead.

MR. DAHL: One, that the Alaska court system be expanded as follows: a, increase the number of judges in order to expedite the civil and criminal calendar; b, maximize the use of existing facilities beyond the normal working day to improve the convenience to juries and civil litigants; c, improve the magistrate system in villages through better communication, using appropriate technology, with the presiding judge. That's awkward. It should be a

better communication with a presiding judge using appropriate technology.

THE MODERATOR: Question. What does the body think about having initially fewer village magistrates but train them -- have them so they can travel as circuit riders and cover several villages in lieu of one village? Fewer of them but a better quality.

MR. DAHL: Mr. Chairman, I'm not prepared to make that recommendation. I think that given our time constraints what we're called to do as a group, what we're constrained to do, I think, because of time and energy is to give some broad guidelines to the legislature that will set some policies -- I hear what you're saying. I think this language would cover that. Let me read it again

THE MODERATOR: All right.

MR. DAHL: Improve the magistrate system in villages through better communication with the presiding judge using appropriate technology.

If the legislature wants to take that to mean: "Let's have a traveling magistrate that goes from Sheldon's Point to Lockanuk to Omilak," they could do that. They wouldn't be kept from doing that by the language of this resolution. If they want to maintain the present system of having a local person residing in the village acting as village magistrate, they could do that also. But that's a

decision that takes a good bit more discussion than we have time to handle right now.

MR. ACKERMAN: Mr. --

THE MODERATOR: I'll go. I'm amenable.

MR. DAHL: Number two, let me just say one -- let me finish the resolution and then I'll move it's adoption for discussion. Two, provide increased funds to villages for police training and support.

THE MODERATOR: Would that be in the area of revenue sharing?

MR. ACKERMAN: Not necessarily.

THE MODERATOR: It could be.

MR. DAHL: It could be in the area of revenue sharing as this lady was talking. It occurred to me that one of the problems that we have with municipalities -- with smaller municipalities is they have to hire policemen. It seems to me that there may be a better way to do that. And that is to have a -- to have the State participate in some way with the villages, either through actual administrative control or through training or through providing funds for salaries and so forth with the villages to provide not a trooper but a village policeman in that village. Maybe that provides too much control with the State criminal justice system.

THE MODERATOR: Well, our --

MR. DAHL: Our present system is a disaster.

THE MODERATOR: Our village policemen work very well with the troopers. I think it's a team effort. And I believe the village policemen program can be strengthened by an increase in that area of the revenue sharing program. Revenue sharing -- the formula should be rewritten. It should be upgraded to keep abreast of inflation.

MR. ACKERMAN: Mr. Chairman?

THE MODERATOR: Mr. Ackerman.

MR. ACKERMAN: I think -- you know, there is talk all over the State, and there is in our area particularly with Jack Crandall. Maybe these federal funds cost us too much money and they are too restrictive. The cost of the administration of the CETA funds is -- you know, it's just enormous in the amount of people it takes to do it and amount of paperwork you have.

So I think if the State were to look at directly funding the CETA itself we could get out underneath from these bureaucracies. Maybe we're not going to get so much federal funds, but if we do get it and have the people familiar with the structure -- they know about the procedure -- and everyone's aware of the need there of the CETA program, and the State has to look at picking this thing up themselves.

THE MODERATOR: That's true.

MR. ACKERMAN: We're not going to be getting the Federal funds we've been getting.

THE MODERATOR: These Federal fund matching programs are so abundant that, if you had the ability to get through the red tape, you could match yourselves broke.

MR. ACKERMAN: Well, I think the CETA is really a fine program. I'd say it's expanded the opportunities. People would never have had the opportunity if it hadn't been for the CETA programs.

THE MODERATOR: That's right.

MR. ACKERMAN: It is a good program. Basically, it was, but there's been so many more restrictions, Federal revisions and so much more paper put onto it that the State has to look at funding it directly themselves, I think. And by that we wouldn't have a year restriction on the policemen. You know, because a lot of times you go in, and if you're in business and you get a CETA employee, you've brought the employee in, you've trained him, you've increased your business, you've increased your income, and you might get to the point that you go ahead and, you know, assume it yourself if you're a small business and you've increased it. You've got it started yourself and you need an employee and everything. But municipal services operating under the CETA grant -- you know, you're just not doing that. So you have an ongoing need. And a one-year

restriction is too restrictive.

THE MODERATOR: We've taken some CETA people in our businesses, but there's too much red tape.

MR. DAHL: Mr. Chairman, let me modify, given the discussion, No. 2 of this resolution, then, to reflect what's happening. I feel a considerable time pressure, and we've got a lot to do.

Provide increased funds to villages for police training and support, considering state participation in the management and support of the CETA program.

MR. ACKERMAN: Oh, I think that's fantastic.

MS. BENNETT: Would you mind reading it just once more?

MR. DAHL: I'll read the whole thing.

MS. BENNETT: Well, I was really concerned with that last one. I want to hear it once more.

MR. DAHL: Provide increased funds to villages for police training and support, considering State participation in the management and support of the CETA program.

THE MODERATOR: 100 percent funding of the CETA program. Full funding.

MR. ACKERMAN: Well, I --

MR. DAHL: Are you moving to amend my resolution, Mr. Chairman?

MR. ACKERMAN: Mr. Chairman, I'd like to point out one

thing. All of our dialogue, you know, is a part of the resolution when this is going to be considered, and I don't think it necessarily has to be in the resolution as long as we've said it. And I think we're getting it on the floor at our conference that the resolution that is present is appropriate. It speaks to it. We have a dialogue to back it up that knows what we're talking about.

MR. DAHL: Is that a second?

MR. ACKERMAN: Yes, definitely.

THE MODERATOR: Proceed, Mr. Dahl.

MR. DAHL: Question.

THE MODERATOR: Do I hear a motion?

MR. DAHL: Motion is made.

THE MODERATOR: Second?

MR. ACKERMAN: Yes.

THE MODERATOR: Those in favor indicate by saying aye.

(Indicating.)

Aye.

THE MODERATOR: Those opposed.

(No response.)

THE MODERATOR: Let the record show a unanimous vote by the entire Alpha Committee.

MR. DAHL: Teaming masses.

THE MODERATOR: Okay. We've taken care of -- we're in order through Education, Transportation, Law and Justice,

Communication and Finances. Oil and Gas Policy. In the area of Fisheries we haven't arrived as far as the fisheries marketing, economics, bottom fish development and Alaskan fisheries. The resolution covering Subparagraph 1, Fisheries Marketing in Japan. Paragraph 2, Bottomfish Development. No. 3, Alaska Fisheries, Paragraph 3, a three-pronged subtitle under our resolution or subparagraph. I'd like to see us -- see the State and independent marketing agencies exert a substantial domestic thrust on marketing of Alaskan fish products, particularly into the Midwest away from the seacoast. Minnesota and Wisconsin and North and South Dakota, Nebraska, Wyoming, Iowa, Missouri, et cetera. Those people back there are fish eaters when they can get the fish, besides just catfish off the Missouri River.

MR. DAHL: Mr. Chairman?

THE MODERATOR: Mr. Dahl.

MR. DAHL: I think we're operating -- I see reflected here an interesting philosophy, and that is that we use the revenue from nonrenewable resources, that is oil, to support renegotiable resources, that is fish. Include in that non -- or in that renewable resource development timber -- what other renewable resources do we have?

MR. ACKERMAN: Energy.

MS. BENNETT: And tourism and other resources as well.

THE MODERATOR: We should be using the nonrenewable resource revenues to develop our nonrenewable resource potential. Economic base.

MR. DALL: And I think with that as a basis of what we're doing -- keep talking. I'll try to perhaps....

THE MODERATOR: That's good business. Take these substantial windfall revenues from a nonrenewable resource to build an ongoing viable economy from our renewable resources.

MR. ACKERMAN: I think we're mandated to do this in all areas. I think that it's a good investment in the future. It's creating jobs and income, is a better distribution of wealth, of giving people money. And that's a lot of what's been talking about, something that will perpetuate itself. And we have to consider that, you know, developing our renewable resources, our fisheries, our timber, our agriculture, tourism, but especially our alternative energy sources. And I think we should, you know, have a high priority in these areas, and I don't think that economic feasibility is a question that we have to worry about. I think you could consider it an investment in the future.

We had a flood control project in Fairbanks that four engineers put in. We had hydrogen source available to us. The four engineers decided it was economically

unfeasible. So we don't do it. It could have been incorporated for next to nothing. The source at that time was 10 cents a kilowatt hour. If we could lower our rates to 10 cents an hour throughout the state, why -- places we're paying 40 cents an hour --

THE MODERATOR: Right.

MR. ACKERMAN: -- it would have been beneficial at this time. We're approaching 10 cents an hour for power. So we can't -- I don't think we have -- we can afford to look at things that are just economic. That's one of the reasons we're doing this ourselves rather than the Federal regulations that are adopted in the Lower 48, more than they are our needs, is important.

I think that we have to put special attention on our renewable energy resources. I think every community should have some sort of alternative energy, whether it's wind power, solar power, hydro power, tide power. Our hydrogen cells we were talking about earlier -- every community should have one.

THE MODERATOR: While Mr. Dahl is sweating over this fisheries resolution and getting it in final form we could skip to Agriculture. I am somewhat guilty of having tunnel vision where agriculture is concerned. I was an Iowa farm boy, and I think in vast acreages of croplands that are extremely highly productive under extremely favorable

conditions. And it's the breadbasket of America, the Midwest. And when I compare that -- use that for a yardstick to our agriculture potential in Alaska my thinking becomes very confused. I can't comprehend in my own mind -- and I'm short, and I feel inadequate -- I feel that I just couldn't be able to get it in focus how agriculture will really be of any real essence in Alaska compared to what it is in the Midwest.

Mr. Dahl.

MR. DAHL: I think we've been really lax in creativity in this area. There was an article in the Agroborealis, the magazine of the University of Alaska extension service. Some time ago they talked about a wild rice experiment that didn't work very well done near Fairbanks. I'm from Northern Minnesota. Wild rice is just that. It grows wild. It has become a tremendously lucrative commercial crop for Indians in the area. Price has increased from 50 cents a pound not very many years ago to something like $5 or $10 a pound --

THE MODERATOR: Right.

MR. DAHL: -- on the market.

THE MODERATOR: Gourmet food.

MR. DAHL: It's tremendous, the market. As I looked at the potential of the area of the Yukon-Kuskokwim-Delta there's room there for a cash crop because the area is

ideal. Water all over the place. It's the kind of thing that could be raised as a cash crop. Nobody's thumping that drum, and I'm not going to do it alone, but it's just one area, one area of thinking that we haven't even explored.

The Delta Barley project, certainly, is a creative use of State effort to improve our agriculture capability. I think we need to -- we need to do more because the problem -- again, if we talk about problem analysis, the problem is not so much the effective and creative use of land, although that is a part of the problem.

The problem is that it costs more than it should to feed our people. And as native people are moving away from subsistence food, from traditional foods that are part of their culture that have sustained them well over many years, the risk is they move to the less nutrious white man's food that comes in boxes and cans with all the nutrition taken out of it. And not only is that nutritionally deficient it's very expensive. It requires a cash supply that is not presently available under the present work standards that we have. So it seems to me that we've -- that it's critical that we move toward the development of a food supply in this state, that we do it with dispatch and creativity in providing sufficient funding so that our

people can be fed better. We're not doing that now.

MS. BENNETT: Well, there is a program that's just begun this year. I believe it's under the auspices of Tanana Chiefs. They have picked up on that problem. There have been people in the villages this summer doing gardening projects and things like that. Now, that's a really direct food source, I mean a garden in the villages. That makes more sense as a food supply than huge fields of grain. I think that the -- when we're talking about the Delta Barley projects and all you're talking about marketable agriculture for cash, not as a food supply. And that seems more realistic to me than to think we're going to have large farms and be a breadbasket for our own people, and in a direct way it's cash. I think except for gardening projects. Truck gardening is very important, but when we're talking about when you were comparing with Iowa -- we're talking about rape seed to sell to Japan, not as something for food.

THE MODERATOR: I'm guilty of having tunnel vision when I think about agriculture when applied to Alaska.

MR. DAHL: Mr. Chairman?

THE MODERATOR: Yes.

MR. DAHL: You think about the historic cultural shift, though, with that. You're moving people that are traditionally hunters and gatherers and making them farmers.

Now, the Hebrews did that, and Cane ended up killing Abel over it. But --

MS. BENNETT: But a lot of that shift has already taken place. People in the villages are already eating, you know -- importing Coca-Cola and all. So the only thing to do now is to try to make it better. It's already happened. I think it should --

THE MODERATOR: That's happened a long time ago.

MS. BENNETT: That's what I'm saying. I think Mr. Dahl is saying we're trying to prevent that happening, and I think it's already happening.

MR. DAHL: I don't know that we need to prevent it, but I think we need to be alert that we're not just saying, "All right, folks, there's a piece of ground. Make a garden." We're talking about a major cultural shift, and we need to be alert and sensitive to the cultural struggles that we're encouraging here in moving people from being hunters and gatherers to farmers.

MR. ACKERMAN: Mr. Chairman, I'd like to, you know -- at this time we're -- you know, I think we need to take a closer look at our technology that we have available to us in this area. And we went to the dinner, we listened to Buckminister Fuller. You know, the geodesic dome -- we could control the environment where we want to do these things in our agriculture. And I think we have to consider

this technology and develop it a little bit. It has a tremendous potential. We should be able to do anything anywhere the Alaska.

THE MODERATOR: Hydroponics gardening can do substantially well in communities the size of Anchorage. We have that -- look at that heat going out over there, that powerhouse. (Indicating.) That scavenger heat could be used in a hydroponic heat house. They have the powerhouse. They could have a hydroponic greenhouse there. We could go on and on. At our own powerhouse we could operate a hydroponic greenhouse.

MR. ACKERMAN: I think that our geodesic structure could probably do this. Everyone. It's cheap and light. You don't have to bring a lot of stuff in and, yes, you could do this. And I think this was something Buckminister Fuller was talking about. They're talking about doing a whole city under one. Surely we could put up a small dome and do hydroponic guardening around the state. And I think this appropriate technology should be developed in the agricultural field.

MS. BENNETT: I think that that is happening already. In Fairbanks, as a prime example, of the uses of the waste heat with pipes under the ground and things like that, that that's really going forward already.

THE MODERATOR: That's been almost Alaska when the

commercial company started in Fairbanks when --

MS. BENNETT: So is hydropower and everything. I'm talking about more interest and going forward. I'm not saying it's existing.

MR. ACKERMAN: This is all a private and individual basis? You know, but I think the State, you know, is --

MS. BENNETT: But it's being funded -- a lot of new projects that were funded in energy research were in that area also.

MR. ACKERMAN: We should emphasize the appropriate technology and agricultural field, that we develop it more and expand it. It's fine. In Fairbanks we have another need that when you get out of Fairbanks there's not the capability to do. You know, the State should be looking at it. We're obligated to do that.

THE MODERATOR: In the State's land policies dealing with getting State lands in the hands of the residents of the State -- it's very, very controversial. Their policy leaves an awful lot to be desired, and I'm convinced that it's been very detrimental to the development of an economy from the lands. Particularly in the area of agriculture.

I think that we need far more liberal land policy in the disposition of State lands. And when Texas was settled there were no State lands or Federal lands after the Texas lands were disposed of. It was all in private

hands including the King Ranch in South Texas, the largest jet ranch in the nation. And they came in with property tax, the State did, and the people made the land productive. They had to make it productive or the taxes would -- the tax foreclosures would take the land from the people. And if the State or the Federal Government needed land, they had to buy it from individuals. That isn't the case in Alaska. 2 percent of the lands -- not more than 2 percent of it is in the private sector.

MR. ACKERMAN: I think we should stress, you know, land policies, you know, that meet the needs of the people, and a lot better one than we've had. A lot of people are aware of the problems we've had with our land policy. I think I certainly support that. I don't think we have time to get into the land thing here. Everyone's aware of the problem of meeting the immediate needs of the people in the State.

THE MODERATOR: The Interior Department addressed that, and before the settlement act ever surfaced through land allotments where people made application up to 160 acres. The native peoples of Alaska. They had fishing sites, campsites, hunting areas, berry picking areas, the whole shot, that could be transferred to the individual's families on application. That was a -- really, a good approach.

MS. ANASOGAK: Mr. Chairman --

THE MODERATOR: Mrs. Anasogak.

MS. ANASOGAK: It seems to me when you're talking about the native lifestyle when our parents and their parents were living or when they were allowed to live the way they have for years and years, for centuries, that has changed because of the rules and regulations by the Fish and Game and other agencies. We're prevented from living the lifestyle we traditionally did. And now it seems to me that we're trying to create something to take that place. Like we're talking about agriculture, something that the natives had not done before. They tried to introduce that, too, to the natives. And I could understand, and I could see the benefit of it, and yet I could see the other side of the coin, too.

MS. BENNETT: So do you mean you do or you don't favor the gardening projects and things like that?

MS. ANASOGAK: Personally?

MS. BENNETT: Yes. Do you feel divided yourself about that?

MS. ANASOGAK: Uh-huh. Because I -- even now I sometimes wish that I had lived a hundred years ago so that I wouldn't be -- I wouldn't have been faced with this problem. And yet, you know, in order to progress you need to think about these things, and you need to face them.

And a lot of the people are not ready for that.

MR. DAHL: Bob, Mr. Alexie --

THE MODERATOR: Mr. Alexie.

MR. ALEXIE: Mr. Chairman, I've been wanting to see this gardening build up again because when the first white man came to my area they had a lot of planting, turnips and --

MR. DAHL: Potatoes?

MR. ALEXIE: Potatoes, tomatoes, and like my mother and the other people who are on '60s -- they tell us that we're too lazy. "You guys -- youngsters are lazy." They said, "These things are fresh vegetables," what we planted some years ago back in end of '50s. I think some lady came in and started a courage club. So I and the others were planting turnips and cabbage, lettuce, anything that can grow.

Well, they were growing but only once we had a flood and everything had been destroyed. You know, we had the chinook wind. And that was the time I quit, you know. And now I'm beginning to ask myself: "Why did I quit?" You know, because I would have developed some kind of a good soil.

Right now it will be a little hard for me to start because I'll start something new. And I don't have any experience like my mother. If she died, who is going to direct us? Maybe somebody from Idaho. And every day we

used to haul the slime of the fish guts, everything, to the garden and pour it.

THE MODERATOR: Nitrogen.

MR. ALLAIE: Uh-huh. And in wintertime they used to tell us to gather the waste of the dogs and in springtime pour it, you know, mix it with the soil. And everything grew so good. Now just a few people are beginning to start, even down where my wife came from because there was one white man who used to grow these potatoes and turnips. And their ladies used them for cooking.

THE MODERATOR: Mr. Dahl, we're ready to double back to your masterpiece.

MR. DAHL: Well, Mr. Chairman, I don't know if I've covered everything, but let's try this: Alpha Group recommends that the legislature adopt a policy of using revenue from nonrenewable resource development to improve the economic viability of renewable resource development with a view toward: One, providing technical assistance to industry at State cost to improve planning, quality control and marketing; two, providing creative funding programs through loans and grants paid back through employment or tax forgiveness, equipment provided to locally-owned fish processers and fishermen by lease or lease purchase. That's obviously poorly punctuated, but the idea in the second one, I think, is -- and I would move, Mr. Chairman,

for its adoption. Second, second, second.

THE MODERATOR: It's been moved and seconded.

Discussion?

MR. DAHL: The idea of the second one -- Let me read again to refresh your memory. It's still early. "Providing creative funding programs through loans and grants paid back through employment or tax forgiveness and equipment provided to locally-owned fish processors and fishermen by lease or lease purchase."

We've already talked in our deliberations about the State being the owner of equipment and leasing that equipment to -- we're talking about air taxi operators, to improve their capital position and provide better service in the bush. There's no reason why the State could not use its vast resources to assist local fishermen and fish processers in doing that very same thing.

THE MODERATOR: That's right.

MR. DAHL: And it would seem to me to be a good investment for the state rather than have the -- a cannery, for example, that needs to shift its entire emphasis, or a good part of its emphasis -- I'm thinking particularly about Mountain Village on the Yukon -- from a single-line line cannery to a flash processing operation of freezing the fish cold.

THE MODERATOR: Sharp freeze.

necessary for planning, equipment purchase and marketing assistance so that the job is not done piecemeal.

It's not done as funds are available. It's done in a comprehensively way, and it could be a very fine little fish processor, and the State could be paid back its investment through several ways. I'm thinking not only of direct payback of cash with interest, the traditional loan pay back approach, but the State has an income tax. And without getting into whether it ought to continue that income tax -- that's another issue that's too big for us at this point. But there would be no reason why the State couldn't say "for every dollar you pay to an employee we will forgive you a proportionate amount of -- on your lease directly or on the -- well, for every dollar you pay in taxes we will forgive you a proportionate amount on your -- on your lease so that " -- I don't have any --

(Discussion off the record)

MR. DAHL: We've talked about that with student loans where you give a student money and pays that back by coming back to the state and working. Why can't that same principal be used for capital development?

MR. FISHER: You mean getting a vested interest in the establishment that's initially financed by the State by those persons who are working in it gradually getting a piece of the equity ending up owning the cannery?

MR. DAHL: That's not what I was thinking of. But, for example, the cannery itself is required to pay taxes on its profits, on its income. Why not forgive a portion of those taxes -- why not -- no, excuse me. That's not what I mean. Why not take the amount of taxes that they pay and use that to forgive the lease that they owe to the State. If they don't make any money there's -- that lease could be an ongoing debt. But that's not a terrible burden because the creditor is the State and not some bank that's going to come foreclose.

THE MODERATOR: Are you talking about the raw fish tax?

MR. DAHL: I was not talking about the raw fish tax. I was talk about the corporate income tax.

MR. ACKERMAN: I think one thing we should consider in this areas is the State doing it in cooperation with the regional corporations. We talked about this earlier, and this is an excellent example. I think it would be much more responsive to have -- and practical to have regional -- you know, input into this process.

MR. DAHL: I agree with you. What I don't want to get into, Mr. Chairman -- because again the burden -- terrible burden of time, is getting too specific.

THE MODERATOR: Uh-huh. The overview --

MR. DAHL: What I'm trying to see here is a means of creative funding and creative payback of capital -- of

loans for capital projects. That's simply not been tried.

THE MODERATOR: Like the Shepard cannery at Mountain villages. Instead of putting high quality Yukon King in a can, sharp freeze it and compound the value of that fish if in the retail market a thousand fold.

MR. ACKERMAN: Would you object to --

THE MODERATOR: And fund projects through innovative funding to the industry to upgrade the processing techniques.

MR. DAHL: Exactly. But do it comprehensively so that you aren't dealing -- so you don't deal with the cannery without dealing with the fishermen.

THE MODERATOR: Right.

MR. DAHL: If you're talking about quality control you've got to have quality control from the minute that fish gets out of the water.

THE MODERATOR: That's right. It starts right there.

MR. ACKERMAN: Would it take away from it too much if we put in "cooperation with the native regional corporations? " I think that would speak to something we're trying to develop in this areas. I think.

MR. FISHER: Yes, that would be a good idea.

MR. ACKERMAN: Responsive to the problem. I think that's excellent.

MR. FISHER: I could foresee that you could actually

get a piece of the equity, you know. People working in there if they could kind of figure out the corporations so that the forgiveness -- they would own a piece of it and if the State would forgive payment, that's what such money was for. That's what Mike Bradner suggested. We've never done this before. We ought to give it a try.

MR. ACKERMAN: I think if we do it in cooperation with regional corporations and we combine the assets of the State with the regional corporations it's going to be to everybody's benefit, and I think, you know, we'll achieve what we want to do.

MR. FISHER: You know, the regional corporations are the thing we think about first, but we don't want to forget about the villages corporations.

MR. ACKERMAN: The corporations, that's right. But this is -- we're going to have destruction -- I imagine it would be developed. We have the input we want to involve the region. We move from the state into regions and then into villages. The closer you get to the people the more responsive you're going to be to the needs.

MR. DAHL: Shall I read the resolution again, Mr. Chairman?

THE MODERATOR: Please do.

MR. DAHL: Alpha Group recommends that the legislature adopt the policy of using revenue from nonrenewable

resource development to improve the economic viability of renewable resource development with a view toward: One, providing technical assistance to industry at State cost, to improve planning, quality control and marketing; two, providing creative funding programs through loans and grants paid back through employment or tax forgiveness and equipment provided to locally owned fish processers and fishermen by lease or lease purchase in cooperation with native corporations and other sources of private revenue.

MR. STUMP: I think you're making a real problem on that when you're limiting that kind of activity through your wording there to just the fisheries. There's a lot of other activities renewable resources.

THE MODERATOR: We're dealing with the fisheries section at this time. That's why we're addressing ourselves to this specifically.

MR. DAHL: I agree with you, and I have not dealt with timber, if that's your specific concern.

MR. STUMP: Well, there's timber, there's mining, there's --

MR. DAHL: I know.

MR. ACKERMAN: Well, I think --

MR. DAHL: Now, mining is different. Mining is a nonrenewable resource.

MR. STUMP: That's kind of a rhetorical thing.

MR. DAHL: We're talking about using revenue from nonrenewable resources to support renewable resources that have been underfunded through the years. And timber certainly is one.

MR. ACKERMAN: I think, you know, we can develop this in the dialogue. I don't think we're going to get it all in resolution. We're not going to get a resolution covering every areas. But I think if we make a clear record that this is our intent. This should also be, you know, applied in the timber, the agriculture, you know, industries. It will be a matter of record. It's going to be -- we are going to have a verbatim transcript, and it will be used just as much a the actual resolutions. We have to stay brief if we're going to have resolutions at all.

MS. BENNETT: Although, I don't agree with that, I don't think the people will take the time, necessarily, to read the full transcript. I agree that it's on record. But this is what people will look at.

MR. ACKERMAN: I think the reason we are here having the verbatim transcript is so the people--

MS. BENNETT: It's available, I agree with that.

MR. ACKERMAN: I don't think the general public is going to read it but the Legislature is certainly going to be looking at it, and you've opened the door and we've said

this is what we want to look at. We don't have the time to draft a resolution, but this is something that we are interested in and that should be explored, and I think that it will be explored.

THE MODERATOR: When we were implementing State government as a result of the constitutional convention and writing law in the first State legislature and setting up the departments we went back to the minutes of the meetings of the constitutional convention. We researched the minutes to dig in to see what the philosophies of the delegates to the constitutional convention wer. And this very thing will be done by staff researchers and the Legislature and the administration in dealing with the resolutions that come out of this Future Frontiers Conferences.

MR. ACKERMAN: I would move adoption of the resolution at this time and emphasize that, you know, we are -- our intent is clear on the record, that we don't -- we mean to expand this into fisheries and-

THE MODERATOR: Mr. Ackerman, it's been moved and seconded. I called, we had a discussion. I called for the question. All those in favor signify by the customary aye.

(Indicating)

THE MODERATOR: And those not in favor by the customary nay.

(No response.)

THE MODERATOR: Let the record reflect a unanimous vote by the Alpha Committee.

MR. STUMP: Mr. Chairman, I'd like to propose a resolution. The Alpha Group resolves that the State should facilitate in every way possible development of Alaska's vast timber resources in an expeditious, economically feasible and ecologically responsible manner.

MR. ACKERMAN: Second.

MR. DAHL: Question.

MR. FISHER: Let's talk about that just a minute.

THE MODERATOR: Discussion?

MR. FISHER: When you talk about development you want to talk about development and continuation or regeneration. Because all we've done so far in forestry is develop for harvest. We really just harvested. We haven't done into any of the rest of the spectrum of forest management. So you ought to make some reference to that. All right. What was your word? What was your language? Development?

MR. STUMP: That the State should facilitate in every way possible development of Alaska's vast timber resources in an expeditious, economically feasibility and ecologically responsible manner.

MR. FISHER: All right. Let's put "development and continuation " in that very broad -- well, you can put

anything in there. And I would move that as an adoption after "development and continuation " of Alaska's -- that's my motion.

MR. ACKERMAN: Second the motion.

THE MODERATOR: I think Representative Fisher has -- I think what you're alluding to here --

MR. DAHL: It's been a long time.

THE MODERATOR: -- is reforestation of every areas that's harvested must be reforested.

MR. STUMP: That's a present part of the State for Forest Practice Act.

MR. FISHER: That's required by the State Practices Act. But what you need to do in something like this -- in effect, what we're doing is raising the conscience of the State. And all that's happened so far in foresting is cutting.

MR. STUMP: Au contraire.

MR. FISHER: Well, I --

MR. STUMP: That's simply not true. I've worked extensively with the State Agencies and with the State Forest Practices Act. Look at what's happened in Haines. Do you think that that's the activities of the State agencies. And Haines has been one of only timber harvest. I think it's just the absolute opposite.

MR. FISHER: Well, you're --

MR. STUMP: Not absolute but --

MR. FISHER: But it's not looked at as statewide. It really isn't. There is not that awareness.

THE MODERATOR: It is not. It is not statewide.

MR. FISHER: And that's the only reason I was pointing -- don't hang up--

MR. ACKERMAN: As a layman, I hadn't been to Southeast too much. I was on the Boundary Commission, we flew over it. I was appalled. The clear cuts, the dead stuff -- every other tree was dead. Our forests are not harvested, they're not maintained. Our beaches are littered with the deadfall. There's trees on every -- I mean, it's just miles and miles of it. It is really appalling to somebody that doesn't live there all the time to see what we've done with that.

THE MODERATOR: When you go down there it isn't anything to be proud of.

MR. ACKERMAN: You know in Yakutat --

MR. FISHER: I didn't mean to put you --

MR. AKERMAN: You look at that stumpage that waste. You've taken pictures of the difference areas, Sitka, Yakutat and around and I've taken my children up to Thortyone we've looked at it. And to somebody that doesn't live there and look at it every day what we've done with our timber is appalling. You know. And we look at

stumping and it sits there -- you've got 10 inches. It takes a hundred years to regenerate because we don't do it.

THE MODERATOR: Mr Ackerman I'm reluctant to interrupt. It's -- time is running out. We're going to have to dispose of the rest resolutions. We're going to--

MR. FISH: Let me withdraw my motion.

THE MODERATOR: We have to go in session at ten o'clock.

MR. DAHL: I'd like to speak in favor of the resolution. I think the resolution is carefully worded.

MR. FISHER: I withdraw my amendment.

MR. DAHL: We're talking about ecological responsibility now. That means responsibility for the entire environment and the relationship of living things including man to that environment. We're talking about development. I think that's a philosophy that this group has supported in its discussion.

THE MODERATOR: Ask for the question.

MR. DAHL: Question.

MR. FISHER: Yes.

THE MODERATOR: All those in that favor indicate by the customary aye.

(Indicating)

THE MODERATOR: And those opposed by the customary nay.

(No response.)

MR. FISHER: See, it wasn't as hard as you thought it was going to be.

THE MODERATOR: Let the record reflect a unanimous vote by the Alpha Committee.

MR. ACKERMAN: I'd like to get back to the energy sources. I think we really need to look at it. I'm going to state it again. It's going to be on the record a lot of times. I think we have to have some sort of alternative energy for every community in Alaska's, be it hydro, wind, solar, geothermal, tide power or hydrogen cells, some type of alternative energy be developed.

THE MODERATOR: I think that time's getting so short that we should concentrate, prioritize the Energy section now and then address ourselves to the remaining topics, if there's time. Is there any objection to this, if we jump to energy now, on part of any of the body?

(No response)

Let us proceed, then, to the Energy section.

MR. FISHER: What are we going to do? Are we going to pass a resolution on alternative energy?

MS. BENNETT: We're going to talk about it.

THE MODERATOR: We're going to discuss the resolution input first. We've touched on energy numerous times throughout our discussions in other areas of our deliberations, and I believe we're close enough now that we

can proceed to put the committee's resolution together. That is the feeling of the body?

MR. ACKERMAN: That's it.

THE MODERATOR: That's the feeling?

MR. FISHER: Go? Yeah, let's go.

MS. BENNETT: We haven't heard from the people here who live in the small villages. That's what we're talking about.

MS. ANASOGAK: I agree with Mr. Ackerman. Something has to be done to help the small villages because right now in my own little villages fuel prices over the last year have doubled. And it's -- it's something that has to be resolved. We need -- that's why I said I agreed with Mr. Ackerman.

MR. DAHL: Didn't we pass a resolution last night to deal with the State use of oil and gas? I thought we did.

MR. STUMP: Yes, we did.

THE MODERATOR: Alternate --

MR. DAHL: Oh, yes.

MR. FISHER: That's not quick enough. We really ought to have something next week.

THE MODERATOR: We needed it last year.

MR. ACKERMAN: We had hydro power -- you know, small hydro power available to us in Fairbanks with the Chenan Lakes Flood Control Project. With the Federal

participation in that project it wasn't economically feasible to do it. If we had had power generation at 10 cents a kilowatt hour -- if you had 10 cents a kilowatt hour in the bush it would be -- you usually pay 25 percent of your current electric bill. 10 cents an hour, a kilowatt hour, is a lot of money but not when you're paying 40 cents. And you'd have the chance of that going to 80 cents. That's what you're looking at, and I think that's the best investment we could make in our future and our future generations.

These alternative sources are renewable. It's not energy from a nonrenewable source, and they're going to just perpetuate themselves. And I think that, you know, we should support an alternative energy source for every community in the State of Alaska's, be it hydro power, tide power, wind power, solar power, geothermal power or hydrogen cells. Some type of alternative energy source needs to be developed. I feel we're mandated to out of our nonrenewable resource funds.

THE MODERATOR: I feel that a resolution should include direction on acquisition, selection of hydro sites.

MR. ACKERMAN: I think our dialogue should reflect that -- I think for, you know, a broad comprehensive resolution I'll state it in the form of a resolution. That is: The State develop an alternative energy source for all --

THE MODERATOR: Every community.

MR. ACKERMAN: Every community in the State of Alaska --

MR. STUMP: Make that plural. 'Sources."

MR. ACKERMAN: I was going to complete the resolutions -- not limited to hydro power, tide power, wind power, solar power, geothermal power or hydrogen cells. And sites after the inventory has been made of the resource, the renewable resource sites should be selected and protected.

THE MODERATOR: We can divorce ourselves at least 20 percent from dependency on carbon fuels for power generation.

MR. ACKERMAN: Could we have a second on the motion?

MR. DAHL: Second.

THE MODERATOR: It's been moved and seconded. Discussion?

MR. ACKERMAN: I think this is the best investment we could make in our future, and, like I say, it is something that we saw in the Lower 48 where hydro power, which is renewable power source, has stabilized the economy, and the benefit has been, you know, to the people there and the cost of living. And to -- I feel we're mandated to do that with our renewable resource. Particularly when we consider the energy crisis that we do have in the world. It's not just in Alaska's and the United States. It's the world --

THE MODERATOR: Move the question? Did you -- may I

read what I have here so everyone agrees on what we're saying. "The State develop an alternative energy," or would you like "source" or "sources" for every community in the State of Alaska's -- singular or plural?

MR. FISHER: Sources. Let's go plural.

MS. DUYACHAK: "For every community in the State of Alaska's not limited to hydro power, wind, solar, geothermal power or hydrogen cells and sites after an inventory is made should be selected"?

MR. ACKERMAN: "Protected." I think after hydro power there was tide power.

MS. DUYACHAK: Hydro, wind, solar -- "including but not limited to hydro, tide, wind, solar, geothermal, and hydrogen cells?

MR. AKERMAN: Yes. Or hydrogen.

MS. DUYACHAK: Okay.

THE MODERATOR: All those in favor of the adoption of the resolution before us signify by saying aye.

(Indicating)

THE MODERATOR: All those opposed to the adoption of the resolution signify by saying Nay.

(No response.)

THE MODERATOR: Let the record reflect that the resolution has been adopted unanimously.

MR. FISHER: Are we going to do anything on

conservation of energy?

MR. ACKERMAN: I think the record should reflect that, you know -- I think this is one of the biggest areas of conservation, developing alternative sources. You know, technology. And we certainly should expand on it.

MR. FISHER: Okay. Why don't we leave it at that. What's the next priority?

THE MODERATOR: In the areas now of tourism we've really only begun to scratch the surface in Alaska. The real potential of the tourism is that substantial part of our economy. Irrelevant I think that we could certainly take a page out of Hawaii's book. If it would make an in-depth study of their techniques, their philosophies, their innovation of professionalism of developing tourism in Hawaii.

MR. DAHL: Waikiki would be nice to bring up here.

MR. FISHER: Hey, hey, hey.

MR. DAHL: It would be creative.

MR. ACKERMAN: I move that we put up a geodesic dome and bring Waikiki over.

THE MODERATOR: We don't have time for that much levity, really.

MR. ACKERMAN: Why should we have to go to Hawaii with the technology we have now.

MR. STUMP: You mean we can bring it here?

THE MODERATOR: The tourism promotional techniques in the manner which they cater their tourists and promote their tourists.

MR. ACKERMAN: I'd like to say something on -- you know, we look at tourism and the dollars that it brings in. We talked about education and sending our children outside to school. You know, this is -- the people in the United States know less about Alaska than they know about foreign countries. And the tourism does proceed most of the education of the people of the United States.

And if we had a tourist industry 50 years ago, we wouldn't be in the problem we're in with D-2 right now, this thing that the Congress of the United States is dictating to us through ignorance. You know, putting their standards on us. That's what we're doing.

I think the tourist industry needs to be developed for that main issue, for education of the people of the United States and what Alaska is and Alaska's people are. You know, more than -- I think that's a real fringe benefit besides the dollars that we create. And we have to look at that. But I think it's appalling that the people in the United States know less about Alaska -- and they do -- they know less about Alaska than they do about most foreign countries. When I went to school -- and I didn't finish school because I couldn't -- you know, it had no

credibility to me. I came up here in 1946. I was supposed to living in an igloo. And the people in the United States still think we're living in igloos. I was one of the fortunate few, I've seen an igloo. In bad weather that hunters were in there, they put up an igloo in 20 minutes. It was a temporary shelter on the ice. I feel very fortunate to have see one, and it took a long time. But the people in the United States think we lived igloos. They wonder what kind of food we eat. So, I think the tourist industry as an educational process, you know, for the country is really valuable.

MR. STUMP: I really agree with you.

THE MODERATOR: Some in the United States think all the people in Alaska are Eskimos. A young lad told me one when I got up. I had come to his home as a guest and with his father and got up in the morning and this youngster said, "I know who you are, you're that Eskimo from Alaska. And I had some kids come over and they wanted to see that Eskimo from Alaska. They think all the people in Alaska are Eskimos. These kids were around 10 years old.

MR. STUMP: I really agree tourism has a tremendous potential for educating the rest of the people in the other state of Alaska's problems. I think the state would be missing a bet -- a good bet if they didn't capitalize on that when these people were in the State and providing them

the kind of information to more fully understand the state and its issues and problems. Unfortunately, there is for the most part, a very small portion of the year in which you have very many tourists. This is particularly true -- well, I think it's true throughout the entire state. And as such they have a hard time comprehending what kind of problems we have when we don't have 20 hours of sunlight during the day and the sun is shining and it's nice.

I had wished that they would have had an interpretive program, perhaps on the ferry system when Mr. Ackerman was down there so he better understood the timber harvesting process and understood what it was that was happening out there. Granted, a shore cut areas is not a very pretty site for sight for the first two years, but there are a lot of things that have to be interpreted in many areas, not just timber but in fisheries, harvesting and in various other activities that we have throughout the state so that people come away with a really accurate understanding of what it is that Alaska -- that Alaskans go through living.

MR. ACKERMAN: I took my family down -- we spent a couple of weeks down there, you know, so they would be familiar with that. That's a different world, exterior Alaska, than it is from the North Slope.

THE MODERATOR: It's time to knock it off. We're going to have to go down --

MR. FISHER: We're not going to do anything on tourism? Have we done anything on land at all?

THE MODERATOR: We have to go in in seven minutes.

MS. BENNETT: I'd rather not do it than do it in haste. too

MR. PAUL: I would too. I agree.

THE MODERATOR: What?

MR. PAUL: I don't think we should do it if we have to do it in haste

MR. FISHER: Somebody else will cover it.

MR. PAUL: Like talking about sin. You could say you're against it.

MR. FISHER: You mean for tourism? Hey, now, wait. They catch all the biggest fish. They keep us off the beaches? I'm not quoting Alaska. I'm quoting Hawaii. I was just there, and that's what the Hawaiians were saying. So it's a mixed blessing.

MS. BENNETT: There's an awful lot to talk about.

THE MODERATOR: I don't think that we should treat this in haste at all. We don't have time to be deliberate. We don't have time to treat the lakes issue without doing it in haste, so we'll have to let the lakes continue to go to the dogs and the land go to the D-2 and the tourism go to the Hawaiians. In summary.

MR. STOP: I would like -- before we break or go down

there I would like to refer to the resolution on transportation. And as it's typed up it's not as I remember it being passed the other day. I think it's very minor but very critical, dramatically, I think it's critical in what the intent is. On paragraph No. 1, it says " Expand and upgrade the Marine Highway system to the entire State ", and I believe that we had agreed that it would be "throughout' the entire State.

MS. BENNETT: That's right. That's right.

MR. STUMP: And I think that's important.

MR. FISHER: That's right.

MR. STUMP: And on Paragraph No. 5 it was "upgrade and expand". And I believe we agreed that 'community' was a more --

MR. DAHL: Yes. I'm sorry. This was taken from my notes, and I had not written that in. But that's correct.

MR. FISHER: What was it? "To the entire State," "throughout the entire State"?

MR. DAHL: Yes, it should be "throughout the entire State" and the "village" was replaced with " intercommunity road system", is that the one?

MR. STUMP: Yes.

MR. FISHER: Which one was that?

MR. STUMP: No. 5.

MR. FISHER: That's supposed to be intercommunity. Oh,

I see.

MR. DAHL: Yes, those -- we had agreed on that, and I don't think any action of the body is necessary, but I appreciate that.

MS. DUYACHAK: Okay. I've changed my master copy, so if each of you would like to change yours, everybody would be correct.

THE MODERATOR: Okay. Where is it?

MS. DUYACHAK: On the resolution regarding transportation. It's --

THE MODERATOR: So. Under 5?

MS. DUYACHAK: Right. On paragraph 1, "expand and upgrade the Marines Highway System throughout the entire State ", replace the "to", the second to the last word in the third line with "throughout. "

THE MODERATOR: That's right.

MS. DUYACHAK: And then in Paragraph 5. Upgrade and expand intercommunity road systems. Replace "village" with "intercommunity."

MR. FISHER: And I've got a question to the staff. Are we going to get names and addresses of all of the participants? I may be suffering from the Stockholm syndrome and I might want to actually look in on somebody when I'm in some of these areas.

MS. DUYACHAK: My understanding was a list like that

was going to be prepared for today. I haven't seen it yet.

MR. DAHL: What is the Stockholm Syndrome?

MR. FISHER: Well, the Stockholm Syndrome occurred when there was a group in Stockholm -- I think it was Stockholm -- that were trapped in a bank by a bunch of bank robbeers and after a while after being held hostage -- "Hey, we've been hostages here. We ought to identify one another." It was very facetious and very convoluted.

MR. ACKERMAN: I would really appreciate the opportunity to participate in this group. I think a future would would be desired.

MR. FISHER: It would make a difference. I -- a little bit of self interest involved in that -- get around the state to some extent, and part of my activities should include, you know, seeing you in the event I get an opportunity and, you know, let you know what's going on. Because we do -- I get involved.

MR. ACKERMAN: I would appreciate it.

MR. STULP: Let's see if we can catch you the biggest fish down in Ketchikan.

MR. FISHER: I'm more interested in berries, if it's consumptive. I'm not really --

MR. AKERMAN: You know, the first job--

MR. DAHL: Mr. Chairman, can we go off the record? Are we through?

MS. BENNETT: Oh, we're still on?

THE MODERATOR: Let's go through these resolutions some more in summary. Under the communications resolution we have here: "Expand and upgrade communications servicing facilities throughout Alaska." Either I didn't interpret what we had in that draft copy or this isn't worded right because we wanted total saturation. We say "throughout", I fear that "throughout" might leave a loophole. It might be throughout the state but might not be total saturation. Expand and upgrade communications services and facilities --

MR. DAHL: "In every community". Is that better?

THE MODERATOR: "In every Alaskan community".

MR. DAHL: Taa-daa.

THE MODERATOR: "Along with special consideration to". We could amend that right here and now.

MR. DAHL: What could be done?

MR. FISHER: Just change it.

MR. STUMP: Second.

MR. FISHER: Question.

THE MODERATOR: Question?

MR. DAHL: Question.

THE MODERATOR: Those in favor indicate by the customary aye.

(Indicating)

THE MODERATOR: Those opposed by the customary nay.

(No response.)

THE MODERATOR: Okay. The ayes have it. Let the record reflect the unanimous vote.

MR. STUMP: I think the single toll area is just bound to run into an awful lot of trouble.

MR. DAHL: I think it's a creative idea. That single toll area. I think that's a creative idea.

MR. FISHER: The APUC has been talking about it for months, but every time they talk about it --

THE MODERATOR: I know.

MR. ACKERMAN: Well, you know, I --

THE MODERATOR: Let us proceed, please. It's time. The financing resolution?

MR. FISHER: You mean you want to look at it and make sure --

THE MODERATOR: An overview.

MR. FISHER: Make sure it's what it ought to be.

MS. DUYACHAK: These things have been typed several times, so if you could just review them and make sure all the corrections have been made.

THE MODERATOR: Let's move very rapidly, folks.

MR. FISHER: How are these things going to be presented?

THE MODERATOR: We'll have to have a spokesman for the Alpha group to present them on the floor, I believe. If

it all the time.

MR. ACKERMAN: Mr. Chairman, I don't mean to restrict your mandate by doing it, but I believe the Alpha Group is going to be the first group to comment, and I think, you know, we ought to recognize the people that put this conference together. I think it was an invaluable conference. I know it was for me, and I have a better understanding of the problems in the State, you know, and to face other people. I think everybody in this room does.

We are all from different areas and with different occupations and, you know, different lifestyles, and I think in that sense we've all benefited tremendously and we have a common goal, and that's, you know, a better lifestyle for everybody. And I think that we have a better chance of achieving just through participating in in this conference.

THE MODERATOR: I'm thankful that people from the bush and small communities have had an opportunity to participate. I'm very grateful for that.

MR. FISHER: I think the participation from rural Alaska is heavier this one than it was in the last one.

MR. DAHL: I agree.

MR. FISHER: And there's something else that showed up. In addition to that there's heavier participation of the women. I've got a copy of the last attendance roster in

1969, and there's a lot more from the rural areas and a lot more women. As a matter of fact, I think the Beta Group has almost been -- well, they've got a woman chairman and I think they've got a group of women that I'm sure somebody -- I know got Red Swanson sore but --

THE MODERATOR: I'm not a male chauvenist. I liberated my wife the day I married her and she --

MR. FISHER: Wait a minute. You've got to be careful with those, Bob.

MR. DAHL: Mr. Chairman, as long as we're talking about that and as long as we're still on the record, let me just state one nagging concern that I've had about participation --

THE MODERATOR: Women?

MR. DAHL: No, not about women but about participation in the conference. The '60 conference was marked by the presence of traditional State leadership: Bob Atwood, Dan Cuddy, Byron Mallott, many other names that were well recognized in both the white and the native community. I think a significant -- I think it's important that this conference -- I'm saying that badly. I think that their absence has affected this conference, and I'm a little bit uneasy about it because I see that kind of leadership as really a shadow legislature. I see the real effectiveness of the traditional leadership in this state not

participating here diminishing the importance of this conference, and I'm sorry about that. I think it -- we would have been better off if they were here.

MR. STUMP: I would echo that.

THE MODERATOR: Not altogether.

MR. ACKERMAN: I'd like to really comment on this. I think the people that are our leaders are doing what we want them to do should be listening to what we are doing and they are going to be listening to what we are doing. I don't think they should have been here telling us what they should be doing. I think we should be listening to your attorneys. And I think that we are going to do that. I think that their not being here hasn't told us what they needed. We're telling them what we need.

MR. DAHL: I'm not talking about elective leadership. I'm talking about the shadow leadership that hovers over that--

MR. FISHER: He's talking about the bankers.

MR. ACKERMAN: I think when they look at the transcript --

MR. DAHL: They never will.

MR. FISHER: We've already had a putdown. The Anchorage Times already has an editorial.

MR. DAHL: Mr. Chairman. May we go off the record.

MS. BENNETT: Let's go off the record and discuss this.

THE MODERATOR: Adjourned.

MR. STUMP: Second.

MR. DAHL: Done.

(Whereupon, at 10:05 a.m. the proceedings were adjourned.)

SCOMM

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FILE COPY

LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

Legislative Reference Library
Agency
811

Reported by: Pamela Rozycki, CSR

BETA GROUP PROCEEDINGS

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

MR. VAN DOREN: Ladies and gentlemen, I would like to begin. I think probably the best thing is grab a cup of coffee first and then we can get started. If you don't have any. I guess everybody has enough. My name is Guy Van Doren. I will be your facilitator for the next two and a half days. Before the afternoon session, we will have chosen a group leader from among you, and the group leader or leaders as the case may be, and I will, will be working together with you to help us smoothly arrive at the conclusions that we are going to be working on. As you can see by the agenda, and some people have talked about this, this is a very unstructured type of a meeting. We purposely set it up that way because this is your conference. This is not our conference. It's not a conference run by the Legislature or run by the Administration. It is your conference to be run by you with us here to help you and to work with you and advise you.

As we go through the general categories, we will be discussing this afternoon, we will be discussing direct services. Tomorrow we will be discussing finances in the

morning, and then in the afternoon we will be discussing resources. The five major broad subjects, including transportation and education, they will now be joined in under direct services.

As we go into the general subjects, we will be using the authors of the papers of the booklets you will receive. Also, we have some supplements for you to hand out today. We will be going through, and we are hoping that you will base some of your discussion on the papers. The authors will be available as resource persons to come in and talk to us if we desire. We also will be soliciting your ideas on the general subjects and exactly what you would like to see happen in the future of Alaska. Each of the recommendations that come out of this group we will be filling out in a short form with the general area of the category, specific recommendations of this group, the major factors or considerations leading to why we came to these conclusions.

We will try to work out a financial impact, both for fiscal year 1981 and projected for the next ten years. Each of these recommendations will be gathered together from all five of the groups that are working, and we will come together on Saturday and each group will submit a report.

After the conference is over, the recommendations

from each of the groups will be tabulated, put into book form, along with papers, and will be utilized for distribution to the Legislature, to the Administration and for future action on them.

This morning, I would like to start out with introductions. We are all going to be a group. We are all going to be working together for the next two and a half days. Some of it will be some long hours and some long discussion, and I think it would be a good way to start for us to get to know each other. You will be in this group throughout the whole time. The staff will remain the same throughout the whole time. And the more friendly we are, the better we are going to get along.

First of all, I would like to introduce the staff that will be working with you. We have a staff of three people who have just gone through the internship program with the Legislature. They will be working with the Legislature during the up coming session. These people are here to help you, to serve you. All staff are identified by the orange cards, whether it's our people -- if you need to utilize the other people if we are not around then we will have somebody else help you.

First of all in the back of the room next to the coffee pot is Sandy Bradley and she is from Juneau. And why don't you tell us about yourself?

MS. BRADLEY: I am going to be working with Freeman from the Legislature. I am originally from Ketchikan and moved to Juneau about three years ago, so I am an Alaskan.

MR. VAN DOREN: Okay, and next I would like to introduce Elana Peeley.

MS. PEELEY: My name is Elana Peeley and I am from Bethel. And I am not sure who I will be working with.

MR. VAN DOREN: And the next individual that will be assisting us is Jay and I will ask him to stand up and pronounce his name and tell you a little bit about himself.

MR. PENEKAS: My last name is Penekas. I am from Anchorage now and lived in Juneau and hopefully you guys will be working for us.

MR. VAN DOREN: Okay, I am going to sit down for a minute. And I would like to start with the right side of the table. What I would like to do, I would like to keep this informal. This is an informal session today. This morning is definitely going to be informal. I would like to you stand up and say a little bit about yourself, and if you have an idea, if you would like to express an idea of what you want out of the conference or what you see about the conference or any ideas that you have brought into the conference, we would like you to share those with us now. We want you to be open. We want you to feel for the next two and a half days we are all family. So anything you

would like to say, but definitely your name and where you are from and your interest in the convention and I will start out from my right hand side.

MS. DAVIS: Since I have to open it up first I will just introduce myself. I am Bettye Davis and I live here in Anchorage. I would like to see things come out of this conference, but since I was caught cold, I am going to pass on that.

MR. DESILIO: I am Steve Delisio. I am an attorney in Anchorage. I lived in Fairbanks for about eight years and have been here that long as well. I was with the Brookings seminar as a delegate.

I think probably I could sum my aspirations for this conference as I felt about the Brookings Conference and that is to say that I think that what I would like to see is a goal of creating opportunity for the people of our State. It seems to me that with the great wealth, the great opportunities that we have here in Alaska, there is no reason why we should be victimized by the same kind of problems that exist in the Lower 48 States which restrict opportunity, restrict enterprise, restrict imagination, restrict the ability of their human spirit it seems to me. And it seems that Alaska has an opportunity to break free of all of that or at least a great deal of it and I think Alaska has the aid and means of doing so.

MS. GUESS: I am Carolyn Guess, I am from Anchorage and lived here for 20 years. For the past four years I have been a member of the Alaska Public Utilities Commission. And with that opportunity has come a learning process for me. And of particular interest to me is the problem and the opportunities we face particularly in the energy area. In my particular shop we are seeing daily crises in energy.

We are seeing the escalating costs of diesel fuel create insurmountable problems, particularly for the people in rural Alaska. And I guess if I was to say what I would like this conference, to focus on, I guess, it's however each group decides to go that the word creativity be an important word.

MR. FISON: My name is David Fison. I was here ten years ago for the Brookings Institute and appreciate again sharing in this. I have been an United Methodist pastor for the last 30 years and the last 20 in Alaska I was in various areas of the State. I have been currently in the colleges in Anchorage, Anchorage Community College, Alaska State University. I appreciate Mr. Merdes's education and spiritual qualities because those are what I am interested in, of course.

MR. CHARLEY: I am Walter Charley from Glennallen, Copper River area. I have been with the Copper

River Natives Association for board members several years and I just got released from it last month. Some young fellow took my place.

My interest is a power, power resource, water power relationship. And we have a -- we are going to have to rebuild the village one of these years. We worked last summer, we put a road in there, into the village. Now, we are thinking that before we start rebuilding the village, I would like to -- we would like to think about power resource. We got water running down there. We got Sparks Creek. And there is a place in Town Lake that runs the Old Tunnel down through the underground which water still runs through down there would make a pretty good power resource.

We wrote a letter to -- I had an engineer working with me down there last summer, and I had the -- went down to see this place, and we wrote a letter to Washington, D C about this to see what kind of a help we could get in there. And we haven't heard anything from the State yet.

MS. CROFT: My name is Toni Croft. I am a teacher for the Anchorage Community College. And I have several interests, but the primary one, I guess, would be in trying to find some insights into the problems in post secondary education and seeing if we can't improve what we are getting from the community colleges and the University of Alaska.

MR. GIBSON: I am Bob Gibson. I've lived in Alaska for about 30 years continually. I have been in the communications, sailing, in education. I am currently a teacher in the division at the Kuskokwim Community College in Bethel. I have got all sorts of things I am vitally interested in here. I am an alternative energy nut. I am interested in rural economic development and got some hot ideas on transportation you will hear about those later.

What I was struck by today was a sense of community here. I met a lady I have only known by correspondence from Alaska, and I see people whose faces are familiar to me. Hey, this is a whole integrated independent community and I should like for my part to see that governed and give direction to everything we do here.

MR. FAIRBANKS: My name is Grant Fairbanks. I live in the Kuskokwim River near Steitmute. I am interested in lots of things, farming, fishing, energy, ecology, and that's about all I have to say.

MS. DICKSON: My name is Abi Dickson. I have lived in Alaska for about 15 years. I used to live in Fairbanks. And I lived in Kodiak. And I have to admit to myself that I am a fringe person and now living in Unalaska out in the Aleutians. I have been interested in Alaska for my entire life. And I am on the City Council in Unalaska. One of the things that I have been trying to emphasize out there,

we are an island community in the Aleutians. We are an island community in Alaska. In trying to determine what was the basic common denominator of all the people that have moved into the Aleutians for whatever reason, there is one basic common denominator in that we are at the time this only people on the face of the earth that are living out there. And I think that in Alaska we are the only people living here, and it would be nice, as Bob says, we are an integrated community, I would like to see that out of this conference we become more integrated, emphasizing our self-sufficiency needs in energy, in agricultural pursuits, that we try and bring ourselves into focus as a unit. We can't live happily after here. We can't live happily after anywhere. Thank you.

MR. GAZEWAY: My name is H P Gazeway. I have lived in Anchorage for the last year and a half. I am retired, self-employed. I first came to Alaska in the early 1950s. I lived in Palmer, was with the University U S D A. The last 20 years I was in Juneau. My work mainly was concerned with resource and program planning. I am here mainly just because the reason which I came to Alaska, which most of you came to Alaska. And I am interested in government organization, particularly effectiveness and efficiency, and I was attending the Brookings Conference in '69. I don't know what I expect to come out of this one. In

this way I hope it to be much more successful in Alaska. It's good to see so many people here that I have crossed paths with previously.

MS. FATE: My name is Mary Jane Fate. I was born in Rampart and lived in Alaska not by choice, because it's home. I, too attended the Brookings ten years ago. And because of my involvement as an officer with a native village corporation and, as past president of the national nonprofit corporation, my interest lies in all the fields that you have specific priorities, I think, this year would be land, land use planning, any type of planning or what resource we have in the State of Alaska with expertise to land use planning, utilization, development of any kind. Secondly, of course, education, with my husband being on the Board of Regents. But again, thinking back home and Grade 1, upgrading Grade 1 up, and perpetuating and enhancing our higher education. But also, we've got to work at home and the quality of education at Grade 1 so the students would be able to go on into higher ed. Another thing, of course, is economical development planning. But everything on here that you've got is all relevant to the time, so I am open for any help.

MR. CARLSON: Dwayne Carlson, president of the Alaska AFL-CIO, currently from Juneau. Prior to that ten years in Anchorage, prior to that 17 years in Fairbanks.

I would like to associate myself with Carolyn Guess' remarks. We are aware that there will be a great amount of money. And as I think Chairman Meekins said, he had a request for about three times that amount of projects. I would hope out of this conference we can come with some new concept to have this trickle back to the individual. And I think that can only be done if we can get a comprehensive new approach to the energy problem, and I think tied right with that is the transportation problem.

If we are not successful in doing that in the State of Alaska, most of that is going to be because the individual can't afford to live here any longer. It's fine to have a fine campus and I agreed that we need it. The Labor movement has always supported it. In my opinion, Professor Hesser (phonetic) is more the individual for the university than any college.

I try to take the different papers around the State, and if we don't do something to help that individual owner and soon, I think we are all a failure. A State that's rich in natural resources, there just has to be some way to do it. I hope that out of this conference we can do that.

Thank you.

MR. VAN DOREN: I think we can go to the other side of the table and back up this direction, of delegates.

MR. DAVIS: My name is Larry Davis. I am from Nome. I guess my primary interest in being down here is to try to focus to renewable resources. I think there has been too much attention spent to nonrenewable. If renewable resources are kind of left in the aftermath, I think it's time we focus some attention on the renewable resources in the State of Alaska. And the primary reason I have is personal. It's just not only to the State of Alaska but to the world. I think we should pay more attention to renewable resource and focusing too much attention on nonrenewable resources.

MS. CARPENTER: I am Diane Carpenter, president of Bethel. I have lived in the Kuskokwim Valley for about 25 years. As a teacher, I am interested in education. As a council member in Bethel, which is the city that has a number of problems, our interests range over a wide area including approving justice system, tax base, planning for appropriate economic development, planning for appropriate technology and energy conservation, planning to avoid the State deterioration, and especially for working for enhanced local decision and control and trying to see that the lifestyle that exists in that area is protected as much as possible.

My overall goal for this conference would be that the increasing split that I have observed in the past two

years between urban and rural sections of the State could perhaps be healed in some way and that we could focus on some of the needs of the State overall and on how we can each see other points of view and work together.

MR. GORSUCH: My name is Lee Gorsuch. I am with the University of Alaska, director of the University Research. I have lived in Anchorage for about ten years. I have two lovely children that are now part of the Anchorage school system. I am here as a delegate, not so much as from the university, but rather as a citizen concerned that Alaska does have an opportunity of trying to basically foster its own self alliance. I think the main thing we need to be concerned about is our ability to take care of ourselves in the future. At the same time, the additional self alliance I have been concerned about. What I sense is take care of ourselves and ignore everybody else. I think we have a great deal of responsibility, a responsibility not only to ourselves and our children, but also to the nation and also to the world. Alaska occupies a neat part in the nation's energy situation. We also represent a very unique part in the environment of the entire globe of the planet earth. I hope that we don't lose our perspective of our goal as a unique environment and I hope we also do not lose sight of our obligations as an integral part of the United States of America.

MS.FLYNN: I am Heather Flynn, and I live right here in Anchorage. And I have for years been a member of the Anchorage School Board here, and it's only by an accident of the alphabet Mr. Gorsuch and I are sitting here side by side. And he is a new member of that board. He didn't mention that.

I have also functioned for some years as the legislative representative, that's a fancy word for lobbyist, of the Anchorage School Board to the Legislature, some years with a great deal of success and some years with no success at all. I have throughout that period of time worked very hard at getting the urban and rural areas to work in very close association with one another to try to bridge the gap that Diane mentioned between the urban and rural areas.

In addition to my obvious interest in education, I have a much broader interest in the entire both economic and shall we say philosophical development of the State. We seem to be in a position financially this year where we can build a very great deal. But my stomach familiarity with finances tells me that we better pay some attention as to how we are going to operate what we build in the future and we better keep very close sight of that area. And I hope some discussion in that area comes out in this conference.

One other interest that I have that I would like to see developed in this conference is the whole issue of the use of the land. And I am not a D-2 rah-rah. That issue, in my opinion, has been talked into the earth too far.

What I am interested in is the use of the land as it impacts the individual. I have a very strong feeling that people's individual mental health is very much associated with the kind of environment that they live literally right next to, whether that's a park or a super highway and how we plan our communities, not just how we use the land for hunting and fishing and drilling the oil, but how we plan our communities has a very great deal to do with how happily we live in those communities. And I would hope that we could find some room in this conference for some discussion on that.

MR. CHAPADOS: My name is Frank Chapados. I am an Alaskan by birth. I have resided in practically all of the areas of the State and have, I think, a very good understanding of the problems of Alaska. I am a businessman. I have been in business now for about 25 years in the Fairbanks area. I have served in the State Legislature the first four years of Statehood and also was a member of the Brookings Institute meetings that were held in 1969.

I am looking forward to participating in this conference and I feel that with the experience that I have and the interest in Alaska that I can make a contribution to any of the discussions that are going to be held. Frankly, I am not sure what I want to see come out of this conference, but I do believe that we in Alaska have the opportunity to create a life-style which may require some compromise on the part of all of us that would be the envy of the rest of the world. And we have the tools to do it ith, and what we need to do is learn to agree and to set some goals to plan our future and to follow through and do what we can, what I think we can accomplish.

I was impressed with Ed's remarks about education this morning. I am not sure that I need to think that we should put all of our resources into that area, but I think we have to beef it up to the point where it's going to attract our Alaskans and make them want to attend our university and other institutions of learning in Alaska. And I think we can. By so doing we are also going to attract the kind of people that will help us to develop the kind of leadership that we need to carry out our objectives which I hope we are going to be able to make recommendations on here at this meeting.

Thank you.

MS. COOKE: I am Margaret Cooke from Bethel. I have

three children, two of whom are in school now. And I was here at the Brookings Conference ten years ago. I have a lot of interests in a lot of things that are in the report, problems we have out in the Bethel area. What I am interested in is upgrading our educational system, mainly, plus the energy problem. There is people out in the villages who will be paying over a dollar, probably up to two dollars a gallon, if they could get the oil add on the gas. And I think with a State so rich in oil, that shouldn't be so. And I am hoping that this conference will come out with, you know, positive suggestions.

MR. CROW: My name is J. B. Crow, I am Margaret Cooke's Bethel neighbor. She lives in the elite part of Tim Town. I live in the part that's called Louse Town. I divide my time between about nine months in Bethel, about the remainder split in getting turned on with British Columbia people who are deep in the fishery thing and up the Dishna to a side stream up the Ditnuk. D I T N U K. And that's sort of a retreat and a refreshing of the spirit. I am very impressed with the seriousness and the profundity and the nobility of these expressions. I have to confess my prejudices. I can't beat talking about being an Alaskan. I am here long enough, so I am quite provincial, I am afraid, certainly no ethnic eccentric, I am certainly concerned about my own interests, my business, my family,

much more than the rest of the areas of the State. So as the thing goes along, I hope to make a contribution in the renewable resources aspect as he said over there, and we did our thing together in forming our cooperative ten years ago for fishermen. Right Pren? Right. We still have things to do to make sure our resources are used to get back to the people that live there.

DELEGATE: Pardon me, we didn't get your name.

MR. CROW: Crow, C R O W.

MR. CARTER: My name is Ernie Carter. I have lived in Fairbanks for the last 27 odd years. I have a business there. I have served on the City Council and the Fur Assembly for about nine years, and I was a delegate to the Brookings Institute Conference. I feel honored to be invited back for this one, and I have to say I hope that some of the polarization that is taking place in this State can be put aside and we can show a little bit more cooperation.

The art of politics is always a give and take proposition. You have to compromise for the good of the whole State. I think all of us are going to have to give a little bit on various issues. I would like to see the State develop its natural resources in an orderly development in an orderly manner and thereby benefiting the people in the State and adding contribution to our great

country in the energy field. I would also like to see hydroelectric power pushed because I think it would solve many of the problems with an alternative source of energy. And it's here. All that has to be done is develop. And these studies that we keep having are done over and over again repetitiously. I would like to see some action instead of studies. Thank you.

MS. FLEMING: Hello, my name is Laura Fleming. I am a delegate from the internship program. I live in Juneau, and I am very thrilled to be participating in this experience with all of you. Thank you.

MR. EKVAL: My name is Eric Ekval. I have lived here in Anchorage, I have lived here ten years, because I came up the week of the first Brookings Institution conference. I have been involved in a lot of different kind of work from social services to education. And right now I am a communications and public affairs consultant.

My concern in this conference is that ten years ago I think there was much more of a sense of unity of purpose in this State. There were fewer single issues, there was less polarization, perhaps taking off from what Mr. Carter brought up. I see the people in the State going in a lot of different directions at once. We are also much more prone to future shocks than other places in the country. We are not polluted. We don't have the traffic

jams perhaps as other people do. We don't have the sense of finiteness and the limits of what people can do, which is both a tremendous strengths to our spirit and a sense of what's possible, but it's also we may be diluting ourselves sometimes thinking that the rest of the world is in the same position that we are.

I think we are becoming more and more in Alaska a part of the world and that things that happen here will affect the rest of the world and certainly things that happen to the rest of the world are going to affect Alaska more and more. And I guess something that's a theme for me, a personal theme, is bringing together divergent points of view and melting them into some kind of commonality of purpose and I think that that will be more difficult this year than it was ten years ago.

I think it's more vital that we do that or that we accomplish something like that. I believe we will all have to give a little. I think we have to be daring and very, very open and sure in our minds and our imaginations about what Alaska can be. I think we also have to be greatly pragmatically realistic about what's possible. I have no real axe to grind here. I am interested in education. I am interested in energy. And I hope that we can draw ourselves, not just draw the wagons around in a circle and draw our opinions around in a circle. And I am

for some sort of commonality in purpose.

MR. COOPER: I am Earle Cooper from Homer. I have been from Homer a long while. Before that I was in the Anchorage area. I served on the City Council, the Borough Assembly for 20 some years of elective office. But during that period of time, I think we have all seen the common problem of idle hands and the mischief thereto. I think there is lack of productive work that people can take a pride in accomplishment. There is too much work, too much work to make a living that doesn't really accomplish good for the community or the, or the State. I think we need to go back to 10, 15, 20 years ago when we were probably working harder and had less emphasis on culture. The last ten years, we have had quite an emphasis on the various cultures. But I think we need to realize that without a strong economic base, whatever that base may be, whether it's renewable resource or extractive industry, but without a strong economic base, cultural activity becomes an academic word. You are too busy trying to earn a living or to scratch a living out of something to be able to spend the time and effort for enhancement of the community. I guess what I am wanting to see is some basic productive enterprise within the State to keep the citizens of the communities busy.

MS. ELSON: I am JoAnn Elson and from the City of

Kenai and have been for approximately 12 years. I am with the Department of Labor, the Department of Security Division in Kenai. I am a Kenai Representative to the Assembly. I am also the Assembly President. I am on the Steering Committee for Energy in Environment on the National Association of Counties. I am the Board of Directors for the Alaskan Municipality. And I have a lot of interests, energy and environment being one.

But I also have a unique mission for me. I was asked by the Women's Resource Center in Kenai to come and represent them. This is unique in that I have stayed away from the Women's Resource Center up to now and have been busy. But they have caught up with me. And after reading their packet, they have some very good and sound ideas and some good suggestions which I am hoping that I will be able to help in some way. The land use statement that Edna Flynn made, I think I would have to say ditto. I am concerned with not only how you are going to parcel out the different lands, but what you are going to do after you are settled? What are you going to do as far as the problems of pollution? What are you going to do with the problems of waste and solid waste? Transportation is another problem we are concerned with on the Peninsula. We are concerned about tourism and health and education, and not in that list of priorities. But I do want to say that the

Peninsula is concerned and very, very anxious to participate with the rest of the State. We are not Mavericks on the Peninsula.

MS. FISHER: My name is Helen Fisher and I am a 26 year resident of the State of Alaska. I have never been in the Legislature, so I am a different Helen Fisher. I always explain that, because people invariably say, "Have you been in the Legislature?" And safe to say, I am not that one.

My concern has been education and human resources. I came with some very definite recommendations and feelings. I am director of the Alaskans Resource Center. And we are part of a network of resource centers and shelters for battered women throughout the State of Alaska. So we represent quite a few women and men, too, so we don't discriminate. As far as recommendations are concerned. We would like to see some money spent on human resources centers, through the grass root associations that are already here.

We need to break the circle of family violence, of battered women, of rape, of child abuse and alcohol problems. We need to buy some prevention. We need to start on preventative ideas to stop this circle of abuse. In a beautiful state like this, we have some terrible statistics in all of these social problems.

I have an interest in education and training programs to break the circle of welfare. We see women through the Women's Resource Center who desperately want to get out of the welfare racket. They want jobs, but they lack training. They do not have money for training. They need money to support their family like yesterday. So they don't have the time or the money to go to what few training programs are available. The people are not able to take advantage of the jobs that are offered. We have -- there are people in the private sector who come to us and say we can use a certain number of people with a certain amount of expertise in an area. We cannot provide those people for them because we don't have the training programs to go along with it.

I have a farm background and am an ardent conservationist. I am a proponent of solar wind and water energy and I believe that more needs to be done in the technical and scientific education. I am concerned that the next extinct species might be us.

MR. VAN DOREN: Mr. Clark, we missed you going around the table.

MR. CLARK: Thank you. I was hoping you would, but you didn't. Jim Clark from Bristol Bay Borough, mayor there, financial director for the area. Also I serve as Director for the Board for the Local Utility, electric

utilities there.

And being last, I thought perhaps that I could come up with something that had not been stressed earlier, but being with this knowledgeable group, and what have you, I can only reemphasize some of the things that you have already discussed. It's great to be here from the standpoint of the polarization that was mentioned over here, at this place, to break that polarization now. I have listened to people from different areas and what have you. And I can see that one thing coming out of this would be a situation where we know each other and in the future when some of these things are brought about and come to being that we'll be able to know that. There was Mr. Cooper there, Steve Delisio, Larry Davis, some of these names that we all can familiarize ourselves with.

Opportunity for this State, yes, that's what I would like to see. Opportunities that create opportunities, not opportunities that may be opportunities today and headaches tomorrow or the next day. Communication and transportation, definitely, things that we need. A good flow between our national, our State, and local governments, not just the post office can solve that. They do have a problem, I didn't receive my packets. And I presume somewhere along the line they were lost because they were mailed out.

Also to bring it more closely to my home area, Bristol Bay, our great resource is part of the fish that come in each year, each year they pile in by the millions, next year supposedly more millions. I would like to see us create a situation there that would better benefit all of Alaskans. And education: I teach school also, in my spare time. And I would like to see our education system continually updated. And I don't mean just the classroom. I mean education anywhere that there is a possibility to learn.

And I certainly would like to thank the ones that organized this meeting and I feel there is an opportunity to be here. I thank you.

MR. VAN DOREN: Are there any ot[illegible] delegates that have not been heard from that are delegates to the Beta group?

Okay, I think you have seen going around the table here when we organized these groups, we decided to do it alphabetically. I think it was a very wise decision, because as you have seen, we have people from all different places in the State, from different facets of life, and I think that we will be able to work together. This conference we are giving you very little material except papers that have come from the people themselves.

This conference, what we are supplying, is the

place for you to make your wishes known. What you are going to take out of here is the products that we work on, not papers, not necessarily books, not necessarily writing, and not necessarily dictates from us, but you, yourselves, are bringing in something and you are going to leave with something, and from the group that we have all just met, I think that we will be able to work together very well with some different ideas and some stimulating conversation. I have one more remark to make and then I am going to turn the meeting over to Mr. Michael Rowan. He will be explaining to you the survey that we are going to be taking. Rather than say anything about it, I am going to let him explain it to you.

I would like to remind you this afternoon at two o'clock, we will start delving into direct services, also at the completion of the poll that we will be handing out to you, materials will be available in your packet at the back of the room. They will be handed to you as you go out.

The blue booklets -- would you hold one up, please? The blue booklets that we will be passing out are supplement papers that came in too late to be printed in the yellow booklet. And so you will have from the end of this meeting until two o'clock to look over them. There also will be some people papers that we solicited. We asked anybody that was interested in Future Frontiers in

the program to submit the papers. We call them people papers because they weren't directly asked; anybody who wanted to submit a paper was able to. We will have those for you later on. Okay. You've met the team, you've met the players. This is our group. We come down to not exactly attest, but we have -- Mr. Rowan has devised a survey and he will explain all about that and then we will pass them out to you.

MR. ROWAN: Eric, do you have them?

STAFF: I gave them to Guy.

MR. ROWAN: I think we would like to begin passing them out as they talk. Let me describe what this is. My name is Michael Rowan. And as part of my contribution to this conference, what I have been doing is prepared a questionnaire at the request of George Hohman and Russ Meekins for each delegate. Okay, it's being passed out now for you to self-administrate right now. It takes about 20 minutes, maybe 25 minutes for you to fill out. After completing the questionnaires, the data will be tabulated and we will report back to you tomorrow on what you said. The questionnaire was drawn from the ideas and the conclusions and the proposals put forward in the papers in that gold brochure you have that has about 33 papers prepared on all aspects. So basically what I did was I read through everything everybody said, the proposals they

made, the ideas they came forth with, the contexts, the conclusions, and I began writing questions to you based upon what they were saying in their respective areas. This was defined by the staff people and, you know, we wind up with the product we've got. I hope it's a useful thing to begin stimulating you thinking about, especially every question that could come up.

There are some questions I would like anybody whose got the questionnaire now to please look. You will notice in the questionnaire from time to time the name of the writer from whom the question was drawn in the article in the gold book is also mentioned for your reference, if you want to look at the gold book. You may find it difficult to answer some of the questions if you have not read all the articles that were prepared for this conference. And if so, leave it blank and go on to the next question. I would like you to circle the appropriate number for each question, 1 or 2 or 3 or 4, as you proceed through the questionnaire. Now, you will find in the questionnaire that there are ranking questions, 1, 2, 3 or 4, and I would like people just to see how to respond to this, to turn to question numbers 49 to 55, so that the fourth page reads, and this reads, "How would surplus revenues best be used in Alaska? Please rank the following." And then 49 to 55. In all these ranking questions, the

number 1 is the lowest range, and the highest number there is always the highest rank. So if you have five choices, then five would be your highest ranking and four would be your second highest and so on.

In this sequence, by the way, 49 to 55, there are six choices and you are given five rankings, so please add number 6 to that group, okay. 49 to 54, next to the numbers 5 out there is a number 6 running down the column, because you've got six choices there we are asking you to rank from.

All right, just repeating that now, any time you get into a ranking question, number 1 is your lowest range and whatever the highest number there gives you the highest rank and circle that number, okay.

On question 25, please, if you turn to that, the responses should be, 1 should not be yes, it should be "cooperative." So you can write that in there. One should be cooperative. Question 25, about the third page. One should be "cooperative" and two should be "develop an independent plan." Obviously yes/no is not the answer to that question.

In the same respect on question 7, 07 on the second page, that should not be a yes/no answer either, question 07, number 1 should be "succeed" and number 22 should be "just talk." It's clear from the question: In

question 72 -- this is my last explanation and then I will shut up. In question 72, we have improvements to the existing interAlaskan community road network and in question 74 we have question of improving intraexisting road networks. Inter meaning between, roads between Alaskan communities, and intra, I N T R A, meaning roads inside, roads inside the community. So in 74, it's inside, and in 72, it's roads between our connecting Alaskan communities for clarification purposes. Are there any questions? I will come around and answer any questions. The purpose of the survey is to raise all the questions that were originally brought to you by the 33 or 35 people who wrote papers to you and to bring you up to speed on where your opinions are on all these matters immediately. We will bring the data back to you tomorrow so you will see immediately where you are on these major questions that are raised by the particular people who have raised the questins to.

MR. COOPER: The first question is unrealistic in that it would be unachieveable given the present numbers of people within the State. There are three people to go on a subsistence life-style.

MR. ROWAN: I think you are answering the question.

MR. COOPER: So maybe we would like to see it. But in order to do it, that would mean that we would have to

push half or two-thirds of the people back down south or something in order to leave land enough for that kind of a life-style.

MR. ROWAN: I tend to agree with you, and I would circle in that case, number 2, (laughter) And in question number 2, number 3, no.

MR. COOPER: What I am saying is maybe we would prefer the first, realism being what it is, it's a pipe dream.

MR. ROWAN: I think that's a reasonable conclusion, but I think there are other people that might have opinions on that matter. You know, in 1969, a lot of people had -- this was a large part of the discussion was the Alaska life-style thing. So that's why they wanted to start off with this sequence. They wanted it to be part of your discussion, too.

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(Afternoon session at 2:00 p.m.)

MR. VAN DOREN: Ladies and gentlemen, I would like to have us get started now. It's two o'clock. A couple of mechanical things I would like to share with you at this time. We will be passing out an index of the list of authors of the public papers that came in. We only have a

limited amount of the public papers, and if you would like to look them over, like to read them at the end of this period when we take a break or something, if there is any certain papers that interest you, just come up and see us afterward and we will check them out to you. Unfortunately, some of the papers didn't arrive until yesterday or the day before and we weren't able to do a print up of 200 of them. But each group has four or five or six packets available. So these will be coming out to you.

What we would like to do this afternoon is, I have been up here in front of you long enough. You have each had a chance to get together and meet with each other. You have heard a little bit about each other. And I would like to relinquish the floor and be able to turn it over to a moderator or a group leader. And I think at this time would be a good time to have you all chose a group leader. This is, again, your conference. This is your group, the Beta group here. And I would entertain any suggestions for the group leader that would take you through the rest of the conference. Yes.

MR. DESILIO: I would like to nominate Mrs. Guess.

MS. GUESS: I have a problem in that I have obligations to my children for part of tomorrow evening and Saturday morning. I would be willing to take part of the responsibility, but I could not do the whole thing. I do

not know what the requirements are.

DELEGATE: How about Mr. Chapados.

MR. VAN DOREN: I'm sorry, I've got to remind you for Pamela, would you state your name when you are recognized.

MR. COOPER: I would like to recommend JoAnn Elson. She is president of the Kenai Peninsula Borough assembly and has been able to keep 16 assembly people squared away and sort of working on schedule. So she probably has as much experience at this as anyone around.

MR. VAN DOREN: All right, JoAnn's name has been brought up. Are there any other suggestions?

Since there is no objections, it seems to be that you are it, JoAnn.

Okay, the procedure that we will probably use now is: this is your conference, your discussion, your ideas. I told a few of the members of the committee that I was going to ball you out a little bit. When we had the discussion this morning or when we had the survey sent out this morning, I had a lot of people as they went out the door or went out on the balcony talking about the paper or the objections they had to it. What I wish you would do is talk about it in here. That's what we are here for. We are here to discuss things. Whether it be the survey, whether it be the issues or whether it be any subject at all that you want to see be brought up to this group, we

would like to hear about it. And rather than hear about it out in the hallway or on the balcony, we would love to have you bring it up here. And I think right now the session is open, and JoAnn, I would like you to take charge of people wanting to be recognized on that subject or other subjects, then I will let you take care of it. But I am here to help you in any way that you like.

MS. ELSON: Mr. Gibson's, did you want to address the conference?

MR. GIBSON: Yes, I would. Relative to the questionnaire which we filled out prior to our adjournment for lunch, I don't wish to belabor any of my objections to the questionnaire and there may be those that others have and may not. But I would like to obtain the concensus of this group on a proposal that I make that this not in any way be considered in any part of the expression of this group's feeling or anything.

MR. DAVIS: Objection.

THE MODERATOR: Mr. Davis.

MR. DAVIS: I object because this is primarily the purpose of the conference to try to find out what the feeling of the group is here. If you are going to object to a questionairre that's filled out by the legislative members of the Legislature, you are not going to fulfill the purposes of this conference here?

MR. GIBSON: May I answer that objection?

MR. DAVIS: Surely.

MR. GIBSON: I do not object to us using this for our own guidance and as a tool for our own expression. What I do not feel is that a questionnaire of this sort, which is very limited in the options it gives us, which tends to be a polarizing thing, be considered an official expression of this group's views or feelings. We need more time to talk about what we see here rather than making snap decisions on the basis of limited options and having them go forward as a recommendation of our feelings. So I am not suggesting we chuck it out. But I don't want this to have something that people depend on as an expression of our true feelings.

THE MODERATOR: Yes, I think you had your hand up.

MR. CARLSON: Madam Chairman, I would just like to speak in behalf of the motion, that I think those questions were all aimed in a particular direction. And I don't mind the facilitator's, or whoever, using those during the conference. I would hope though that the press doesn't pick up the conference discussed and voted X number of votes in favor of a certain thing and down the line came something else. I hope that wasn't the intent, and I would sure want to put a minority vote somewhere if that were expressed or impressed in any manner, if that were expressed as any of the thoughts of the group gathered here.

I would hate to think that that's where that might be headed. If it is, I would propose it being not released

THE MODERATOR: Yes, sir.

MR. FAIRBANKS: I have a feeling that this might tend to polarize people. One of my main gripes is it seems to answer some of the questions that we have not yet asked. It's too limited. There is a yes and a no where we have maybe a gray area in between. Some of the questions says revenue moneys for bottom fishing or something else. We should talk about the something else, too. I feel it might be a little bit biased and we should not do anything with this officially is one of my feelings.

THE MODERATOR: Mr. Davis.

MR. DAVIS: My primary interest is in resources. I wonder if I could go to a resources group rather than direct services here. I am not really interested in it here. I am more interested in resources.

THE MODERATOR: I believe the discussion now is the questionnaire. And Mr. Gibson, was that a motion that you entertained or was that just a feeling on your part.

MR. GIBSON: I am prepared to make a formal motion if that would help?

I move that this questionnaire be used totally for internal purposes of this group and that it not be in any way considered as a position of the group.

THE MODERATOR: Okay, you have heard the motion before you. Discussion?

MR. FISON: Does that include that it not go to the press?

THE MODERATOR: His particular motion?

MR. DAVIS: Madam Chairman, point of order here, I didn't hear a second.

MR. CARLSON: Madam Chairman, I make a second to the motion?

THE MODERATOR: The motion has been made and seconded. Would you be able to restate that motion?

(The reporter read as requested)

THE MODERATOR: Discussion.

MS. GUESS: I would like to amend the motion in that it not be used as a part of any publication.

THE MODERATOR: Motion, there is a second.

MR. FISON: I will second that.

THE MODERATOR: The motion has been made by Mrs. Guess that this not be used by any paper.

MS. GUESS: For publications purposes.

MR. DAVIS: Are we on discussion.

THE MODERATOR: Discussion on the amendment.

MR. DAVIS: On the motion or the amendment

THE MODERATOR: The amendment.

MR. DAVIS: I would like to focus the attention on

the questionnaire amongst this group here so then we can have some target that we can direct ourselves to rather than just leave it go and then forget it.

MR. CARLSON: That's what the motion does

THE MODERATOR: We have the motion on the floor, an amendment motion. Are you ready for the question?

DELEGATE: Question.

DELEGATE: Yes.

THE MODERATOR: All those in favor.

(Responding)

THE MODERATOR: Opposed?

We have a motion carried. As amended, are you ready for the question?

VOICE: Question.

THE MODERATOR: All those in favor say aye.

(Responding)

THE MODERATOR: All those opposed?

THE MODERATOR: Motion carries.

The discussion listed for our group would be direct services?

Would you be interested in breaking out possibly the individual categories and then discussing each category in turn? And if so, I would like to have some suggestions as which items you would be interested in addressing? I am told transportation, health, education, government services,

any particular ones you would like to address first?

Mr. Cooper?

MR. COOPER: I would like to suggest, then, that we take the transportation portion of that and discuss it first because certainly transportation would have a direct relationship on a good number of other categories depending on whether there was or was not a good transportation between communities?

THE MODERATOR: It has been suggested that we address under direct services transportation. Any other suggestions?

MR. FISON: Will we be limited to the selection we make? Do we select one item now and that's the one we talk about from now on?

THE MODERATOR: I would really like a list to see what it is you are interested under this topic and possibly we can go on at that time. Mr. Cooper?

MR. COOPER: I'm sorry. I was under the impression what we were going to do was discuss a list of items. But we were going to start with one of several and discuss it for awhile and then go on to other items on the list.

THE MODERATOR: I believe that we need some type of list of priorities that you would be interested in. Transportation, for one, has been -- Mr. Fison?

MR. FISON: Then I would like to suggest education as

a priorty.

THE MODERATOR: Okay. Ms. Davis?

MS. DAVIS: I would like to make a motion that we discuss education as our first priorty.

THE MODERATOR: Motion by Ms. Davis that we discuss education.

MS.FLYNN: Second.

THE MODERATOR: Been seconded. Discussion.

MR. DAVIS: I wonder if we break into groups here where we can discuss education, disuss transportation and separate groups. I don't know how much time we have there is my problem.

THE MODERATOR: I believe they have us in here for a purpose, and that's to discuss all the issues together, I have been told.

Okay, the motion on the floor is to discuss education first. Mr. Cooper?

MR. COOPER: Madam President, the reason I suggested transportation as the first item was because if we can arrive at a consensus of what we would like to see the transportation system to be, it will have an effect on a lot of other items. Certainly education and government services are all important but if there is no direct transportation link between communities, then each community will have to evolve its own education system. If

there was a good transportation system between the two, then you could have maybe a different type of educational system by the combination of several. Rather than having several small, you could have one large to give a better, more thorough study into a particular delivery of an education experience.

THE MODERATOR: Your name, sir.

MR. CHAPADOS: Madam Chairman. I think that we probably have a number of important issues that need to be discussed this afternoon and that to set priorities may be right. But I think we ought to set some time limits so that we can at least cover the field. And that would be my suggestion.

THE MODERATOR: Any further discussion on the motion on the floor. The motion is to take a question of education first. Yes?

MS. FATE: My question is: Do we have resource people? Do we have the availability of resource people in the house now of all those subjects? And if not, if they are here, then I see no problem.

MR. VAN DOREN: Guy Van Doren answering her question.

We have available the authors. They are aware that we are going to be discussing direct services. When we need an author, we will send one of the staff to get the person

THE MODERATOR: Mr. Fison?

MR. FISON: A question: Can we ask other people other than authors to come to speak to us? I am thinking in education, of the presence of the three universities in town.

THE MODERATOR: He says yes.

The motion on the floor is on education. Are you ready for the question? All those in favor say yes.

(Responding)

THE MODERATOR: All those opposed say no.

(Responding)

MR. GIBSON: Request a hand count.

THE MODERATOR: All those in favor please raise your left hand.

(Responding)

THE MODERATOR: All those opposed would you please raise your right hand?

(Responding)

The motion passes.

We have been then education first. We have transportation second.

Are there any other topics that you would like to discuss? I understand that there is also communications, health.

MR. DAVIS: I wonder, is the resources going to take

a separate item here on the agenda?

MR. VAN DOREN: Mr. Davis, resources will be discussed in this committee during tomorrow afternoon.

MR. DAVIS: I see.

THE MODERATOR: Mrs. Fisher, you have a question?

MS. FISHER: I was going to suggest that we prioritize the four items next as transportation, health and government services.

THE MODERATOR: Is that in the form of a motion?

MS. FISHER: Yes.

MS. DAVIS: Second.

THE MODERATOR: The motion has been seconded by Mrs. Davis. All those in favor say aye.

(complying)

THE MODERATOR: All those opposed?

MS.FLYNN: Sort of. Madam Chairman?

THE MODERATOR: Mrs. Flynn.

MRS. FLYNN: I don't like the term "government services," because it seems to me that transportation, health and government services fit in there anyway. And I keep hearing communications over on the other side of the table. And I would like to see that replaced, and I would like to see an additional 45-minute time limit on each one.

THE MODERATOR: Okay, under government services, I am told that we could substitute in communications and -- okay,

r. onal government, local government and communications. Is that with your concurrence? Would you give us your name?

MS. FLEMING: Madam Chairman, I would like to recommend that we do not ignore the area of law and justice, which has been characterized under government services.

THE MODERATOR: Under government services as well. We've got regional, local, law and justice, and communications.

MR. DELISIO: Madam Chairman, when do we discuss the philosophy of government, in other words, State government and how it deals with our lives? It seems to me that that would be an appropriate category for a rather extensive discussion under direct services. In other words, it almost seems to supersede everything.

MR. VAN DOREN: Just to help out a little bit, again to reiterate, this is your conference. You may discuss anything you want within the motions made any time you want with somebody just making a proposal and starting off from there.

THE MODERATOR: I think Mrs. Flynn had a suggestion for a 45-minute time limit on each topic.

MS.FLYNN: It was just a suggestion. I didn't make a motion. I can't remember how long we've got this afternoon.

MR. COOPER: Until 6 this afternoon.

MS.FLYNN: Until we all wear out.

THE MODERATOR: We take a break at 4:30, I understand, and then we change rooms and then we meet until six.

Mr. Davis?

MR. DAVIS: If we are going to limit ourselves, I would suggest that we discuss -- I've got 1, 2, 3, 4, 5 items under direct services. If we are going to limit 45 minutes to each item here, I would suggest that each one of us limit ourselves to two minutes on our testimony. Otherwise we are going to be here all day and all night, if there is no time limitation put on the testimony about any of the direct services.

THE MODERATOR: Mr. Fairbanks.

MR. FAIRBANKS: Madam Chairman, if we limit ourselves to 45 minutes, we are not going to hit all of them.

THE MODERATOR: It was just a suggestion.

MR. FAIRBANKS: Maybe I could.

MR. HOFFMAN: My name is Edard Hoffman.

We kept Kuskokwin area, we have the kind of people that represent Kuskokwin here. And we have about three or four important qustions to be answered, and we let our -- we have our chairman, Diane Carpenter, to take care of them. Diane.

MS. CARPENTER: Yes, we were concerned about the major public facility kind of needs. I don't know. There doesn't seem to be any place to address this, such as a

hydro project, a major road system.

THE MODERATOR: I have been told that that would come under the resources, and that would probably be tomorrow.

MS. CARPENTER: Thank you.

MR. HOFFMAN: And the other ones.

MS. CARPENTER: And the others are transportation.

THE MODERATOR: Transportation would be second after education today.

Okay, it's approximately 2:30 now. We have approximately four large topics.

Mr. Cooper?

MR. COOPER: As a suggestion, possibly a half hour for each of the topics as you outlined, and then when we reconvene after the 4:30 break, we would have that time free to go back and pick up on any of the items that we felt we need more time or any new item that would come up. That's a suggestion, not a motion.

THE MODERATOR: Okay, a suggestion has been made that we take 30 minutes on each item and then come back after a 4:30 break and try to come up with some type of summary, some type of decision on each of these categories. Would that be agreeable to every one?

MR. GIBSON: Madam Chairman.

THE MODERATOR: Mrs. Fleming.

MS. FLEMING: Would you like to outline the four

categories?

THE MODERATOR: The four categories, education, transportation, health and government services. Under government services, we have communications, regional and local government, and law and justice.

MS. FLEMING: Thank you, very much.

THE MODERATOR: I hear no objections. We will go that route.

Okay, are you ready for education?

MR. GORSUCH: Madam Chairman, I'd like to ask that we perhaps move that the agenda allow at least an hour towards the conclusion of perhaps -- I haven't seen Saturday's session, but the lead articles on alternative futures to some extent speak to the questions that were expressed by several people of interest in trying to lessen the amount of polarization, the effort of trying to build a stronger sense of community and provided guidelines for the State's decisions over the next five or ten years. And I would certainly hope that our discussions on certain topics not be totally subordinating of the basic concept about how we begin to build back toward the community rather than increasing its divisiveness over arguments about how much money goes to transportation, how much goes into communication, how much goes into public facilities.

So I would like to, I guess, rather than move

prematurely, I would like to ask at what point in the discussion do we deal with some of the questions that were raised by the alternative futures papers or some of the issues that were raised by several participants about their interest of trying to address the question of diminishing the increasing tendencies of polarization and trying to identify a certain unanimity of goals.

THE MODERATOR: I would hope, and I have this problem back home, I would hope by working together on each of these items that we can come to some sort of compromise, because this is, I guess, what it's all going to be about. We have different opinions and different views on each of these subjects. We come from different areas of the state. But I believe if we sit down and discuss these as intelligent people, I feel somewhere along the line we will come out with some type of policy statement, if you would like to call it that, and hopefully it would be intertwined in these different segments.

We have education. Are you ready to go on to that subject? And if so, have at it.

MR. FISON: Madam Chairman, I have a concern that we are going to consider what was suggested this morning, and that is making higher education free to the public. My concern is that this would mean that private education is going to be in the more difficult position than it is

already because of the financial factors. If this is considered, I hope that we will also try to provide some means so that private education in Alaska in higher institutions will not be adversely affected.

Now, there are proposals that students receive the funds and then go to college of their choices. I happen to be affiliated with all three of the institutions in Alaska or in Anchorage here, and I am aware that, well, of what the situation is especially regarding private education, the difficulty in financing. And I hope that if we do consider not having tuition or tuition waived for the public education, that we make some provision so that students can have funds to go to private education also, if they wish. That's my concern.

MS. FISHER: Madam Chairman?

THE MODERATOR: Mrs. Fisher.

MS. FISHER: Yes, I'd like to elaborate on that a little bit. I feel the idea of alloting people X number of dollars for the education of their choice is very desireable. I think it should be extended to not only the student coming out of high school but the student in later years who feels they need to go back and change education or acquire more education, because very often we find that we don't realize how valuable it is until after a few years have gone by.

MR. DELISIO: Madam Chairman, one of the difficulties that we have been encountering to getting assistance to private education in Alaska is our restriction of institutions. Right now the way the Constitution is written, it's simply impossible to provide direct aid to private education, per se. I suppose you could set up a system where you give dollars to children and you say. "We hope you spend these on education and you can spend them wherever you like." And that may pass the test of the State not participating in helping to finance private education.

It seems to me that may be one of the first steps that will have to be taken if there is enough consensus in the State is to get a change to our constitution that would permit direct assistance.

The second observation I would like to make is: If we were to pursue the goal that Mr. Merdes was talking about this morning of trying to do something to enhance the quality of higher education in Alaska and in the process of doing that attract a larger number of Alaskans to go to school in their own institutions, I think we defeat our purposes if we are making moneys available so that the youngsters can go to school wherever they wish. If someone was to give me a tuition free opportunity to go to Harvard or Yale or Cambridge in London or England or something like

that, I might very well choose that opportunity.

On the other hand, where my free tuition or the equivalent of free tuition was to get me into the University of Alaska or its various subsystems or into Alaska Pacific University, then I think we are working into developing and enhancing Alaskan higher education.

THE MODERATOR: Mrs. Flynn.

MS.FLYNN: Yes, two points, and perhaps I would have to direct this to Mr. Ekval to some degree, because I recall that you were involved in this at the time of the proposed time of the constitutional amendment previously.

Mr. Delisio has hit a serious problem here. We do have a prohibition against giving direct aid to private schools, which I might add I support. However, there is a system in Oregon whereby private schools are paid by the State government an amount of money for in-state students. They must be Oregon residents, who are going to the private institutions and thereby not going to the State institutions, an amount which the State subsidizes each student over and above the tuition rate that that individual pays. And it has had a number of court challenges there, and it has withstood every one of them.

I wonder if we might consider or whether that was investigated as to whether that could be a possibility that we could use at this time. And I would like to direct that

as a question, then I would like to come back and make a comment with regard to Mr. Merdes's suggestion this morning.

THE MODERATOR: Your question was directed to Mr. Delisio.

MS. FLYNN: To Mr. Ekval.

MR. EKVAL: As I recall, the Attorney General in 1975, '76 ruled that the tuition grant system, the tuition equalization grant system, which is something similar to what is happening in Oregon, was unconstitutional and that it did violate the constitution. And an attempt was made to -- there was a referandum initiative on the ballot in 1976 to amend the constitution to continue the State program or some program similar to that. And it was defeated by a vote of about 2 to 1. Mr. McGinnis, who is here, is quite closely involved in that. You may have some more.

MR. McGINNIS: I do, Madam Chairman, if I may. I am assigned to another group, but I will speak briefly to this. I think the constitutional issue is a very vital issue. I think since the Supreme Court has ruled, the State Supreme Court has ruled on that, which is absolutely contrary to the U S decision on the same matter, but a State can do it if they want to. That's the way it stands.

I feel there can be some good because of contributions and some disadvantages to Alaska under our

present plan. I believe that the way the ballot was worded was misleading in and of itself and never should have been allowed to stand because it pled the case in the question that inasmuch as this is unconstitutional, you do thus and so. Whereas, if it had said, "This is the present language, would you consent to this language, yes or no?" it would have been somehow somewhat in a different framework.

But the great inequity as I see it at the present time and the great disaster for Alaska is this, that the Court really said that aid to a student is unconstitutional. Because they said aid to the student is the same as aid to the institution, therefore unconstitutional.

Now, the difficulty that is present with our WICHE program,. If someone wanted to bring a case with regard to the WICHE program where we do pay on behalf of the student, then there would be a war in the State, because they would say there in the State Compact for Educational Purposes we've got to do that. That is precisely the question and no one has raised it.

In addition to that, the multi-million dollars program for students going outside the State of Alaska to any state of their choice, is regardless of the loan concept. It becomes a concept when portions of that loan are given and that becomes a gift to the student in the same way and the interest subsidy which the State puts in.

The difference between the going rate of interest and the favorable rate is a gift to the student. And one of these days somebody is going to raise that question as to why is it that we subsidize students out of state to any school of choice public or private, and yet we will not allow that in the State of Alaska. It does contribute to the brain drain; it does drain off some of our best leadership. And it does promote for public and private higher education some problem in policies.

I think that the basic plan in equity is not desirable. I believe the only way it could be fashioned though would be another go and a better educational program in informing the public as to what the issues are because as long as that present issue stands on the present constitutional issue, we will probably never move from where we are now, which is grossly inadequate and grossly inequitable and should not be allowed to stand.

MS. FISHER: Madam President, I would envision if we just allowed subsidized education to the university system, we would be building a real monster. I think we need the contact of the other educational institutions and I am not thinking just of places like APU. I am thinking of in the not too distant future may be something in the cultural light, amuse I can school, the arts, any number of things like that. And I certainly would like to see students

being helped to go to institutions like that.

MR. McGINNIS: May I comment briefly? I was president of the constitutional convention when this was discussed, and I believe that the lawyers and even the Supreme Court missed the major issue, but who am I to judge that? Every discussion surrounding that had to do and the minutes of the convention indicate that that had to do with children. At no time was that ever designed to control higher educational programs in the State of Alaska. It had to do with elementary and secondary, the issue being that they are forced to go to school by law. Every explanation speaks to the children of the State and is never intended for adults and never intended for higher education in any event.

MS. FLEMING: What I hear you saying, Fred, is that one of the things that we should perhaps recommend is a challenge to that Attorney General's opinion.

MR. McGINNIS: It is more than that now. The Supreme Court has agreed.

MS.FLYNN: The development of new legislation which would --

MR. DELISIO: New initiative.

MS.FLYNN: Or new legislation that is geared specifically to higher education with the idea in mind that you would be challenged and that you would have the minutes

of the U S Constitutional question, the U S Supreme Court's tremendous amount of litigation in this area throughout the country, and which for the most part higher education has been left totally alone.

THE MODERATOR: Are you looking at something to be added to a long list that should be added to a Constitutional convention?

MS.FLYNN: Absolutely not, chiefly because I don't happen to support a Constitutional convention. No, under no circumstances. I am looking strictly as a piece of legislation.

THE MODERATOR: Then go into court.

MS.FLYNN: Realizing that somebody is going to go to court and challenge it.

Could I come back very quickly to another top that I think was mentioned with regard to the improvement of higher education right here in the State. I very strongly support the improvement in the quality of education. We've gone a great distance in this State toward quantity and spreading out the available resources throughout the State, and I most heartily approve of that. But we have some very major areas in which we have begun to develop things, but we have not put enough resources into them, for example, developing the chairs in the various departments, improving our library system very, very

significantly. It's great libraries and great teachers that make great universities, that much I agree with. But Mr. Merdes' suggestion that that somehow ought to be the catch all that keeps all of our kids here I think is absolutely the wrong notion to take. What you do is once you have got the good system, you attract people -- I know some of you don't want people from outside -- but you attract very good minds from Outside to come to our schools. The thought that we don't want to let any of our poor children or adults head off to other schools is one of the most parochial backward notions I have heard.

Why should we keep all of us here and not seeing what goes on in the rest of the world? I think that's a terrible trend, rather than attract people here and spread what we've got to other places, too.

MR. DAVIS: Mr. Chairman, I think when I heard Mr. Merdes's speech over this morning, he broke the educational part into three parts, and one of them was education, the other was cultural. And the other was --

MR. FISON: Spiritual.

MR. DAVIS: -- spiritual. If we talk about education, we should look at it from that aspect. Education as I see it today is all the western culture. We have learned all the basic things about the western culture, but nothing about our own heritage. I know nothing about my own

heritage because the system doesn't tell me about it. I think that is discrimination as far as education is concerned. If we don't recognize that now, our education is going to be the same today and forever. It's going to be pointed one way and denied any of my own heritage.

THE MODERATOR: Mr. Gibson.

MR. GIBSON: I have a number of things I would like to say specifically to Mr. Davis. I would heartily support as a rural Alaskan resident as a general Alaskan resident anything we can do to enrich our total State's life with the inclusion of the beautiful heritage that we are ignoring. Whether that be formalized in an educational process only, I don't think that's all of it. But that certainly needs to be a part of it.

What I see here is that there seems to be a consensus that there is more support needed for post-secondary education for our own people within our own State, both public and private. And we already have a program going where people may leave and be subsidized; is that not correct.

MR. McGINNIS: Right, exactly.

MR. GIBSON: But we don't have anything here. And we hear Constitutional questions. I think we maybe should approach a broad statement here that every Alaskan citizen has a basic right to so much post-secondary education which

may be supported by appropriate subsidies for a basic post-secondary education, whether that subsidy is spent within the State or without the problem of providing the quality.

THE MODERATOR: Could you stop right there? Can you go back to his statement where he starts his statement by saying, "The Alaskan citizen has a basic right to education"?

(The reporter read as requested)

THE MODERATOR: That statement that you made there could very well be a statement that this group would want to consider.

MR. GIBSON: I would love to have it debated.

THE MODERATOR: As a policy. And I have to have it in writing because I can't read my writing.

MR. McGINNIS: Mr. McGinnis, I would like to clarify one thing, because one matter Mr. Gibson made could be misunderstood. The subsidy through loans is available to students in the State and out of the State. A disproportionate number seem to be going out of State, a large number. And they can go to both public and private; that is the difficulty. Whereas the loan proposed is available both in the State and out of the State. The drain of the WICHE students is by virtue of the fact that they can go to public and private students out of the State, but those programs are not available within the State. So

I thought that verification odd to be made.

MS. FATE: Madam Chairman, I disagree wholeheartedly against speaking against our students leaving the State. I think this is part of the problem being born and raised here. Maybe we should have gone out of State earlier in life when there was no type of education in State, I mean for quality, and maybe our philosophy would be to be competing in this modern society. So, therefore, we have a right, and this includes the native and rural students, to leave our State for any type of education, because we will return. We are not going to go on a vacation or retire in Hawaii or Florida. We will retire here. But I totally disagree with anybody restricting a student or from any type of higher education out of State

THE MODERATOR: I believe just this little section that we've brought out is simply saying that the Alaskan -- I don't care whether they are polkadot, blue, yellow.

MS. FATE: I don't either.

THE MODERATOR: That's what we are saying here in effect, my interpretation that each Alaskan citizen has a basic right, a basic right to post-secondary education which may be supported by a subsidy whether they stay here or whether they leave. And I think this is -- you would probably agree with that, that portion? Yes, sir.

MR. DAVIS: Madam Chairman, I really have a problem

with education. We want to talk about our secondary post education. We are only talking about one university in the State area. I have kids of my own. And I have sent out two of them already, the two of them, to go out to a spiritual college where they can understand the basic principle of why America was born. And you can't get that from the University of Alaska. I don't care what you say. But the reason I sent them down there is I want them to get ahold on what the first, our constitution says to us, the freedom of worship. And if they understand that, you cannot get it from the University of Alaska. Our university here just only teaches the basic education. You call it post-secondary; that's fine. But it's still the western culture. If you don't break your services out, if the three services, into education we are talking about, we are not going to come to nothing. We have to address ourselves to that, to the fact that we have to break it down to three categories.

THE MODERATOR: Mr. Cooper?

MR. COOPER: I believe that Dr. McGinnis pointed out the problem or the solution, and that is that we don't specify where we have to go but that we make the necessary adjustments in the education system to where we attract the students -- I'm sorry, it was Mrs. Flynn that made the statement. But we attract the students here. They want to

stay here because it's the best education they can get, rather than trying to artificially force students to attend, make the school good enough to where they are able to select who they are going to allow in because of the over-abundance of applications. And that will only come about if the education being delivered by that particular campus is good. And then all of the rest of our discussion can be very academic. We are just going through an exercise in debate.

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

MR. EKVAL: I wanted to respond about the basic right. And I think I have trouble with the word right. We've already got presumably life, liberty, and the pursuit of happiness, and we have trouble defining those and deciding what is happy for one person is breaking another. And where do we stop for rights, right to health care? And what does that mean in terms of social programs. My only concern is I agree in thrust with what you are saying, but my only question is: What does that mean in terms of social policy? What does that mean in terms of appropriations and allocations of money and so forth. I would be really hesitant to advocate that people have a basic right to post-secondary education?

MR. GIBSON: I would love to respond to that.

THE MODERATOR: Mr. Gibson?

MR. GIBSON: I think if you look in context of what I said, they have a basic right to, as yet, an unspecified amount of post-secondary education as the responsibility of the State which may take the form of subsidy to be spent either within or without the State. Now, this is almost as radical as a proposition a few years back that kids had a right to a primary education as the responsibility of the State.

The quality and the content of such education are separate here. But this gives people as a State policy options that they may exercise at their discretion, but that the State is on record as supporting a subsidy as appropriate -- and I am not going to say what that should be -- to obtain that. This might take the form of an expanded WICHE program. It might take the form of a basic educational grant for students who do enroll, not just by bucks and say, go enroll, but bona fide enrolled students. I want it to be a subject of debate, but it want it to be clear that I am specific that the State recognizes a financial commitment as well as glorified rhetoric.

MR. FISON: Mr. Chairman, I think there are two issues. One deals with the State's recognizing the responsibility perhaps for the financing the higher education. The other is providing that staple subsidy so that it can be used for private education.

MR. GIBSON: Exactly. But you are not subsidizing, the way I see it in my statement, private, parochial, or public secular. What I am saying is: We focus on the individual's right and let him make, if he will, the subsidy by the choice of how he expends this. The State has its responsibility already by its post secondary system to provide it. I say we have to go a little bit different and give the student the subsidy to get it because it isn't free yet.

THE MODERATOR: Further discussion on that one? It isn't in the form of a motion. It's just a statement.

MR. GORSUCH: Lee Gorsuch

THE MODERATOR: Mr. Gorsuch.

MR. GORSUCH: Madam Chairman, I would like to make a point that I think throughout the discussion, my fear is that Alaska's wealth begins to corrupt our ability to do things essentially on our own. And more specifically, I am somewhat concerned about making so many services free, because my feeling is once they become free, they become partially wasted, inefficient, and in some cases even squandered.

I think somehow trying to encourage individuals in our society to work for, to invest something of their own for their own human development is a very desirable characteristic of the public system. I think when we talk

about trying to enhance people's capacities to take care of themselves to pursue their own ambitions, we are talking about something that doesn't hand them all rights without having something invested of their own in terms of the scholastic application, applying their intellect, or to even some extent for those who can afford it, making a financial contribution to their own development. So I would hope when we consider issues like providing educational services, I think Alaska is currently quite progressive.

The student already is provided with very substantial subsistence to student education. The University of Alaska has probably the lowest state tuition program in the country, and I would have just some concern about trying to make rights associated with a total free cost for pursuing whatever it is you want to pursue because I don't think that you place the kind of value on something that you do where you invest on your own rather than an occasional attending of the class when no pesonal invstment is made. I think we should make our own individuals pursue rather than society trying to make everything free. I think this will apply to a whole bunch of issues come up.

But I think the danger of the State inheriting wealth, we will become essentially unproductive. And we will spoil ourselves, and I think we will ruin ourselves

for the future. Rather than facing the real word. You have to compete with people outside, and you have to be able to essentially compete in that market. I think we are going to risk here if we try to provide everything free instead of providing incentives. We may wind up providing an inferior education and not a better education, simply because it's free.

THE MODERATOR: This statement that we read just says that the Alaska citizen or every Alaska citizen has the basic right. I am not going for the freebies either. I don't see -- and you can correct me if I am wrong -- but I don't see anything that says freebies in the basic right. I hope it doesn't say that.

MR. GORSUCH: It says those rights or guarantees, irrespective of whatever, you have this guarantee that you are going to get it. What I am saying I am not sure I am willing to go to the point that you are guaranteed this if, in fact, you don't study, if, in fact, you don't make a commitment of your own, I think there has got to be quid pro quo on the individual's part to really pursue the purposes of an education.

THE MODERATOR: Mrs. Guess.

MS. GUESS: I agree with a lot of things that have been said here and have some similar concerns, but I wonder if we are talking about priorities and where we are

spending our educational dollar if, in fact, there is a certain magic amount.

And I guess my goal for youngsters that are educated in Alaska, whether they are born here, whether they come here, is I think one of the most important things is the very beginnings of education so they can want to get to that post-secondary, so they can have motivation. Frankly, if I were spending State dollars, I would say "Don't you put 32 children in a first grade and expect 32 to learn how to read," because they are not going to do it. Ten of them won't even know what's going on. And two years from now, they will have experienced failure every day in a classroom and you are not going to have a productive citizen who is going to have a desire for more education.

My priorty: I agree with Lee on things being free. I think if children are motivated to learn, and this is in terms of the quality of life and all that we have to offer, you have to give them the tools which means that I would place my priorty at the beginning of this system. If the supports aren't in the homes and we know it's not in many of the homes, and some of us are concerned that some of these things are not addressed, the school doesn't do as good of a job, but it can help.

THE MODERATOR: Okay, we've gone through 35 minutes and we haven't come up with any type of policy statement on

anything. Any suggestions?

MR. CHAPADOS: I think that we can probably come to some conclusions if we have a few more minutes, and I would move that we extend the discussion for another 15 minutes?

THE MODERATOR: No problem.

MR. EKVAL: Second.

THE MODERATOR: I don't believe we have a limit yet. Did we vote on a limit? No, so please feel free to go on and debate. I just wanted to warn you that we have gone on 35 minutes.

MR. CHAPADOS: I would like to express my concurrence on what Mr. Gorsuch said. I think he has been speaking to the subjects that we have been discussion. I think we have deviated from that, although the point is well taken. As far as a follow up, I think we should be doing something and I think we should recommend to the legislature that we want and urge that there be upgrading in the higher education that we have in the State of Alaska, that we could attract Alaskan students to stay here and get their education if the quality is there. I am not trying to be critical of what we have today, but I think we can be a lot better than we are.

MS. CROFT: It seems to me we need some sort of specific ways to bring this out. I don't know whether Carolyn Guess was willing or was wanting to promote that

you take part of the Public School Foundation Act and make it broader so that it speaks for more of the needs that Anchorage and the Anchorage School District has so that we fund more of the basic, what are not necessarily called basic needs. In my own idea when you are talking about the right to an education beyond high school, you are talking about perhaps tuition free community colleges. I really would like to hear some specific, rather than some general, some specific proposals put on the floor along that line. And I would like to put out the idea of a free, or not free, token tuition community college system where there is, as Lee said, still a very low tuition, but nevertheless a tuition, that we consider making the community college system, ten, 15 bucks, a token, and not as many as substantial as other.

THE MODERATOR: Wait a minute. Let me guess. Don't tell me. Mrs. Carpenter.

MS. CARPENTER: Along those lines, I would like to make a motion that the residents of Alaska be provided with financial access to post-secondary education. I believe that is a way that it can be stated.

THE MODERATOR: Can you read that back?

(The reporter read as requested)

THE MODERATOR: That motion, I need a second?

MR. HOFFMAN: She's not finished

THE MODERATOR: You are not finished, okay.

MS. CARPENTER: That the State support both public and private post-secondary institutions to enable them to achieve excellence.

THE MODERATOR: Okay, the rest of that motion is that the State support both public and private post-secondary institutions to enable them to achieve excellence, right? Is there more to the motion? Is there a second.

MR. DAVIS: Second.

THE MODERATOR: Okay, the motion reads that residents of Alaska be provided financial access to post-secondary education and that the State support both public and private first and secondary institutions to enable them to achieve excellence.

I know your name, Mrs. Fleming.

MS. FLEMING: Miss Fleming or Ms. Would you define what you meant by about financial access? There seems to be some concern with "freebies." I would like to address that perhaps to something along to line to what Mr. Merdes suggested, continued finances would be available to kind of give an incentive to show up at class, what kind of financial access are we having?

MS. CARPENTER: May I speak to that?

THE MODERATOR: Mrs. Carpenter.

MS. CARPENTER: My point there was no one should be

denied post-secondary education because of lack of funds as a policy that people should be able to have education. And then, within that guide line provisions could be made for payment of a certain amount for a satisfactory completion of course work for attendance, et cetera. I think that's going into more detail than we need for policies.

THE MODERATOR: Mrs. Guess.

MS. GUESS: I have a question. Are we assuming that the financial access is not there now with the student loan program. Are you assuming it's in there?

MS. CARPENTER: Yes.

MS. GUESS: I would like just to argue that it is there, that the loan program, it may not be funded properly, and the ceiling may need to be raised, but are we talking about loans. To me financial access is the loan program. Am I missing something?

MR. McGINNIS: Yes, fundamentally.

MS. GUESS: Okay.

MR. McGINNIS: Part of the financial under rooting of the education is the taxpayer's money in the treasury which has nothing to do with loans to the students, but which is massive subsidies by virtue of the multi-millions, is now poured into the university program. That is now beyond the loan program, because even with the loan or without it, the student does not begin to pay the cost of higher education.

I would agree with you that most people can, indeed, find a way through this public support and through the loan program to get by somewhere in higher education. But I suspect that there are a great number of people who simply cannot afford to, especially young women who do not want at times to burden even themselves with tens of thousands of dollars in loans not knowing how they are going to pay it back or how their husband's will be able to pay it back in marriage.

MR. DELISIO: Madam Chairman, this concerns me, and I think this is a concern that we had in the Brookings seminar, which was alleviated by the fact that we had four weekends spread over four months of time to talk about these various subjects, so we had more time in struggling to find another consensus, that we have a trend here.

The trend is to get from the specific to the general until it's almost so general that it's meaningless. It may be that we need no statement at all, just the opportunity to expose and exchange our views here.

My thinking is varied and altered as I have listened to the way people have talked, that may be a better result than coming out with a meaningless statement. Certainly we should have a concept of whether we believe that the State should be permitted and I think it would necessary State a Constitutional amendment -- whether the

State should be permitted to financially assist private education. You know, that would be a concrete specific statement. If we were to talk about whether or not to make free tuition in our public universities in Alaska or something, that might be a specific thing that doesn't exist now. But I think there is a real danger in passing resolutions that are so broad that they just simply don't mean anything.

THE MODERATOR: Ms. Fate.

MS. FATE: Madam Chairman, I can't vote on any issue that's brought up now because I don't know if the State -- you are talking about the State to fund the building, the staff, the faculty, the purpose of the private institution. I am totally against funding a private institution if the purpose is for a religious group who comes in with a certain purpose and does not want to be dictated to, and they have their own purposes, so therefore do their own thing. How far are we going? If it's for building, ground management, teachers, for tuitions. That's a different story. I don't see where we are at now.

THE MODERATOR: Further discussion?

Several good points have been raised, we have come from a very vague statement --

MR. COOPER: -- to a very vague statement.

THE MODERATOR: To a very vague motion. We have had a

statement. We didn't have a motion on that statement. It was vague. Now you have a motion which is still a little (pause) now we need something concrete. Harold Galliett.

MR. GALLIETT: I would like to ask a question that clears some of the issues for myself, please, and that is: What is precisely wrong with the loan program?

MR. McGINNIS: Madam Chairman, I don't know whether or not the loan program is sufficient to meet the needs. One point I made earlier was that I believe the loan program creates the inequity between students in State and out of State in that the loan program, so-called loan program, is a combination of the loan in the grant because with the creation of certain conditions, it's a gift; it is for giving. That is a grant to the State regardless of what it's called. The policy of the State of Alaska now is that a student can go to any private college in America with those grant loan combination funds, but in the State they cannot do so, see. And that's the inequity. Now, whether or not the loan amount is enough to pay the tuition, maybe that could be debated.

MS. COOKE: We talked about the loan program, perhaps increasing the amount available making a recommendation more be made available in this present program. We talked about a tuition grant program which would necessitate legislation for a Constitutional amendment or else

legislature putting that back on the ballot in a different form. We have talked about -- I have talked about tuition free community college or 14 years of free education in Alaska, wherever you choose to go. I don't know exactly how you want to word that.

And the other thing that was mentioned in the papers that we got was the nontraditional correspondence type or nonresident type of university which I assume we could also talk about financial support for someone who wants to take those kind of courses from the bush. We might not have the money to do it or pay for it. I don't know whether there are any others, but it seems to me we could see whether we support each one of those and probably what we would like to do with them, probably more other than those four.

MR. GORSUCH: Madam Chairman, I think under the circumstances that we are confronting, it's unlikely that we would ever get the kind of information required to make a specific recommendation on the amount for the student loan program. I mean I haven't seen the actual amounts that are currently available. That is getting fairly technical. What I would suggest is rather than trying to entertain specific recommendations for legislative action, that the group might better expand its limited time in coming up with statements of general purpose that regard

the educational system and that we try to address those.

As an example, implicit in the motion is what I would regard as a general concern about the monopoly the University of Alaska has over higher education in Alaska and that the economic realities of Alaska are such that a private, post-secondary institution, simply can't afford to compete with the University of Alaska. A lot of the students that go to the University of Alaska go there because they can't afford to go outside of Alaska. They are essentially captured by the existing system, and that system is monopolized by the State University.

I would suggest, rather than trying to come up with a specific recommendation, if the group felt that the situation was intolerable, this we would come on record, then, trying to suggest that alternative ways are explored to come up with essentially more competition between the post-secondary institutions into Alaska and not try to get so specific about a specific recommendation for legislative action.

You know, we all know that the issue in part of Southeastern, Alaska Methodist and now Alaska Pacific University. Some of those people ought to come forward and make a suggestion rather than implicitly implying about one or two institutions in the State. May be some would transfer and have a different denominational character if,

in fact, that were a wish of a particular group.

I think we ought to try to stay at a generalized level rather than trying to get so specific. And we are never going to get the kind of information I think a group would need to raising the loan program, lowering the loan program, modifying the student foundation program, whatever. Those are actions that the legislative committee spends a great deal of time on. I think our concern is to provide concerns and directions and let our officials iron out what is constitutionally permissible, what is legally possible, what is financially viable, what have you.

THE MODERATOR: Mr. Cooper.

MR. COOPER: It would seem to me that in all of the conversation we have had on this particular subject that Mr. Gorsuch and Mrs. Guess have pretty well summed up my particular feeling anyway, and that is that first off, we want quality higher education within the State regardless of who provides this education; and second off, that the loan program that is presently in effect, if, in fact, the dollar limits on it aren't enough, maybe we should request that those dollar limits be re-examined, but that that would be just about the extent of it. We make the loans available if the students have the interest and the abilities to proceed but that we don't get off into "You can take it whether you really want it or not," because

then we end up with problems in the colleges the same as we have in high schools today. Probably a good share of the high school problem is that we are forcing students in high school that probably shouldn't be there, but are because of the way society is dictating today.

THE MODERATOR: Okay, may I remind you that you do have a motion on the floor. And that motion by Mrs. Carpenter was that the residents of Alaska be provided with financial access to post-secondary education and that the State support both public and private post-secondary institutions to enable them to achieve excellence. Now, are you ready to vote on that motion? Is there any more discussion on that particular motion?

MR. GORSUCH: Madam Chairman, I move to you divide the motion in two.

MR. CHAPADOS: Second the motion.

THE MODERATOR: The motion has been made.

MR. DESILIO: Just ask if there is any objection.

THE MODERATOR: Are there any objections to dividing the motion? Hearing no objections, we will have the first vote as to the residents of Alaska be provided with financial access to post-secondary education. Are you ready for that question? Question.

All those in favor say aye.

(Complying)

THE MODERATOR: All those opposed?

The motion is passed.

The next is: the State supports both public and private post-secondary institutions to enable them to achieve excellence. All those in favor aye.

(Complying)

All those opposed nay.

(Complying)

All those in favor raise your right hand.

(complying)

Mr. Galliett and Mr. McGinnis cannot vote. Let's try one more time. All those in favor raise your right hand.

(complying)

All those opposed, same sign?

(complying)

Motion fails. We have one motion that passed and that's on post-secondary education.

MR. DELISIO: Would the chair note the number of people that sustained? I think it's probably significant because I think the people probably didn't vote in this room.

MS. FISHER: I abstained, because I had difficulty with the word "private" as to what would constitute a so-called private institution, whether it would be strictly

religious or whether it might be as I mentioned before, somebody setting up something like a music school, something in the cultural line or something in the vocational line which we desperately need that would be, in fact, a private school, you know. It gets to be rather confusing.

THE MODERATOR: We are still on education. If we could have those that would like to speak on the subject, their basic, basic idea, very, very short, very, very brief, we would go ahead and take that final. You've all had a chance to talk to every one else. Have that final say and see if we couldn't have staff make the composition, a list of some sort, of all the ideas, and we could probably tackle that first thing tomorrow morning and in 30 minutes possibly go on to transportation.

Could I have your concurrence on that issue, please? Are there any objections?

MR. FISON: You say staff would take this and do something with it?

THE MODERATOR: Yes.

MR. FISON: I wonder why not, accomplishing the same thing, but appoint some people that are members of the group to do it rather than staff.

THE MODERATOR: That would be fine. That would be fine. Would you leave that up to me to appoint? Okay,

let's go around with one last round the table. On education, very, very, very brief. Mrs. Flynn.

MS.FLYNN: At the behest of a few other people of the table, I would like consensus on this statement: The State of Alaska has a continuing and increasing financial responsibility for elementary and secondary education.

THE MODERATOR: Okay, once again, rather than vote on anything thing.

MS.FLYNN: I didn't say vote.

THE MODERATOR: Would you just go ahead and have your spiel and we could go ahead and maybe combine everything into a policy statement for tomorrow.

Would you like to repeat that?

MS. FLYNN: The State of Alaska has a continuing and increasing financial responsibility for elementary and secondary education

THE MODERATOR: Thank you, next. Mr. Gibson.

MR. GIBSON: I should like to propose that the health of both the University of Alaska and the Alaska community college system will best be served and will best serve the interest of the State if autonomy is granted to the community college system

THE MODERATOR: Thank you. Ms. Fate.

MS. FATE: I would like to see an improvement of the standard of education from preschool, primary, secondary,

post-secondary, the handicapped or gifted programs within the State of Alaska, and also the teacher certification be on our priorty.

THE MODERATOR: Thank you. Mr. Ekval.

MR. EKVAL: Ekval, yes. I would like to state that in education as in just about every endeavor -- what was my thought?

MR. GIBSON: I move we table it.

(Laughter)

MR. EKVAL: Excellence in education as in anything else thrives on competition and that the State should consider means through which alternatives to the present University of Alaska community college system can be fostered or enhanced with a view to making them competitive with the university system.

THE MODERATOR: Thank you. Miss Freeman.

MS. FLEMING: Fleming. I would like to suggest that perhaps telecommunications would be a very useful tool for increasing the quality of service to any people involved in any educational program in Alaska.

THE MODERATOR: Thank you, Mr. Davis.

MR. DAVIS: Madam Chairman, I would like to make a comment here: I think the motion that we passed here is to continue the educational service in the State of Alaska as it is now today. We are not developing any new policy.

And I really feel concerned about that, because we are trying to develop policy for education in the State of Alaska. What we have done here is we have adopted the same old principals that we have always had in the past years. And I don't think we should do that. We have already done that. And I think we should try to develop new policies, and that being to go ahead and try to get our kids educated in the private institutions if they want it as long as the parents agree to it.

THE MODERATOR: Mrs. Carpenter, did you have a question?

MS. CARPENTER: No.

THE MODERATOR: Mr. Fison.

MR. FISON: Fison. That the student loan fund program apply equally to institutions within Alaska, private institutions, as it does to institutions outside of Alaska.

THE MODERATOR: Thank you. Miss Croft.

MS. CROFT: That we try to come up with some specific programs for backing up our support for education, for this, whether it's increased scholarship loan or tuition grant; that we put some teeth in our statement that we support education beyond a secondary level.

THE MODERATOR: Mrs. Carpenter.

MS. CARPENTER: I propose that adequate resources be

provided to enable adults who have been unable to obtain a basic education the opportunity for adult basic education services; and second, that a nontraditional rural college -- a nontraditional statewide college be established to enable rural students to obtain a four-year degree.

THE MODERATOR: Thank you.

MS. DAVIS: I'd like to say that I'd like to see some special consideration given to minorities of the State of Alaska in the area of finance so that money can be provided to bring those students that are not functioning up to grade level up to grade level. I know that's a great problem here in Anchorage. Perhaps it's not in surrounding areas, but something has to be done. We have students coming out of school that can't even read. We know where very well that there is a severe problem in the Anchorage area especially with black and native students and I want something to be considered in that area.

THE MODERATOR: Thank you. Anyone else?

MS. GUESS: I'd like to add to Mrs. Davis's statement. I would like to see the re-examination of the existing State funding formula for the delivery of educational services, K through sixth grade.

MS. FLEMING: Carolyn, a question, why only K through six.

MS. GUESS: I am prioritizing, Heather.

THE MODERATOR: Is there anyone else? Ms. Fate.

MS. FATE: Excuse me, the evaluation of teacher system be established in the State, and also, if we could, look into an exchange program where rural and urban students can short term or whatever if there is a feasibility of exchange in secondary education students.

THE MODERATOR: Thank you. Mr. Fairbanks.

MR. FAIRBANKS: Right. I suggest that we consider by cultural and cross-cultural education to be supported by this group at post-secondary level.

THE MODERATOR: Anyone else? Now, how many would like to stay and write this up? I see no -- should I go ahead and just volunteer?

MR. DESILIO: Madam Chairman, won't the court reporter have this as a lift form that would be simple enough to take it off there and make a lift of all those things, run it off on a copier and hand a list to everybody? Everybody said their statement the way they wanted to say them. If we could get those and examine them and think about it a little bit, then I think we might be in a position to. I would suggest that rather than to go for strict votes and technical vote, and so on, we can get kind of a consensus. In other words, are there violent objections from a lot of us to including some of these statements, even though I might not agree to everyone that everyone that I am willing

to go into the report, but I don't have a violent objection to it.

THE MODERATOR: Mr. Fison.

MR. FISON: I would like to see sort of a compromise, that is use this wording that came out of discussion, but somewhat condense that and put it together. There has been some duplication and make a good definitive statement rather than just have a series of statements made by individuals, because this is going to be some kind of report, and I think it would help to be well written.

THE MODERATOR: Mr. Gibson.

MR. GIBSON: May I suggest that we will have to have the transcript before we can do anything, and that when the transcript is received, the chair take action to see that a coherent statement is made upon which we may pass, debate, act, or whatever.

THE MODERATOR: Can we have the statement? Can we have the transcriptions tonight?

(Discssion was had off the record)

Now, I know that there are some people who are not able to stay past five o'clock or six o'clock, but could I ask some of you to stay and help with this maybe 7:30, eight o'clock tonight? We have a banquet.

MR. FAIRBANKS: 7:45?

THE MODERATOR: We have to be out of here by 4:30. We

don't have to convene again until tomorrow morning. I am told that there is a tape recording of this last final for ten minutes. So we could go ahead on that. Would you be able to meet at five o'clock and work awhile on this?

MR. DELISIO: Madam Chairman, if we forfeit an hour and a half this afternoon from our discussions, I think we are doing really major damage to what little time we've got.

MR. VAN DOREN: Excuse me, for clarification, this group will adjourn at 4:30 today, period. There is no place for us to go.

MS. FISHER: Are we the only group that's adjourning?

MR. VAN DOREN: No, two groups have to quit today.

MR. DELISIO: Let's go down and sit in the lobby.

MS. CROFT: There isn't any other place that we go.

MR. FAIRBANKS: There is a motion made that there is a large-sized bar.

MS. FLEMING: Go in the bar and stand out in the lobby. Go on along the railing.

MR. FAIRBANKS: Also, not everybody needs input to this education. It seems like that there are nine or ten people that are really enthusiastic about it.

THE MODERATOR: Could I ask Mrs. Fate, Mr. Chapados, Mr. Ekval, Mr. Cooper, Mrs. Fisher, Miss Fleming, Abi, Mr. Gibson, Mr. Fison, Mr. Delisio, Mrs. Davis, Mr. Gorsuch, could you meet at five o'clock? I don't care whether it's

in the bar or the lobby or whatever.

MS. FLEMING: Lounge sounds good.

THE MODERATOR: Could you meet at five, take the suggestions that this body has made, and try to incorporate it into some type of statement, even if if you can't stay for a long period of time. At least the longer you are there, the better. All right. If so, can we now go on to transportation?

And I believe there are people in the audience who have asked for a few minutes. I think there is a Mr. Swanson and a Mr. Woody Johansen who have asked for a few minutes. So if you would like to go ahead and start your discussion on transportation and give these gentlemen time to go to the room or if they are ready now.

MR. GORSUCH: Madam Chairman, I didn't particularly care too much for the survey question here, but I did find it as a very useful listing of some of the issues that obviously the State legislature is curious about. And I would find it helpful to have a copy of the survey available, since I know as in transportation, there were several major questions.

It was just a fact, on one page, "What are your priorities?" I didn't particularly like having to choose the priorities. I didn't like any of them. But it was helpful. I don't know what the other sense of the group is.

There was questions about education, questions about transportation, and we were each asked to respond to them individually. Maybe it would be more appropriate to respond to them as a group. I would like to have a copy of it, if possible.

THE MODERATOR: Mr. Swanson, would you --

MR. SWANSON: I have a map to go on the wall outlining railroad systems because I am purposely for the railroad through Western Canada, the United States, and Alaska, the work that the legislature has done for the last ten years. Now, I am not really sure what kind of a format you people are looking for, whether you want to go over that as to an opening for your discussion on that portion of transportation or what you would really like to do, because in 30 minutes, if you are going to take highways and airports and railroads and whatever goes into transportation. I am sure you are not going to do it in 30 minutes. Mr. Johansen who has worked with me closely on the railroad system, probably as much as any man in the State, and he has also written a paper on highway transportation.

Perhaps to start you out fresh, it would probably take between the two of us, with just questions from the floor, would probably take more than your 30 minutes.

THE MODERATOR: Okay, may I just read off just a few

of how would you prioritize the following transportation projects. Okay, first one is a full-year maintenance of the North Slope Highway. Construction of railroad links, from the interior to the midwest, outside, construction of road links to create a linkage of Southeast. Improvements of the existing inter-Alaska network, Alaska purchase of the federally owned federal railroad and improvements to the existing inter-Alaska community. Now, that's just railroads. Now, do you want to tackle that particular portion, or do you want to tackle ports and harbors, or what do you want to tackel? What would you like?

MR. GORSUCH: Madam Chairman, I would suggest that we seem to be having less time for transportation than education, that we just follow the parallel format. Four people in the committee expressed a concern. Have four committee, try to subsidize that, that it be brought back for a discussion, and see if we can reach a general consensus just as we are doing education.

MS. CARPENTER: Second.

MR. GIBSON: I did not hear the previous speaker, and I think I did not like his recommendations. And I think I am going to object.

THE MODERATOR: He didn't make any type of -- he just said that we would go ahead and discuss as we did with education.

MR. GIBSON: I thought he suggested that we break up into groups.

THE MODERATOR: No. Mr. Cooper.

MR. COOPER: My problem is that I think I would rather make a good solid recommendation based on good evidence on one issue and ignore all the rest than to give a little bit of superficial consideration to a whole wide range of problems. So personally, I would rather hear what information there is available from the proposed speaker on the rail system, so that at least that part of it I can address with more intelligence than I can at this point.

THE MODERATOR: Mrs. Fisher.

MS. FISHER: We have a problem here as to whether we are coming together for our ideas or to listen to someone else's. I don't know that my ideas are all that important, but I thought that was why I was here.

THE MODERATOR: Ms. Flynn.

Since I believe more in program than format, I like Lee Gorsuch's idea. I will simply make a statement to that. The transportation priorty for Alaska shall be the building and maintenance of small airports in Alaska.

THE MODERATOR: Thank you.

MS. FATE: Can I amend that? But that the acerage not to be too large because, I mean if there is mountains, I mean why go include a mountain? I don't know the minimum,

the acreage that the Department of Transportation is requiring of small airports on private lands. It's a real priorty, concern.

MR. HOFFMAN: Yeah, this same thing came up at our last session we had. And most of us come from the Kuskokwin, and we are not interested in railroads which some of you are. All we are interested in is airports, new roads.

MS.FLYNN: I just stated one. Anybody else can go for it.

THE MODERATOR: Mr. Hoffman, the suggestion was made that we go ahead and just give us what you are interested in because we are here because of you. We are here because of us, so go ahead and tell us what you want.

MR. HOFFMAN: Madam Chairman, I listened to railroad, Mr. Swanson there. We've got nothing to do up from Anchorage by railroad. We want roads in our own bush that we don't have no roads and we've got to get to. That's what we are interested in. That's what we are sitting right here for. You fellows got your own railroads already.

THE MODERATOR: Mr. Fairbanks.

MR. FAIRBANKS: I am not ready right now.

THE MODERATOR: Is there anyone else, Mrs. Carpenter.

MS. CARPENTER: A priorty is a gravel road as deliniated by Mr. Silides in his paper that would link the

Yukon and Kuskokwin Rivers in Western Alaska. This is of great economic importance. A second priorty is expansion of the dock at Bethel and Dillingham. And third, of barge tie up and offloading facilities for communities for whom that is their only heavy freight linkage. That's it.

THE MODERATOR: Mr. Davis.

MR. DAVIS: Madam Chairman, my priorities where I come from would be air transportation where I come from. And the second priorty would be water transportation. I think those two makes the biggest impact on the State today.

THE MODERATOR: Thank you, yes.

MR. CHAPADOS: Madam Chairman, I believe what we need to do when we suggest to the legislature that they suggest some sort of a program that they provide us with a plan for integrated system for transportation in Alaska. And I would include all modes of that and also capital improvements that would serve those modes and that we provide docks and harbors that wander through all the communities. We need this system. Without some planned approach to an integrated system, we are not going to be able to properly take advantage of the development that we would like to see here in this State. That would be my recommendation at this point. I am involved in actually participating in the transportation as an operator of a

transportation company. And I have quite a bit of background in the problems that the industry has and not the least of those I think are the system itself as far as the highways and so on go. We need to have an improvement in existing intrastate systems. But the industry itself has many problems. And would be of the problems before the legislature today is the matter of regulation of the transportation business which I would be very happy to discuss with anybody that's interested on our side of the question. But I don't want to make that an item, you know, of long discussion here. But it is important, and it also plays apart in the type of service and what we will have in the future that we will want to have in a type of transportation that will assist in an orderly development of whatever we want in future industry of the economic situation.

THE MODERATOR: Thank you, Mr. Cooper.

MR. COOPER: I think Mr. Chapados pretty well voiced what's coming out and that's we have a regional problem in a lot of different regions, and those problems are not the same. So if we try to plan a water system in one area and a road system in another, and there isn't any integration of or thought given to how one interacts with the other, we are compounding and creating more problems. I would strongly recommend that any discussion we have in regards

to transportation keep in mind that we are concerned not with just our own particular area but that we are concerned with transportation within the entire state. It's just as important for people within the central area to be able to receive supplies from the west as it is for the west to be able to get supplies in for themselves.

THE MODERATOR: Mr. Carlson.

MR. CARLSON: Yes, Madam Chairman, I would like to see the State make a very thorough study of some method of equalization of the cost of travel in the State. It's fine to talk about harbors and it's fine to talk about airports, but the rapidly escalation of the cost of fuel, you can have the finest airports in the world, but nobody is going to travel in those airplanes. The Southeast was fortunate enough. First it was unfortunate enough they couldn't build roads. The State is subsidizing the system, and I am in strong support of that. I think we are going to have to take a look at some cost subsidy. If it's to pay for the airline and pay for a reasonable fair for people to travel in the remote areas, we would have to do that. But I would your knowledge a thorough study of that? I think the cost equalization is going to have to come about.

THE MODERATOR: Thank you. Mr. Delisio.

MR. DELISIO: I think that underlying my comments is a basic social philosophy. I think we stand in great danger

whether we talk about transportation or education or resources or finances or government services or any of that sort of thing. The State stands in a very dangerous cross road right now, that we could end up being the land of lotus eaters, where everything is given to us, nothing is expected of us, and then we have the life of Riley which, of course, turns us into a bunch of worthless people.

I think there are desperate needs that need to be served. But I would stress, I think the State ought to examine ways of stimulating free enterprise, private initiative, to deal with as many of these problems as possible.

For example, in the area of mass transportation in the larger communities, Fairbanks, for example, which has a very grave pollution problem, part of which is contributed to by use of private automobiles and so on. Anchorage is having the same problems. Other areas in the State are perhaps developing the same problems. I would urge that the State develop incentives for private enterprise to develop more efficient, better and more desirable mass transportation systems within the heavily populated areas. I think that the State, statement, should be encouraging private enterprise to open up some of our interior area to provide whether it be through railroad or the keeping the North Slope Haul Road' Open, to keep

incentives to businesses, industries, mining, whatever it happens to be, to undertake themselves the expansion and development of those systems.

I am appalled at the idea of the State substituting for the United States government as the owner of the Alaska railroad. But the idea of expanding the Alaska railroad to provide a more economic method for us to get goods from other places and to get our raw materials from Alaska to other places to make some of those mining opportunities economically feasible is a great idea.

Something needs to be pursued. But it should be pursued by private enterprise with encouragement, with aid and assistance by government.

I think that we ought to be reducing regulation of transportation modes to the minimum. Certain regulation is necessary and desirable. But much of it is crippling and it is economically disasterous for those of us who are using it and those of us who are trying to provide it. And again, we should be creating incentives, not disincentives, for the private enterprise to try to be able to succeed with these endeavors.

THE MODERATOR: Mr. Gibson.

MR. GIBSON: I would like to make kind of a general statement that cannot be interpreted to each region although it could be implied to all of us. I think that

the future growth and efficiency in this State has got to be built on internal communications. Right now our water transportation is based in Seattle. Our air transportation is largely based in Seattle. And our railroad transportation is based God knows where, but possibly Washington.

I think I would suggest specifically that we do have regional problems that can be met with regional solutions and State problems that can be met with statewide solutions. I would propose the legislature be established in recognizing the legality of and make use of regional transportation development councils which will be empowered to use State moneys for their own area for their own best interest to stimulate local productive economy.

I would like to mention the outer continental development in the Bering Sea is putting pressure on those ports in that area to the additional people that market the bottom fish and the salmon there. If you can't move them they rot and they amount to nothing. We definitely need improved air fields and we need water transportation. Let's send what is in Seattle back and have them send it back to us.

I think we need mixed a State policy implemented appropriately at a local level. I do feel that much of power fuel problems can be met by, as has been suggested,

incentives to private enterprise for industry to develop efficient public transportation.

THE MODERATOR: Mrs. Flynn.

MS.FLYNN: With regard to transportation in the urban areas, to maintain the existing roads prior to building any new roads, and I would like to second Mr. Delisio's commentary regarding support of public transportation.

THE MODERATOR: Thank you, Mr. Fairbanks.

MR. FAIRBANKS: On something Mr. Gibson said about regional transportation councils in that the Department of Transportation now is kind of fostering the way for transportation in that they now have three thousand miles of proposed roads in Western Alaska which have not been dictated to them by the people but has been dictated to them by industry or private sector, but not the people. And I think that this conference here is looking towards the future, and all day we have been talking about short term things like education and not setting goals and then finding some way to reach those goals. But we are talking about goals. And I would like this group to think about transportation that might disrupt life in Western Alaska, such as a road connecting rural and the urban area. The people in the urban area are frankly afraid of the Department of Transportation and the impact it would have if we opened up that can of worms. And I think that we

need to make a statement. Are we going to have a road to Western Alaska? Are we not going to have a road? Are we going to let the Department of Transportation dictate to us or will the people of that transportation area have a say equal to big business?

THE MODERATOR: Anyone else on transportation?

MR. BROWN: My name is Stuart Brown and I am chief to telecommunications in the Department of Transportation. One of the things to realize is in Alaska you can't just simply go in everywhere and put a road because of the inherent natural factors that prohibit that type of development. One of the things that I think we should realize here that telecommunications can be used as an edge or a supplement in some respects to transportation systems. So I would just like to have the group keep telecommunications in mind also as a potential substitute for some of the things that we now utilize transportation systems for.

THE MODERATOR: Thank you very much. We've got seven minutes.

Mr. Gorsuch.

MR. GORSUCH: I would like to just express a concern that the investments that are made in transportation have some evidence that they can sustain those facilities in their operation and maintenance in the future. My concern

is that the investment is going to be made in docks, harbors, roads, railroads and we can't meet future operation expenses of those, and I would like that to be an expressed concern that there is some evidence that supports what would be the potential cost of maintaining these facilities in the future.

THE MODERATOR: Mr. Gibson.

MR. GIBSON: I would like to address that. And I think it's a very real concern that we have to see an immediate and measureable payoff when, in fact, the investment may create things that we have not seen there before. I am mindful of the businesses that have supported private enterprise that have sprung up along transportation corridors that were built when there was no justification at the time for building them. And I feel if we say you've got to have an immediate payoff, that you will impede the economic development which depends upon certain basic things like transportation and communication.

THE MODERATOR: Then what we are saying is we want to know which is first, the egg or the chicken or whatever? You want to know whether you are going to build roads because industry is there or are you going to wait for industry to come and then to build the roads. Are you saying this?

MR. GIBSON: I am saying in many ways transportation

spells the success or failure of invention. I am thinking of a mine that was once a highly productive mine. When transportation costs moved up just a bit, when the price of oil moved up just a bit, because it's only outlet of air, it became much less economic to operate. Had we had an alternative water system there for the movement of that, then that would still be productive. What I am saying is it's very difficult to realize that you can't run a business without a telephone. And yet I can call more easily and more cheaply to Peking, China than I can to one of my neighboring villages and at less cost. So if we want to develop regional economies that support the whole road to the State, we are going to have to invest in and I use that word advisedly, invest in the communications and transportation within the region.

THE MODERATOR: I think there is a gentleman in the back.

MR. PEGEURO: I think that, you know, the best projects that can be done with the money from the permanent fund and the other money, it is railroads, you know. because railroad pays itself. Second, because in order to open up the land in Alaska and to the centralized population just from this center, just from Anchorage and Fairbanks, we have to create another rail belt. I also think that in order to make a lower cost of living in

Alaska, the transportation problem from here to the United States -- to the Lower 48 -- have to be solved.

Because of those reasons and many more, I think that we should endorse unanimously the building of that railroad which, if you see, is very small the price. It's one million dollars and 200,000 for now. There are many other problems that we can keep down that railroad. And we can go from the most remote part in the Lower 48 to get the product down there from the south and bring it all the way up to here quite fast. Also, we have to take into consideration the new technology which, in which that railroad will be based.

I am going to give you the example of the Canadian National. At one time after the war was in very bad shape. Right now, it's paying by itself. Now, highways do not pay by itself and are extremely costly. Dock facility and airports and other major transportation are also subsidized. And the only one that it is not subsidized is railroad, except passenger, then I think that, you know, that was the way to go. That was what really developed Alaska. And that was really who developed places as far as Nome and Bethel and Bristol Bay. And I think that, you know, it is the best, the best thing we can do.

THE MODERATOR: I'd like to thank you for your testimony and advise you that we have run out of time

MS. FATE: Madam Chairman, I would just like to make one more statement. The road to the Yukon I would like to see open for commercial use to the river to the north and to be maintained accordingly. Secondly, would I like to say a lot of our airports in the interior is dangerous to our health and to the life of our citizens, but I would like to see an improvement and in-common sense by acquiring that land by the Department of Transportation.

MR. DAVIS: Madam Chairman, I would just like to reiterate my priorty as far as transportation is concerned and that is mainly air and water born transportation. Those two transportations are not subsidized. The rest of the transportation is subsidized by the State. You should try to get the privates interested to improve services who are not paid subsidy. I think that is a policy you try to develop is the mode of transportation we use right now.

THE MODERATOR: I'm sorry we don't have enough time. I'm sorry we don't have any room to go to. If those of you that have willingly volunteered to write this statement would we stay behind for just a minute because I don't know where we are going to meet. See you tomorrow.

(RECESSED)

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Juneau, Alaska 99811

Reported by: Pamela M. Rozycki

CSR

BETA MEETING PROCEEDINGS

(December 7, 1979, 9:55 a.m.)

THE MOLLIATCH: Good morning. This morning we have a big job and we have to get moving, so if I could recognize Mrs. Carpenter, she has a suggestion that you might be willing to follow this morning.

MS. CARPENTER: It's my feeling that we do not have time to really argue or discuss things in depth, and I would like to give, make it possible for everybody to have a opportunity to express their priorities and concerns. And I think one way we can do this would be by using the chart paper, taking each subject area, going around the room and everybody quickly stating in a concise form their priorities in a certain area, with only an explanatory, a short explanatory statement added to that if it's necessary. And then nobody would argue against that at the time. Then all those could be put up on charts. And then after it's up there, if we could say okay, is there anything there that you are strongly opposed to or are there any things there that are conflicts. And if there aren't, then we would leave that for the time being and go on to another area and then at the end of the day, we can divide up into committees and each committee could take one area and write up a coherent statement that would embody the recommendations for that area. I feel that the way we should express ours wants is by dividing them into two sections, one would be needs and priorities, those would be

things that we want done. And the second area would be concerns and guidelines, which would refer to policies and process. And I think if we do that, we can kind of separate where we are, and then the policy and process statements could be an introduction or would become an overall -- would become an overall philosophy and then under that would go the priorities when it's written up. And I think that would include both things and it would give everybody a fair chance and I think it would go fast.

THE MODERATOR: Any problems with that suggestion?

Mrs. Cuess.

MS. CUESS: I have had some concerns on reflecting on the approach we took yesterday, and I agree with your general concept. I was going to offer a little different one. I am very concerned that what we are doing is giving somebody a Christmas wish list, and I am not so sure that that's the direction that I want to go. I think that we should consider not only priorities but goals. My particular approach, which is not that much different from Mrs. Carpenter's would be with a modifying suggestion by Toni Croft, that first of all, I think there are many too many areas to adequately address when you go down through here. We talked about some of ours areas of concern earlier, and if you remember what they are, they break out pretty well. But to go around and those of us who have

some knowledge and some real concerns in specific areas -- for instance, I don't, in every single one of them -- could let the group hear and then break up into groups so that I can have dialogue.

I frankly don't believe that with a large group like this there is an opportunity for dialoque. There isn't the give and take. Okay, you've got an interesting position and my experience is this. And I see that as one of the more important things to come out of this group. I am really opposed to having, you know, my Christmas wish list as I might call it, because I just don't think that is why I am here.

THE MODERATOR: Okay, the suggestion has been made that we would go ahead and try to outline, if you will, with everyone participating. Yesterday we did make a list of topics. The first one was education. We covered that to some extent. Transportation was on ours list, we covered that. The next item that was of concern was health. And the fourth was government services, which included regional and local government's, communications, and law and justice.

So at this time, if there are no objections, we will go ahead and proceed this morning with health with the recommendations as outlined by Mrs. Cuess and Mrs. Carpenter.

MR. CARLSON: Didn't we have a vote yesterday on priority.

THE MODERATOR: Yes, sir, that was a priority.

MR. CARLSON: Number 1 was education and you did it. And number 2 was transportation and you haven't done it. So where are we?

MR. DELISIO: I think we need to know that, too.

THE MODERATOR: Didn't we cover transportation yesterday.

MR. CARLSON: You started, and my point being that you let two experts sit here all day yesterday without even recognizing them. Woody Johansen and Red Swanson. They came up here to speak, and they didn't grab the microphone. They waited to be asked as people normally would, and they were not asked. I thought they were treated badly and I don't think the group got the advantage of their knowledge.

THE MODERATOR: Mrs. Flynn.

MS. FLYNN: I don't think anyone around the table yesterday intended to be rude to anyone else, but this is a conference -- or at least I have been given to understand, that we are provided with a certain amount of background material. And the only reason that resource persons are here is if the group determines the need to ask them specific questions. I am only saying that I think that Helen Fisher's comment yesterday was a very appropriate one,

that I would rather hear the goals and priorities of this group than to hear a speech on somebody's particular pet project, no matter how much an expert they might be.

MR. CARLSON: You mean you don't think this is pet projects of yours, the educational thing, isn't that a pet project.

MS. FLYNN: Not the university.

THE MODERATOR: Madam Chairman. Mr. Chapados.

MR. CHAPADOS: I think the discussion on transportation certainly didn't go far enough to provide us with any basis for making decisions and recommendations and that we are not through with the subject

THE MODERATOR: Would you consider then moving to consider transportation this morning.

MR. CHAPADOS: I was under the impression that we would be continuing with that this morning. And I think that perhaps transportation is a very, very important item along with the others. As long as we haven't set certain priorities, we ought to finish with it, or at least proceed to the point where a small group could sit down who has some expertise in that field and could come back with recommendations.

THE MODERATOR: Are there any objections as to continuing with transportation this morning? As we said all day yesterday, this is your conference.

Mrs. Davis.

MS. DAVIS: I have no objection, but did the group ever get together to complete what we were supposed to do on transportation? Did the group get together as a small group and complete it? Are we going to go back as a small group?

THE MODERATOR: Yes.

THE MODERATOR: Without further ado, we will start transportation, go around the table as it has been suggested, we will outline the different categories, wishes, break up into small groups at a later time, and come up with some type of policy statement.

Mr. Cooper, would you like to start out?

MR. COOPER: With transportation?

THE MODERATOR: Transportation. Very, very briefly.

MR. COOPER: Yeah, I will start. It will have to be a very broad statement. I think probably ours problem yesterday is we got too involved in specifics rather than where we were wanting to be ten years from now or where we want to try to be ten years from now. And I would suspect that if we could continue to, to work towards and upgrade all modes of transportation necessary to provide for an integrated State. We have regions now. We have regionalism. Part of that is because of lack of interrelationship. I, for instance, have never been to the,

to the westward. I have to rely on news accounts or someone else getting me the information. I think if we can, cannot only provide for heavy transportation of goods and services so that one area can supply the other, but also being able to get goods and services to a market, but also for people transportation to make it feasible to know what the rest of the State is like. It will cover a lot of ours problems that we generate within ourselves from lack of knowledge in other areas.

THE MODERATOR: Thank you.

MS. CROFT: I have a question. What is the Department of Transportation doing if they are not doing that.

THE MODERATOR: Could I just interject once? And this is where we are going to get in the problem. We will wait until a later date, it it's with your approval, that we break up. Let's get everyone's ideas first, broad, and then break up in a later date and hash it out, and throw the bad parts out and keep the good ones.

Mr. Carlson?

MR. CARLSON: Yes, ma'am.

THE MODERATOR: I'm sorry, the gentleman to Mr. Cooper's right.

MR. CARTER: Carter, Ernie Carter. I would like to see the State adopt a policy to have access roads to these

lands that they are supposed to be making available to the public. In ours central area they have chosen to designate lands for disposal to the public, they are sending them completely unaccessible places. I don't mean a network of subdivided roads, but at least access to parcels. Otherwise the land disposal thing becomes a joke. I would like to see the State adopt a policy of extending a road system into areas that they intend to, I suppose, put roads in.

THE MODERATOR: Thank you.

MR. CHAPADOS: Frank Chapados. I am not sure that I can give a real good resume of what I think about transportation. As I think I said before, I have not been involved in it in Alaska for a long time. The former things that bother me in ours discussions that you here not only here but in other places is the degree of economic development that people are looking for to in Alaska. And there seems to be -- this seems to be kind of a mushy subject. You just can't seem to pin people down. I don't think there is really a consensus in this State of what we want in this regard. I think personally we should feel that we have to control the economic development and that we should provide a base here so that we have some stability in ours economy and to relieve us from the ups and downs that we suffer from time to time.

Any way, no matter what degree of economic

development you may want, I think there is an absolute need to have a planned approach to an integrated system of transportation. And I am not -- I am not in the trucking business, but I am trying to feature that. All modes of transportation have an important place. And in the establishment of such a system I think you have to give consideration to the various modes, because some will serve the certain areas and needs of a State better than others. My idea is to have this plan prepared and a study made. I know studies are something that we all hesitate to support. But at the same time, it's pretty involved in something that needs to be done. And I am not suggesting that we go to every little village of the road and that sort of thing. I am saying let's establish the network, the State network, the trunk lines that can be approached by the needs of the various communities by building the access roads and so on that need to go to the trunks. Establish the corridors that are necessary. A question was asked, what is the D O T doing. I think that is a good question, just what are they doing. Maybe they are going to go ahead with such plans. But I don't know what the public -- I certainly am not aware of what they are doing. And I think that we ought to know that.

I think what we have to do, ours actions here should indicate to the Legislature, there are some needs

today and there are going to be needs in the future. And now that we have surplus funds and are in a position to do it, we should upgrade ours air transportation, airports, ours docks and harbors and all the necessary things, that are necessary to establish a top level in such facilities. Because if we are going to have a development at all, this is going to play an important part in how this development comes about and the official manner with which we can transport goods and supplies and so forth. In other words, we are not going to be competitive if we want to compete in other world markets and other places.

I would like to make one more comment: The transportation industry, 2 people that did not operate the trucks and the railroads. They have a national problem. There is a big trend to deregulate. Everybody wants to cut out their regulations. And everybody get into the market place. This is one thing -- whether or not we do take any action in this respect, I think we ought to be very, very careful before we do anything along the lines of regulating system that has been in existence for probably 40 years and it's universal throughout the United States, and it's working. And I think the statistics will prove that also as far as cost and productivity are concerned. But I guess my recommendation would be at this point that we seriously consider making some recommends to the Legislature about

how to use the monies that they have available. I am not going to say that the Department of Transportation is not doing the job because I don't know. They may be. If we don't have the money to implement the programs they come up with, we are not going to get the kind of system they look for

I would like, and I think it would be a good idea, to take and go along with Mrs. Guess's recommendation that we later have a group get together on these various points, where we can draw on the expertise, perhaps, that we have had available in the room and do have to help us to answer questions, perhaps, and to help us make something in the form of a recommendation we can bring back for approval.

Thank you.

THE MODERATOR: Thank you, Mr. Chapados.

MR. DAVIDSON: I am Marvin Davidson. And I think in the area of transportation there is four areas I would like to cover closely. One is the area of assessment. Assess very, very carefully what the needs are in terms of the people and in terms of the economy. I don't like generalized statements and generalized letter to the Department of Transportation where we should do this and do that.

I think in their work they should be involved in a very, very careful assessment of actual specific and real

needs because they exist, but no they don't exist every where. The other thing I thought we should look at is the impact in terms of social. Transportation, in terms of social impact, in terms of environmental impact. There are a number of places in Alaska, also in the Lower 48, that you open an area sometimes through transportation and there can be tremendous impacts on the environment and I think we are finding out in a lot of rural areas in Alaska, people are saying, "Hey, we don't want this much access. We don't want this transportation. We don't want to be Anchorage's backyard." So I think a lot of the recommendations we might make to the Legislature we might consider in what transportation has.

The other alternatives are the more conventional means of transportation. Alaska is a little bit different place, we've got different needs. I think we ought to look at things like more rail transportation, more boat transportation, river systems. And someone has even suggested dirigibles as a means of moving agriculture and forest products and things like that.

I am not an advocate of dirigibles, necessarily.

Another thing is: I think a fourth thing we ought to look at recommendations for is how to get the public involved. We are involved here today. But I think when we get to specific types of transportation in specific

areas as the Department of Transportation does and the Legislature does, you've got to really find good ways to get the people in the areas in the local region involved in examining the proposal, coming forth with their idea of what they need, what they like to see and where they like to see the road or the railroad go. It's a difficult thing to do, get meaning for public involvement. But I think that's something that has to be done, so I would encourage those.

THE MODERATOR: Thank you very much. Sorry you weren't here yesterday.

MS. COOKE: Margaret Cooke from Bethel. I am interested in things, I think upgrading the transportation systems we have, like upgrading the airport. And upgrading the existing roads, not putting in any new roads, because I think what we have -- we have a unique problem in ours areas that people in ours area live off the land and 80 to 90 percent of their food is from subsistance on the road and maybe other forms of transportation might kill off ours livelihood. So that's one of the reasons why the people in ours area are really against seeing a road, at least the people I have talked to.

But I think transportation is a big problem and even though we have airports, a lot of times they are not usable . And I think sometimes there is all kinds of

transportation problems. And because of the size of ours State, those different areas have different kinds of transportation that are good for Southeast. What is good for Southeast, won't be good for the Bethel area.

THE MODERATOR: Thank you. Mr. Delisio.

MR. DeLISIO: I would like to speak more conceptually than specifically. First of all, it seems to me philosophically what we should be aiming for is a symbolic relationship between the private, which is you and me, and the public, which is government, where we provide the ideas. We are like the plant or ours idea is like a plant that grows into some sort of an ultimate useable thing. But government can be a little bit like the fertilizer, maybe doing a little bit of scratching out of some weeds or tending it a little bit to help that idea grow into fruition. I think that philosophy, in my mind is important to the delegate of the whole of Alaska over the years. In that concept, it seems to me that in the large populated areas, we really need transportation. The individual automobile transportation is wasteful. It's increasingly dangerous and so O but the massive transportation simply isn't spending millions of dollars to by buses and rail ways and that sort of thing. The real answer is to stimulate people in the private sector to do this ourselves. To create economic incentives and loan systems and that

sort of thing.

In the State context, it seems to me as far as statewide transportation, I think we need to be exploring are alternative conflicts what those policies are beyond my ability to predict. However, the transfer of the hoovercraft. They were here, in the early pipe line phase. They are used extensively all over the world. In Britain and, they have hoovercraft that is almost as big as the floor of this building, the single story of this building, that haul automobiles across the English channels in tons with a minimum of damage to the environment and so on.

Another area that perhaps we ought to be exploring and maybe encouraging private enterprise to explore for us or something for the nation is something like a magnetic tube concept through the Oregon transportation. We put oil through pipes and metal boxes in storage, and from one end of the bank to the other and flows in a vacuum. Why can't we put people, goods, in that tube and shoot them around the countryside without a lot of noise and without a proper amount -- without pollution and so on. It takes quite a few alternatives. But we should think in terms of those alternatives

Let's think in terms of things that service a multiple dual or more capacities. We have talked about making a cross way for the people of Anchorage to get over

to the Matanuska Valley quicker. So it's a convenience. Then it was urged an economically feasible thing because it approved the economic value of the land and the valley. It would provide people with alternative life style and so forth and so on. But consider this. If we built a causeway across the inlet, across the Knik Arm, for example that was designed to convert total energy into electricity. We have the second highest tides in the world here. The movement of this water is about seven or eight knots almost continuously. I have been told, by hydraulics, 30 minutes every half hour period of slow tide. And at all times it is running at a very rapid pace and there is a tremendous force involved. We can somehow convert that sources as it passes through a causeway just like it passes through a dam. We could create an energy horse source that could light up the whole of Alaska for 100,000 years for the cost of maintenance, even long after oil and gas is gone, or if it turns out that solar energy isn't for us.

Another alternative idea, it's not related to transportation. What about communities like Nome, you have a high tidal activity, you have break waters that are built for keeping the sea from washing you away. Why not build the break waters so they can generate electricity from the force of the water that is slamming against them. Kinds of concepts seem to be the kind of philosophical approach I

would like to see.

Lastly, I would like to see government get out of ours way as much as possible. I don't believe we can live in an archive. I don't believe we can live without government. But it seems to me we can live a lot better with a hell of a lot less government than we've got. If we can reduce regulation to a bare essential minimum, not by bureaucrats who want to keep their jobs and not by people who want to protect a monopoly, but we are told what is the only way or what is the minimum, for example, you can't allow people to take contaminated food and put it back on the market. You can't allow people to fly planes that are going to break up in the air and kill everybody on board. There is a certain regulation that is necessary. But the majority of the regulation whether it exists in transportation or otherwise is just a bunch of bull. And it's there for economic best interests. It's there for vested interest groups and it's there for the sake of bureaucrats. I wonder to what extent it truly services the people. We ought to, being a new society in a sense, and certainly fresh and not as bound by institutions than most are. We should find it easier to break those bonds than most are.

THE MODERATOR: Thank you.

THE MODERATOR: Your name.

MS. DEGNAN: Francis Degnan from Coast Sound. I missed out on your discussions yesterday. But as far as transportation in Alaska, I think it's very important that we now, everyone in the general public access to the areas that they go into, and can get into the areas they want to get into. Meaning if you are in the rural areas to get to be able to get into the urban areas and to have that access be safe. Currently Margaret mentioned earlier about airports not being safe and not being kept up to standard and that sort of thing. it's an ongoing thing. And people travel wherever they wish to go provided they've got the dollars and the wherewithall. I think we are -- we are thinking of terms that make sure that legislature by people and local community involvement, that they have access to these program development, in programmed ideas, that in the rural areas if roads are not feasible and they are not wanted and what we have available is either water transportation or air transportation, and the facilities are not there, but your safety factor depends on your pilot a lot of times. And so I think the general public needs, number 1, safety and access.

THE MODERATOR: Thank you.

MR. DAVIS: My name is Larry Davis, and I am from Homer. Yesterday I stated my priorities on transportation system. They still remain the same this morning, that is

the air transportation and the water-born transportation. Those two are the most transportation that has the greatest impact within the total State of Alaska. They are used by almost all the states here.

And I don't think the State should try to get into the business of trying to compete with private industry. Let the private industry provide the mechanical means to get from one place to the other. The State's responsibility should be to take care of facilities and upgrade facilities wherever they are at.

THE MODERATOR: Thank you.

MR. EKVAL: Eric Ekval. I share some of the same concerns that Art Davidson spoke to earlier. I remember a number of years ago, there was a lot of discussion about what the -- I guess it's still going on, the social and cultural impacts of television on rural Alaska or on ours country as a whole. And I think transportation systems have very, very similar kinds of repercussions.

When I hear talk about transportation planning, I sometimes hear or seem to hear more transportation for transportation's sake, access for access sake, and not so much what these systems are going to be used for or what the purpose of putting a transportation plan or roads or railroads into a place would be.

I am thinking in particular of a number of

projects which have been discussed for a long time, a road to Nome, a road from Cook Inlet to Bristol Bay through Iliamna to Dillingham, and those areas.

And if the purpose for building roads to far, spread out places in the State is to bring the cost of transporting food stuffs or commodities to these places, or bring these costs down, there might be much cheaper ways of doing that by upgrading ports, barge tie ups, and things of that nature.

I have heard it repeated very often in my travels that people want improved transportation within a region of a road from Saint Mary's to -- what is it? Mountain village, yes. Improved roads in the Dillingham area to connect the villages there. And I hear a lot of very, very strong operation to roads which connect the big magnets of the State, Anchorage and Fairbanks, to the outer parts of the State. And I think it's important to listen to these things not as nostalgic, kind of an acronistic attitude, but keep the things the same and not change it. When we witnessed the changes in the State in the last ten years, in Anchorage alone, we think of ourselves as a fairly sophisticated urban population, the changes that have hit us here and the changes that have hit urban-rural Alaska, it might make a lot of sense in terms of the manifold human impacts to really stop and consider of what the effects of

building spokes out from the urban centers to the rural centers are.

Off the top of my head it would seem to me we should give greater consideration to improving the intraregional transportation systems and allow people within regions as they identify their needs to build systems within the regions further, so that a gravel pit which is situated between two communities can be used by both those communities, so there would be cooperation sharing, and perhaps some economic development between smaller communities before the pace of the indiscriminate development of transportation from urban Alaska to rural Alaska.

But I think it's important to identify what the uses of these transportation systems will be. If it's to transport food or transport people or transport tourists or what, we have a lot of examples to draw on, the road to Minto we have a lot of mistakes. We have a lot of successes. We have a lot of failures in terms of human impacts and economic impacts on the State, and I think we can learn from them and I think we can listen to the people who have submitted to them or pushed them.

THE MODERATOR: Thank you. Laura Fleming.

MS. FLEMING: Yes, rather than echo Art Davidson and Mr. Delisio and Mr. Ekval here, I would like to fee

specific remarks I have to be kind of considered in light of things that they have to say. I am from Juneau and I don't have too much experience with roads, there is not too many places to go on the roads in Juneau. With regard to roads, it seems that the cost of maintaining a road, not the cost of building it, but maintaining it is astronomical in this State. I would like to see upgrading of the existing modes of transportation, not just airports and aircraft. We are using obsolete aircraft in some places in the State. In some cases I think it's dangerous to people who are using -- who have to rely on that form of transportation.

The marine highway System, places like Tenakee, places like one road and no cars, they rely on those systems heavily for not just freight but for getting around and receiving information and getting supplies. The cost of the Marine Highway System is pretty high, too, because they are using these huge vessels. And I would like to see some smaller designs used. It's ridiculous to be running a huge boat around with ten people on it. It would be nice if these smaller communities could have more frequent runs with smaller vessels suited to the needs that's there, large freight space and smaller passenger space. Water transportation is the cheapest form of transportation available. In it's in terms of moving freight. And at

some time in the State I would like to see rail links to places where water transportation is used as a link there. It would be an intrastructure as a necessary thing for industry, all kinds of industry, timber, agriculture, fisheries, mining, all those independent industries will require a means of transporting to their products, to the Lower 48 or whatever. I would consider it cost effective where transportation would pay for itself. It's a real danger. Let's go, we've got the money. I think there is a danger to create programs that aren't going to pay for themselves, but would require continuing support. There is going to be a time when we don't offer that, and we are going to have to retract some of ours initial agreements that we have made or contracts with the public. I would like to see a development program to pay for themselves in those areas. That's all I would like to say.

THE MODERATOR: Thank you. Ms. Fate.

MS. FATE: I am Mary Fate, and I would like to confirm with Frank Chapados and Mrs. Degnan. My dad carried mail through Rampart, Eureka, and all mining camps to trappers. And I had gone along with him. So, we also used air, boat and road. Now because of legislation nationally and State, we have to have roads on State and private grounds with regional input or the owner's input. So we have this tool if we would just use it, local control.

And that, I really appreciate and respect, is the local plans.

Now, put yourself in ours spot in the interior, 43 small villages without roads. And I worked for an airline for several years and I am for air transportation, but it is sad what we have in the interior. It's dangerous, and I really appreciate what Francis said. It's not only dangerous for the survival of the individual, for the owner of the aircraft, but sometimes you keep your fingers crossed getting in and out. And I have to go back and forth to my village many times a year, and I can't really give you how terrible it is at some points, depending upon the season. When you get to the airport, there is no house, even an outhouse, really. Or if you have medication, you protect it with your body heat, because it will freeze, if you are taking it there to the village for someone to survive. If you have food, it's usually frozen, so eat it, if you may, because some of the stores do not carry that much produce or meat or fish.

And ours seasonal river, you say, is cheap, if you can get in and out, if you can in the river. Ours Kenai River, you can't really beach a boat sometimes on it because of the wind. Good luck. It's so shallow it, itself, moves the river every year. And you really don't know unless you was born on that river.

So again, we have this tool. Let's plan with ours local input, but keep in mind the ten years from now, the 20 years from now. Again, we have small villages. We have small businesses. Very, very, small corporations, so, so small per capita, that ours overhead is so great in transportation we will not survive under this type of overhead. And what Eric said, he didn't finish his statement. He said, "Look at Minto." And I said, "What do you mean, look at Minto?" The road there. It's easy for us looking at those people and staying look at Minto the terrible things that are happening or whatever. I am trying to read into what you are trying to finish. But do look at Minto. They have a gas station there. If they don't make money in that gas station for their corporation that hopefully will go to the future of their residents and youngsters, they will have to go bankrupt. And they can't just make money with that gas station from Snow-Gos and boat fuel. So let's really respect the input of that area, which we have to.

That's all I have to say.

THE MODERATOR: Thank you. Your name.

MR. CROW: My name is J B Crow. Since I am the guilty one in this whole bunch by being provincial in my mind and earning a living by exploiting a natural resource, I yield to the professionals in the conceptualization in

moving greatly forward. I pass.

MR. GIBSON: But so elegantly, Bruce.

MR. CROW: I thought about it.

MR. FAIRBANKS: Being so provincial.

THE MODERATOR: Mrs. Carpenter.

MS. CARPENTER: The concerns in ours area are for some exploitation of resources, but in ways that are appropriate. And I believe, too, that a transportation system should not be just for nothing. It should be for a purpose. We do have needs for economic development, for development of a tax base in Western Alaska. Ours group concurs with recommendations 3, 4 and 5 in Mr. Selites' (phonetic) report on page D 44 and probably himself on 9 and 10. I am not familiar with the others.

We are dealing with high freight costs that discourage local processing. We have resources there, fisheries, agricultural potential, timber and mining that will provide jobs in villages. We would like those resources developed in ways that do provide jobs to local people that are not big, massive, high impact technologies and developments, but appropriate development that are appropriate for the area. And for those reasons, we do need improved local airports. We need barge tie ups; we need improved dock facilities. We need ways of lowering freight costs. And we also need these systems developed in

ways that involve local people in the planning. One of the main links that we need is a road between the Yukon and the Kuskokwin. That would provide low cost freight service to the middle Yukon area that has now served at a very great expense. It would also enable them to produce products for market and develop an economic market in the area that is not based solely on government services and employment. That's all.

THE MODERATOR: Thank you, Ms. Fisher.

MS. FISHER: I am Helen Fisher and I am a 17-year veteran of the lousy roads on the Kenai Peninsula. In thinking about those past 17 years, one of the big things that comes to mind is if they can put a man on the moon, why can't they build a highway that will last beyond one season. I have seen parts of the road continually repaired. And by repaired, I mean a chunk taken out and something else done, only to find by the next spring it's a pot hole mess.

So I would suggest as a pressure, perhaps, of issuing contracts, that the contractor be able to give of indication that they know how to build a road in Alaska.

I think in all of the things that have been said, and I agree with many of them, there seems to be one main thought that I think of, as it comes out, that we should care to what happens in the transportation areas. In my

particular job, I see women coming in from the bush and we know that their trip has been horrible.

I would hope that there would be some way that better and cheaper commuter transportation be made to these areas, because it really is difficult. If they come in because of medical attention, any of the services that have to be offered in a large area, it is really insurmountable at sometimes. So I think mainly we ought to care about what happens to each other.

MS. ELSON: I, also.

MS. CROFT: Also, Mr. Chapados, if he hasn't got a sensible plan, I think it's very necessary that they do have a coordinated plan. I thought they were trying to come up with something, but perhaps they have not. And finally, I would support personally some sort of possible subsidy for either mass transit or some sort of support for not necessarily huge roads, for mass transit, but some sort of support for mass transit so mass transit between the villages are easier.

THE MODERATOR: Thank you, Mrs. Davis.

MS. DAVIS: Transportation is not an area that I have a lot of expertise in, but from listening to what you have said, I feel that there was quite knowledgeable people that I know that we should not put all the responsibility on the government. Yet on the other hand, I think we should be

encouraging the government to contact. And when I say government, I mean all areas, the local, State and federal, to come together, to come up with some kind of design that's going to be helpful for the whole state of Alaska, not just one area, the whole state, and come up with reasonable solutions for transportation system problem that we know we are going to have in the '80s. If we have a problem now, we know it's going to be greater. And one of my main concerns is that we also do something to alleviate the person that has no money and cannot afford a car and would need public transportation. Especially in Anchorage, there are a few buses running around, and there are people who cannot afford cars and need that transportation. I know we will have a greater need in the '80s for that.

I am pushing for massive public transportation. Or maybe they will look at some other areas, monorails or different things. Things for people that are available to large groups of people, and also include the private sector to be involved by giving them some incentive to create these mechanisms for improving the transportation system, and not put all the costs on the State, or the other areas of government.

THE MODERATOR: Thank you.

Is it Mr. Gazeway.

MR. GAZEWAY: Most hearings that have occurred to me

have been at least partially covered by other speakers with the perhaps one exception. That is, I would like to see any consideration given to reducing taxes or fees or licenses or so forth, that would be applied to -- I mean the same consideration and more be given to reducing such things as a fuel tax or possibly license and so forth, as it relates to transportation. And I feel it perhaps would be worthwhile to say would be, too, or reiterating. I am glad to see we are all concerned with attempts to minimize transport calls while improving the services in both rural and urban areas, and particularly in the rural areas because I am of the feeling we haven't seen anything as far as calls are concerned, as to what will be cause for concern, as to what we will be seeing in the next two or three years.

MS. GUESS: Carolyn Guess. In trying not to repeat anything that I said, it would only be to add that I think you cannot consider the transportation needs, the transportation assessments and the transportation needs in a vacuum. I think they have a direct relationship to energy.

And I think when you think about that, you need to consider the availability of energy today. The president has issued his plan for gas rationing. I think you have to consider the efficiency of the energy. And I

think you have to consider the costs of the energy when you are concerning yourself for the transportation field.

THE MODERATOR: Thank you, Mr. Gibson?

MR. GIBSON: Bob Gibson. I have taken the liberty of sparing a lot of things that I want to say bypassing it out in this paper.

A couple things occurred to me, though, that if we as a group are to say something to the legislature, I think we should say that we recognize the need for statewide planning and development. But the particular form that that takes should be recognized as a local concern. We need intra-Alaska transportation. But I think that the areas effected should have something to say about that.

There has been a concern in the part of Alaska that I come from, that if we have a road from a major population center, we will soon be ankle deep, I mean even deeper than that, in Winnebagos and beer cans, and that ours game will be shot and ours streams polluted.

On the other hand, 25 cent pound air freight, is right around the corner. So perhaps a mix is appropriate, with due concerns for the areas effected.

Now, some specific things: We have an example of a State maintained, federally financed road in Bethel, which connects the airport to the communities. This is a

good thing. We need this access. But it is a road built to inappropriate standards and is hardly maintainable at any cost, but could be a lot more easily maintained, if it was not mandated that it be blacktop, which is hazardous in the summer, deadly in the winter, and breaking aago part all the time. So local knowledge does play a part there.

I should like to reiterate the absolute necessity ours region of the Yukon-Kuskokwin Road. It does not have to be a blacktop super highway. A maintainable gravel top could be just beautiful. And certainly saves costs on maintenance. I think anything else I have would be submitted to you in the copy I passed out. Are there any questions?

THE MODERATOR: Mrs. Guess was concerned about the energy potential and costs that evolved therewith.

Mr. Fairbanks.

MR. FAIRBANKS: I have lived in Western Alaska for six years now, and one of the main things, if I could say I've studied anything, would be transportation and the threat of roads to rural Alaska. I have gone to many villages, many people, trying to get a consensus from people about how they feel about it. The consensus I have from the local level is one of fear.

People have said in this room just the Department of Transportation have plans at this moment. Yes, they

have plans, they always have shelves full of plans to do many things. Right now they have plans for about 3,000 miles of roads in Western Alaska, roads which have not been mandated by the people, but which have been pushed by special interest groups, the majority of them not being Alaskan.

Just two things about the consensus that I felt: One, the regional areas should be the major planners of transportation, into their regions and in their regions if that they know what they want and they don't know what they don't want.

I've just got so many pent up feelings about this thing, that we've got so many different people in this room wanting so many different things, and we've got to make sure we make the right decision, because if we don't, we are not going to have Alaska any more. We are going to have L A, anything. If we make a decision, instead of making it right now, let's wait. Let's wait until the technology is there that won't screw up the environment. And the people of the bush are just worried about this. They are worried that they are going to be mandated or something that is going to screw it up. So that's about all I can say about it.

THE MODERATOR: Thank you.

Abi Dickson.

MS. DICKSON: I think I have to agree with everything just than everybody has said in this room. There were several points all pretty much agreed on.

One of them is that we have to integrate every system that we work on. Integrate means it's got to work forever because we are going to use it. I think we have to deal very, very realistically with ours energy problems. The system that we've got now just gulps fuel. They are dangerous to the environment. They are destructive of the human energy potential. We have to deal with the social implication of what we are doing. And I would like to see that we do try and emphasize ours minds and try and come up with some alternatives. In the northern part of the State, you can have very extensive system of well made trains in the center, so people can could get around on foot, by doing that. I am not suggesting that we go back to the dark ages, but that we start using ours human potential to travel around.

I understand the air problems of flying around. I live out in the chain, and there is only two ways to get there, and one's by boat and one is to fly. And it took me a month and a half to come into town. I would like you to see that. We asked the Legislature to respond to the wishes of this group and to the whole. In other words, everyone in the State wants a say in the structure of the

system that we are going to create. The Department of Transportation has got to be the response to people in the area. They are the ones that live there. They know their environment. They know what they want. Thank you.

THE MODERATOR: Mrs. Flynn?

MS. FLYNN: I am going to state what I said yesterday about the need to develop and maintain the smaller airports in rural Alaska, also to maintain existing new ones rather than old ones.

I'm no transportation expert, just a human being who has felt the effects of the development of the transportation systems, but not only in this State, but three or four other states. And I can't deal with the system in Minto or Nome or Steetemute or any other place. I don't know anything enough about it. But I think I can deal with it here in Anchorage. And I want to go back to the opening statement that I made yesterday when we were reducing ours and applied roads to.

As go roads so go the development. Some people look on that as very good. Some people as very bad.

Let me take a middle ground and say something about Anchorage. Sometimes the population follows the development. Sometimes you have the exact opposite effect. And as we build roads, we encircle otherwise healthy populations, and we watch those roads strangle

neighborhoods and we watch them dry up and die from the outside in. We are closing school in Anchorage, not just because we are losing kids, but because they are moving. People don't want to live next to super highways with their little kids. There are few things in the world more threatening than having large high traffic volume roads next door to you or close to you.

I think it very seriously impacts the mental health of a community on how roads are planned and built, where they go and how they go. And all you have to do is walk around this community. You don't have to stay downtown to see it. You can start going out in ours rural areas and seeing the mistakes we have made by building major roads and watch them kill off the entire neighborhoods. The pity of it is, is people want to move out and leave it all behind. What it leaves behind is the poorer people, oftentimes the minorities. And they are stuck there. They don't have the means out and they can't spare.

The fact of what I am saying is assess the need and figure out what the impact is going to be. Because the impact might be the death of a core developed community.

THE REPORTER: Thank you, Mr. Carlson.

MR. CARLSON: Madam Chairman, yesterday, I stated that I felt there had to be some equalization of both the

costs and the transportation energy in the United States. And as it leaves today, it seems that is a great field of road to because of the Anchorage people going to the neighborhood with their beer cans and soda cans.

The other side of that if we were to bring in a cash economy remote areas. There has to be access to jobs. There is almost a total unemployment problem, as I understand it and have studied it through the years. The people want to work, but they want to work where they have access to both homes and the jobs. And that is pretty limited to the rural areas. The job opportunities are pretty scarce. So I think without an integrated reasonably economic means of transportation, the access to employment is very restricted. So I think when we talk about a comprehensive transportation system, access to employment has to be one of the reasons for achieving.

I think that child should have system to what type of transportation to be built or if they don't want a road or don't want more than a one way street then they shouldn't be concerned about the cash economy. They ought to stay on the subsistance life style and not the life of employment opportunities.

So I think that has to be talked about in an integrated transportation system, access to employment.

THE MODERATOR: Thank you. No questions. You won't

believe this, but it's 11 o'clock, and we did it in an hour.

MR. DeLISIO: Madam Chairman, we missed one important person in the room, who I am sure has something to contribute and that's yourself, and I, for one, would be most interested.

THE MODERATOR: I would yield to Mrs. Flynn, Mrs. Guess, Mrs. Carpenter, Mrs. Degnan's views. Let's take a recess.

(Recess)

THE MODERATOR: We've covered education. We've tried to cover transportation. The next on the agenda is health and government services.

Now, we've outlined education to a degree. We've outlined transportation to a degree. The suggestion has been made that we break up into small groups to round out the outline and come back to the group as a whole to see how these statements will fair. We have approximately 45 minutes. It's 11:15, 45 minutes until lunch time. Now, it is ours conference so we don't have to really keep too strict of hours, except that we have to be out of this room at 4:30. And we can meet in room 301 at 8 o'clock tonight.

So shall we do with health?

MS. FITCH: Madam President, isn't there any way we can meet until six? You know, this is the second day we've gotten kicked out of here at 4:30. It seems like we are

getting shafted again.

MR. VAN DOREN: Mrs. Fisher, I can double check on this, but we are supposed to vacate this room at 4:30.

MS. FISHER: I am not opposed to vacating this room. I haven't become that emotionally attached to it. But the thing of it is I would like to continue until six o'clock because I am going to have a lot more energy until six o'clock than I am any time after 8

MR. VAN DOREN: I will look into it and see what I can do.

MR. GIBSON: May I suggest the group activity might occur between 4:30 and six when we have had an opportunity to consider other things which may have a impact on these two things that we have discussed this far. And then the face is at a premium for the whole group might be a time to make a report for the day to bring back, say, at eight o'clock for consideration by the group. And I would suggest that.

THE MODERATOR: Then at this time we will proceed then with the health portion of the agenda.

Mrs. Guess. It's fine with me. I am going to be very provincial in the energy area. I am very concerned listening to us in other areas that we will never get to it. And I think that you can look at every single topic here and you can go right back. You can go back to energy. You

look at finances, you look another all the resources. You look at any kind of services. And so being very provincial, I will make a motion that no later than two o'clock this afternoon we begin to address energy.

MR. EKVAL: Second.

THE MODERATOR: Motion has been made by Mrs. Cuess that we address energy sometime before two o'clock this afternoon.

MS. DAVIS: No later than two.

MS. FISHER: Don't we reconvene at 2?

MR. GIBSON: Don't we supposedly have a two-hour lunch break?

MS. CUESS: No, I.

THE MODERATOR: All those in favor say aye?

(Complying)

All those owe supposed?

Motion carries.

Health, another suggestion has been made to keep ours statements, I know it's hard, but as brief as possible in order to go around as quickly as possible, so I would ask please keep your views, keep your statements brief so that we will be able to do as much as possible in the time that is alloted to us.

THE MODERATOR: I can't lip read.

Okay, Mrs. Davis, would you like to start out?

MS. DAVIS: No, I wouldn't.

THE MODERATOR: Mrs. Croft?

MS. CROFT: Mrs. Fisher, I think.

THE MODERATOR: Mrs. Fisher.

MS. FISHER: Well, my first reaction to the subject of health is with a great deal of indignation and frustration, frustration because things that were set up to help people were not, and I am thinking of Medicaid in particular. We are seeing a lot of women come to the center who are not able to use Medicaid. These are people that would qualify, but because they cannot find a doctor to accept it or they sort of fall through the crack of somebody's regulation which does not apply.

I would like to see the Medicaid overhauled completely so that it serving the people it's intended to serve. I am going to let it go at that, because I am sure that other people have comments that I will agree to, too, and I don't want to monopolize the time.

THE MODERATOR: Mrs. Carpenter?

MS. CARPENTER: Can you come back to me later? I have to find my notes on this.

THE MODERATOR: Mr. Crow.

MR. CROW: I pass.

THE MODERATOR: Ms. Fate?

MS. FATE: Under the health, again, we have State

boards; we have local boards,, we have P H S boards, and for health and planning in the State of Alaska. And I think there should be a coordinated effort of all these that are providing policy making in regard to health. I would like to see a continuance of board of commerce for not only medical, doctors, dentists. but this we've got to continue.

And also, transportation as we talked about, is another very important thing is updating best routes, because the patients do not get the health care in that village except for a health aid or in the rural.

Communication is so important, ours telephone lines. And where emergency is usually not working in the small villages, there is just one phone. There sometimes is an incoming route but not an outgoing route, and maybe we could use -- get the use of -- and I don't know the name of it -- television.

THE MODERATOR: Telecommunication.

MS. PATE: Where the doctor could diagnose the patient that is in that city.

MS. CUESS: Satellite.

MS. PATE: The outgoing I am thinking more of.

MR. DELISIO: Telex.

MS. PATE: Also two way. Also I would like to see this. There might be a possibility. The USPHS Pendex

(phonetic) are priorities of health care, whether they are a physician or dentist, should have some sort of evaluation stand like other priortities of medicine in the State of Alaska

MS. CARPENTER: Could you repeat that?

MS. KATE: For instance a private physician in a community has to pass a board exam. A physician under USPHS do not have to pass that board exam. But they could come here and practice on the individuals who are usually people who cannot have a choice of dental or medical services and usually do not have another diagnosis and usually most likely do take that one step. And it may mean their life. So I really feel USPHS Bencer Medical Services in Alaska should have some sort of screening process.

THE MODERATOR: Thank you. Mrs. Carpenter.

MS. CARPENTER: In ours area, we have two primary concerns: One is preventative programs for otitis media and other chronic conditions that are extremely serious for children.

And the second is expanding to poor for alcohol problems. Alcohol is the primary social problem in ours area. And we do need additional support in dealing with that. And we have developed some programs that are working. Some of the programs in the villages we are getting whole communities that are behind good alcohol programs that are

being helped and rehabilitated. But the funds are extremely limited. And we feel that a larger percentage of the money that is earned from alcohol sales in this State should go to deal with some of the problems that alcohol causes.

THE MODERATOR: Thank you.

Miss Freeman?

MS. FLEMING: Laura Fleming. I don't have any specific things to address in this regard, but I tend to feel that the social and economic health of the State is an extension of the mental and physical and spiritual help of the people who live in the State. And I do feel that the State has a responsibility to the citizens in this regard.

In too many places, good health care is available only to the people who can afford it. And the people who need it the most can't afford it and they can't get it. And I think that that's an ecuality which needs to be rectified.

The Constitution offers quality for people, but if you are not healthy and you can't function, that's not equality. And I think that we could work towards offering a program of health care and alcoholism prevention, which is especially a problem in Southeast Alaska, for every one. This is something that they are trying to work on, they are trying to create, but it's falling short and it's not ready

yet to serve the people. I think we need to put as much energy into that as possible.

THE MODERATOR: Mr. Ekval.

MR. EKVAL: I don't have a statement to make on the subject this morning

THE MODERATOR: Thank you, Mrs. Degnan.

MS. DEGNAN: I've got two areas. I think education is very important. The school system to teach or encourage young people to look after number 1, their physical health, and to know how to keep themselves healthy, because that's very important. You are the one responsible for your own health.

Number 1 is the individual responsibility. And the other area is this that we have had surveys going in areas that don't have health care and local input has been asked and I have never really seen, if I may back up, follow through on what, you know, concerns have been voiced in the past on, you know, health needs in Alaska, and only those that, you know, get to the hospital.

You can't afford to get sick if you live in the bush. So, number 1, you've got air transportation in. You've got to know where to go, where they will be able to take you. And I think what would be critical is the State has a policy for access for individualisation. It's kind of like a health, -- to also enable the emergency cases to

get immediate care without having to wait.

THE MODERATOR: Did you have something?

MR. ERVAL: I do have a statement to make, I think. As health care costs are escalating and there is talk of national health insurance and essentially if you don't have insurance and you fall sick in this country, you may mortgage the rest of your life paying off hospital costs and things like that. I think we are going to have to come nationally, and I think we are in some degree already, to a point of view where a holistic preventive approach to disease and general health is emphasized. And I think that that's going to start to some degree with the larger corporations, the insurance companies. And I think one sees it already in national media in advertising, encouraging people to get out and get healthy, making being healthy and physically fit something that's desireable from all points of view.

I think the State of Alaska should adopt an attitude -- I am not talking about programs but it's easier to adopt programs than it is to adopt attitudes -- towards a, perhaps, nontraditional or nonmedical model approach to health care and prevention of disease which views the whole body, the environment, and not necessarily sort of a Band Aid or fix up approach to making people well but instilling in people a sense of what it is they need to do to stay

healthy.

And I predict that we will see on a very large scale, large corporations trying to keep their health care costs down, encouraging people, giving them incentive, economic incentives, any number of things, running, swimming, playing handball, basically following regimens which keep their bodies fit. And I think until we begin to adopt an attitude that the body has homeostatic tendencies to keep itself well and that we must do everything to encourage them through tax incentives, I don't know. This is sort of a long terms, long terms kind of approach that I think ultimately we should look at them.

THE MODERATOR: Thank you.

THE MODERATOR: Mr. Davis?

MR. DAVIS: I pass on health.

THE MODERATOR: Mr. Pelisio.

MR. PELISIO: Again, I come back to sort of a conceptual approach. I don't have any real precise concepts. But I think in this field as in others, ours government, with its wealth, should be using economic incentives to get private enterprise to solve a lot of ours problems and to take on these problems. One of the things, of course, is we talk about the inability of people to afford health care services. One of the reasons that poor people can't afford health care services. I think rather

than giving hand outs to take care of their medical problems, give the people a means to take care of their own problems.

Among the things that might be considered in the areas for incentives, for example, let's break away a little bit more from the concept that only a doctor can take care of ours needs. Doctors are tremendously expensive as we all know, and I will not going to promote that.

We find that paramedics and nurses are given the capacity to use their skills. We could encourage the concept of using quasi-medical people to deal with an awful lot of ours medical problems at a heck of a lot less expense, and again, they would be providing it as a private enterprise function.

With regard to medical care delivery, one of the highest costs, of course, are hospital costs. And one of the reasons we are told that hospital costs are so high is you are going to provide high technology and I think Alaskans have access to high technology medical invention. As a matter of fact, the scanners, and so on, can scan the entire body and diagnose incredible things in three dimension. The centrifuge systems where you put samples of fluids and you can get computer diagnosis of all kinds of conditions instantaneously at very low cost.

The problem is the initial investment is so high. The hospitals say they have to justify their high costs to acquire the investment of the intensive care units, these sophisticated technological devices. Maybe what the State could do is to make low interest loans or even capital contributions to privately owned hospitals to acquire this equipment, and then, of course, let the hospital charge for the operation of it. But the operational expenses are frequently not that great.

But again to put the incentive on the private enterprise, for the State to provide the seed money in a sense to provide the encouragement, even sometimes the training to learn how to use these things.

The idea that Mary Jane has is an excellent one and I think it meets your problem in part about the Medivac concept about your telecommunications diagnosis and treatment. A lot of what can be done nowadays is not just what the doctor can see the patient. The doctor can actually feel the patient. The doctor can actually be inside the patient doing things, can be administering the patient medications and all kinds of things by remote control in electronics. Again we ought to be encouraging private enterprise. I represent a client, Arctic Telecom Association, which is owned by the people of the Arctic

slope from low interest borrowing of the association, which is going to be repaid out of revenues generated from the telephone system. They hope to be able to provide many of these collateral services, not just a few, so you can pick up a telephone and talk, so the doctors can treat patients in villages, so the people can hold conferences and discussions at long distance, so on and so forth. But the villagers don't have the money to instigate something like that. You need the seed money, the incentives. So we are just kind of going back to the old saw I have been hammering.

Alcoholism. I think it's a sad affair that we are treating alcoholism by government programs and government employees. I think we ought to be treat alcoholism by private enterprise, who maybe has to contract with the government and maybe a large source of their revenue would come from the government, maybe because people can't afford alcohol treatment can. But they have some standards of performance that they have to meet. If they can't cut those standards, somebody else is standing in line saying, "I can do a better job, and I can provide this alcohol treatment better than this other fellow, so I ought to be the one." So maybe there are five or six that are providing competing services in ours society.

I think we ought to get away from the panacea

that government can and should do everything for us. As I talk, I am sure some of you get the feeling that I have kind of an axe to grind with bureaucrats. But in truth, I think we have to realize it's not the bureaucrats all doing what they are doing. They are doing what they are doing because we asked them to, we have given the opportunity, and they have the natural inclinations to use and abuse those opportunities just like we do in the opportunities that we have.

But the problem is we are so used to them solving ours problems for us that we are complaining here that we don't have input in roads. We don't have input on health needs and things like that. The difficulty is when we are often asked for input, we say, "Gee, let somebody else talk, let somebody else take care of it. I'm too busy. I've got to take care of my own personal problems." We don't provide the input, we don't provide the solution to the problem.

We've got to break ourselves away from this. We have to have a system where the man can demand and given the opportunity to be independent, and the government is a helper and sometimes an innovator, maybe, but we are the ones that have to get the job done.

BILL MOLNATCH: Thank you.

Mrs. Cooke, Margaret.

MS. COOKE: I agree with Fran. I think education on health, welfare is very important, especially the villages where there is no access to a doctor or a hospital. and where there is a hospital like in Bethel, I think even though there is a hospital, it's understaffed, and with a new hospital coming up, there is no funding for -- it's not funded enough for a staff, and there is no funding for housing for the staff.

And I think the other thing in the health area we are too look at is housing. In some of the villages there is housing in the villages. There is government housing coming in, but it's not -- plus the thing I see with the housing, the majority of the funding is spent here in Anchorage or wherever it's funded out of. A bulk of the money goes to administration.

And just this last week my husband was in the village and he came back and he couldn't believe what he told me. He said he went into a village to a married couple who had seven kids. He said they were living in a 10 by 12 house. And I couldn't believe it.

It's live -- in the summer we live -- and that's for health problems, he went in there. There was two beds in there. The ceiling was leaking. A couple of rooms and seven kids. And I think health problems is one of the things we should look into: In the summer we live in a 10

by 12 by 14 with three kids and that's hardly enough room

THE MODERATOR: Margaret, are you from Bethel? Is the hospital --

MS. COOKE: We have a new hospital there now, but a new hospital is coming up and should be opening up pretty soon, but the funding isn't there. It's not funded adequately.

THE MODERATOR: Is the hospital that is there now, is it a YKH?

MR. GIBSON: Yes.

MS. COOKE: Uh-huh.

THE MODERATOR: Are there any training facilities that are going on in the hospital?

MS. COOKE: I don't know that much about it, but there are training programs with like Bethel Hospital and USPHS work closely together. They have training programs for vics. But I think there should be more on preventive health, what to do with ours different (pause) well, especially for village people. Education on what we can do for ourselves or prevent sicknesses.

THE MODERATOR: Thank you.

MR. DAVIDSON: I second Margaret and everybody else who has talked about preventive medicine. I think that is an area that needs a lot of emphasis and focus and input from a lot of people.

The one area I think is really important, the mental health. The headline in the paper this morning points out to me the absolute utter failure of ours systen to deal with mental health problems. Here is a 16 year old and 17 year old kids a boy and his girlfriend, in Anchorage arrested for the murder of a taxicab driver. That is an extreme case, but I think there are a lot of kids that have emotional problems that put them in McLaughlin and get them in trouble with the law.

I don't think the answer is real easy, but I think they come from a lot of directions to solve these kinds of problems and I think in the preventive area to give these kinds of kids an opportunity to deal with their problems and to have a healthy environment in the school and in the community, and I think this is what you have to look to.

I think this relates to some of the other subject areas we are going to deal with. For example, in terms of education, this film we saw and the programs we heard described to me this morning to me is an excellent example how in the area of education you can work with kids who have emotional problems or some problems or kids that don't have problems. I think we should have more counseling in the schools. I think we should have a different array of opportunities for kids with problems to work them out and

to have opportunities to develop transportation in other areas that people in some of the rural areas need. If they have some health problem, it's sometimes difficult to get into a hospital and to get to the best medical care. I think that to me emphasizes the need for the airports to be in good shape and have the right equipment to get in and out of there in different types of weather.

It's frustrating, I have been in villages and try to get out and you are there for two or three days because it's storming and the runway washed away or something like that. And if somebody is in a critical condition, it could be a matter of life and death.

In the area of law and justice, I think that there is a lot more than what we can do in terms of rehabilitation when people have gotten in trouble rather than putting them in jail. Rehabilitate them. Again, this is a mental health area.

In terms of recreation and community projects, I think we should try a way to develop opportunities just right in the local level, and communities within cities, so that young people have chances to grow and develop in healthy ways.

And then the area of finances which we will get into later, we've got to learn about financing health. Another article is this hospital, 5 million bucks short. I

don't have the answers to that, but maybe somebody could get into the financing of health, somebody who has expertise in that area. There seems to be a few problems.

THE MODERATOR: Thank you. Mr. Chapados.

MR. CHAPADOS: I am not too familiar with the current situation as far as health care in Alaska is concerned. I still think that we are here, of course, to try and develop some thoughts and to pass these thoughts on to the members of the legislature who are concerned about the level of the services that the State should provide to the people of Alaska. And I am not an expert in this field by any means and maybe someone can address that. But I think in terms of, there is probably several areas in health that need to be looked at. And I think we have to, in order to maintain the high standard of health throughout the State we have, there are certain standards that have to be met and there are other things that are carrying on. I suppose they examine foods in restaurants and all these things are a part of the services that have to be performed. And I suppose the State is the place where this has to be done.

I would say if we had a satisfactory level in this area of performance, that perhaps we are on the right track and that we just have to meet the costs of inflation and the increased population, whatever, that would be necessary to fund these programs. I am not sure where the --

what the situation is regarding the real health problems. Just how bad are things in Alaska with respect to whether or not people are getting proper care.

It was mentioned that only those people that can afford it can get medical attention. I would think that what we are trying to do in the State, and if there has been a lot of money appropriated, we are trying to take care of the people who can't help themselves and are not able to meet costs. If this is the case, there is something wrong with the delivery system and that's got to be looked at and improved on and streamlined on so the money that is the expense gets back to the people that need the help. I am one person that is opposed to hand out, people who are not worthy of hand out. But boy, if somebody needs help, I think it's ours responsibility to get it. And it's a quality type of help.

Where do we stand as far as, should we tell the legislature that the responsibility for health is limited to certain areas or to a certain extent?

We talk about private enterprise coming into the picture and I think that's good, because I think that the State can do a lot to provide the leadership and perhaps the wherewithall, but I think we ought to give ours tax paying citizens and people in enterprise, private enterprise an opportunity to make a few dollars and perhaps

they can pay taxes. Perhaps this is the one way we might meet some of the concerns that Steve has.

That's all I have to say.

THE MODERATOR: Thank you, Mr. Carter.

MR. CARTER: I don't have anything to add.

THE MODERATOR: Mr. Cooper.

MR. COOPER: I listened to the comments coming around the room. And I think we need to realize there is no way for enough money for the State to ever provide all of the health care that everyone feels they should have because it's a nonending escalator. We have to get back to the basic premise that some people feel they get a sliver in their finger, they need to go to the hospital. Others a sliver, why you take care of it yourself. So I guess what I am saying is that if the State is going to be in a position of insuring that every one has all of the health care they feel they need, we are broke. I think we should say that the catastrophic type of illness, accident, there should be help available. But I don't think it should be left to the individual to make the decision on whether or not they can afford health care because there are some people who can never afford anything. And there is others who will do on their own to the point where it makes us feel real bad that they are, in effect, taking care of themselves to that extent, people with broken bones who set

them, themselves, and go on about their business because they couldn't afford it to do otherwise. I think that's the gist of what I am saying.

I would like to mention though that Mr. Ekvall made a comment about physical health, exercise and all of this. But not once did he mention a real fine way of being in fine physical condition. Just to do a little bit of work once in awhile. Just plain productive work has a tendency to keep people in pretty fair physical condition. I am sure Mr. Fairbanks has very little problem with needing to go out and jog in the morning in order to get his exercise, not if he's going to be out in a potatoe field hoeing potatoes all day. Maybe we need to get back to work and help take care of some of ours mental health problems and physical health problems.

THE MODERATOR: Mr. Carlson.

MR. CARLSON: Yes, Madam Chairman, I have very little new to add except I would urge ours Legislature to take a new look at ours current catastrophic insurance program. In talking to the Commissioner, I don't feel it's properly funded. I think normally it's been the history, at least that I have followed, the low income people normally are taken care of healthwise, maybe not to the degree they would like, and maybe it's not as available as they would like, but normally it's not an additional financial burden

even on them. The wealthy have found it's not a big problem. It's the middle income person who is hit and doesn't have a plan with the catastrophic wipe out. And I think ours Legislature without any great new studies or anything could more adequately fund it and maybe take look at what they established originally as the entry level for availability of catastrophic concerns.

THE MODERATOR: Mrs. Flynn.

MS.FLYNN: Agreeing with a number of things I have heard, I pick out three. I would like to see some equal access to health systems. And I say health systems plural intentionally with some rather creative and alternative methods of doing so.

I very, very strongly endorse the idea of prevention, which would include everything from baby clinics, again, sometimes an alternative means, to very, very comprehensive health education. I have heard a dozen people say that, and comprehensive health education, and you used the terms holistic, which means good physical health, the good mental health going along with having a problem, being a productive human being, and feeling good about oneself as a provider or a producer or whatever you're doing. It certainly includes alcohol education and it certainly includes sex education, because that's what's perpetuating all the problems that go along anyway.

And I would also echo on cost containment, primarily through prevention, but also in recognition that health care systems more and more are becoming simply a cost of doing business. Health care systems are provided in two ways, not just in this State, but all over this country. They're provided by the government as a direct subsidy to people, or they are provided by an insurance program paid for through either a union benefit or part of one's job and persons temporarily out of work, Dwayne said it beautifully, persons temporarily out of work or just above the poverty level in that sort of low middle income level are the people who have the worst problems achieving good health care, any health care at all. So I think those areas, access, cost retention and prevention.

MR. ERVAL: Madam Chairman, I would add to those two, people who are self-employed who are not part of a plan fall between those.

MS.FLYNN: Farmers may get sick.

THE MODERATOR: Abi.

MS. DICKSON: I think I have to agree with the holistic approach to this whole problem. I can't emphasize that enough. I also think that we are dealing with prevention. We also have to streamline ours present system of, well, just ours present system. But I just think we've got to emphasize the holistic approach in ours whole

education and preventive maintenance of ourselves

THE MODERATOR: Thank you. Mr. Fairbanks.

MR. FAIRBANKS: Just have three things: number 1, health education programs should be better funded. Right now the health education programs in Bethel are such as they are in a crisis, they were fund for a little while and then they don't have any money for the health aids. And it's very substandard.

Alcohol abuse is a major medical problem in rural Alaska today and it should be recognized as such. If we did not have a lot of alcohol abuse then a lot of ours health problems in the rural areas wouldn't be as bad. And we need to change from crisis management in the health care field to preventive medicine. And right now the output of health care in the bush is only such that they can provide for the crises. And nobody is providing for preventative medicine. That's about all I have to say

THE MODERATOR: Mr. Gibson.

MR. GIBSON: Mr. Fairbanks said a lot of things I was going to speak about. I think if we were to send any priority, however, to the Legislature for its most critical and immediate attention, it would be in the area of alcohol abuse and its attendant ancillary problem. This is probably ours number one crime problem, probably ours number one health problem in the state, certainly of rural

Alaska, and I doubt that urban Alaska is much better off.

Two brief comments on the educational preventive thing. Such programs of paraprofessional education which I have heard recommended here are, indeed, capriciously, carelessly and infrequently funded. The health services in the villages could be vastly improved by helping train and fund the training programs for the paraprofessionals. I have seen great things that they are doing, both in crisis management and again preventative work. They need to do more.

The last thing is that ours communications system in rural Alaska in support of health services in an absolutely indefensible shambles. Many millions of dollars were appropriated for a system to do this. That had been goodness knows how frittered away, but we still have absolutely intolerable unsupportable communications relative to health in the State of Alaska. I would not recommend that we load it on the satellite. I would recommend local, supportable, economically feasible and locally repairable microwave or VHF systems. Amen.

THE MODERATOR: Mrs. Cuess.

MS. GUESS: To add a little different note, based on my experience, I see a need for the realistic planning for the delivery of community health services which ultimately impact the health of the individual. And I am very

specific, and you just know right where I am coming from, it will go back to energy. It's your sewer and water systems.

When these are planned for, consideration must be given to who will and who can pay for those services. Is it going to be the State? Is it going to be the local community? Is it going to be the individual? And specifically, I will give us four examples that have come to the attention of my bureaucratic shop in the last year.

The city of Hoonah, for its water and sewer system, owe the utility $42,000. Minto had the power turned off to its water system because it was unable to pay a $30,000 bill. Skagway, as you may have read, is refusing to hook up to the sewer treatment plant. Ambler has eight lift stations for its sewer facility. That's to take the stuff up the hill. Anchorage has nine.

These community health facilities are directly dependent and the costs of them relate to energy. We go in and say, "Don't worry, we are going to build a system and you are going to maintain it." And I do not think that realistic planning has gone into what we've seen so far.

THE MODERATOR: Thank you.

MS. GULSS: Could I make an aside, just one thing, I wanted to comment on Mr. Davidson, because I felt like a minority of one yesterday. On the head lines, when you

read the paper about the two young people charged with this awful thing, read that neither one of them were enrolled in a high school.

MS. FLYNN: Oh, the Anchorage public schools.

MS. GUESS: And they wouldn't have a need for a post-secondary school.

MR. DELISIO: They might have a need but they wouldn't have an incentive to use it.

MR. CAZIER: I don't have anything to add. Previously most of it has been said here. I was glad to see Mr. Carlson point out how you can't afford to be ill or sick nowadays. And I wish I shared Mr. Delisio's enthusiasm about what technology will do for us, after observing the age of the pills and so forth, what it has done.

VICE MOLLRATCH: Mrs. Davis.

MS. DAVIS: I agree with most of the things that have been said around the table, and I feel as we blueprint for the '90s that we have to give some special consideration to some of the people that fall through the cracks. And that's the senior citizens and teenagers. When you think about State facilities, you know we have API. You know we have really no other place. We have API. We also have the McLaughlin youth center for the juvenile delinquents. For those that aren't in trouble with the law, we have nothing

to provide for them except for some of the private facilities that we have and not having enough. We often have to ship especially teenagers out to the Lower 48. So I feel we have to display special emphasis on that, providing the health services that they need in mental health as well as physical health, whatever they need to be provided for them.

I also think that we need to pay special interest ours senior citizens making sure that their needs are being met because more and more people are beginning to realize that they prefer to stay here in Alaska rather than stay here until they retire and go somewhere else in the Lower 48 to stay. Because of the high costs of medical expenses, a lot of them choose to leave the State against that you their own wishes.

Another area I have some concern about because I am a woman is the fact that I feel that women are not treated fairly when they go to the doctor for examinations to be treated because of something that's wrong with them. A lot of times, the doctors do not want to seem to get to the cause of the problem; they just want to treat the symptoms. In other words, if a man goes, they feel that there is something physically wrong, and they feel that they came to see what they can do to discover the cause of it. If a woman goes, they feel that they can give them

tranquilizers and other things that will take care of their little ills. And I think there should be something in line to correct that.

MR. CHOW: Funny.

MS. DAVIS: This is not funny. It's true. That's one of my main concerns. I also feel that nurses are not treated fairly in this health system because, if you notice, a lot of people State that doctors need not be available to provide all the medical treatment, that it could be done by others, and they push towards doctor's assistants or all the other names that they might want to call them, but the the person who is trained a doctor's assistant act on behalf of the doctors.

On the other hand, we look at nurses who have more than 4 years of education and gone beyond that, and all you want them to provide is beside treatment to the patient, and I think we could get better use than the capacity than we use them, and the aids.

THE MODERATOR: We have Mr. Fison with us this morning.

MR. FISON: My main concern is in the area of prevention realizing that treatment is necessary. But we continue to build bigger and better hospitals at the bottom of the cliff and we haven't built too many fences at the top yet. In other words, we need to prevent people from falling over it we can. And part of the problem is that we

are spending more and more on, let's say, dealing with alcoholism rather than trying to get at the root of alcoholism, which is the problem of many times people not having the kind of emotional stability, not having good self-image, which was already mentioned, emotional and mental health.

The medical profession estimates go as high as 75 percent that most illnesses or all illnesses, except accidental illnesses, begin with emotional stress and grow over the years. We have very few programs dealing with these. I just learned of one program in other states. They are having kids with high blood pressure and who are overweight, coming an hour early to school giving them special exercises and special attention giving them treatment and education so later in life they won't have the problems as the other kids won't have.

I think if we spent money on preventive health, we would have to spend much less on the other end if we had to deal with it in a medical way. That's my feelings

THE MODERATOR: Five seconds.

MR. DILLON: Just the thought occurred to me the idea of this holistic health concept, biofeedback, for example, training people to understand what is going on within themselves and to what extent they can control them by will is an area that we badly need to do a lot more analysis in

and perhaps it requires some means to make it available.

THE MODERATOR: Okay.

MS. CARPENTER: Can I just make one more comment?

THE MODERATOR: One more comment.

MS. CARPENTER: Quickly, in the Bethel area we have a very successful EMS program. I would like to remind everybody that accidents are the highest cause of death in Alaska, and that we do need accident prevention programs and training for EMTs, and ambulance services.

THE MODERATOR: Okay.

MS. FAIR: Just one, protective services, mental health, and drugs are big problem in the villages in the interior, a suicidal mental vacuum. And the State agencies passed an act last year with regards to funds, low interest, and facilities. If we could really get to all that legislation, I would say early detection like you did, but quality health care with a family involvement close to home.

THE MODERATOR: Thank you, it's approximately ten after 12. We will be back here at 1:15.

MS. CARPENTER: Madam Chairman. Can we start at that time regardless of who is here or not here.

THE MODERATOR: We are going to start at 1:15.

MR. OLSON: So there.

(Noon Recess)

THE MODERATOR: Are you ready? The word is energy.

Mrs. Guess?

MR. GIBSON: I think this was rigged.

THE MODERATOR: Yes, it was.

MS. FLEMING: Question? I thought we were going to complete direct services and then energy by two o'clock. Wasn't that the motion we made? By 2, energy.

THE MODERATOR: It's 1:25 now. And direct services just isn't going to -- I took it that we would be on energy by two o'clock. If we start now, we will be on energy by two o'clock.

MR. GIBSON: I understood that it was to be no later than 2 that we would be into it.

MS. FLEMING: I just thought that if there was something pressing that people wanted to say about communications and law and justice.

THE MODERATOR: We are not going to forget it. Carolyn is going to be very, very brief.

MS. GUESS: I am concerned that some of ours tardy ones may have some words to share.

MS. CARPENTER: That's their problem.

MS. GUESS: I agree that it is their problem. I do not want to say that much initially. I would like to reserve some time in the clean-up slot, mainly because I want to hear the concerns and the ideas that other people have.

My job at the Alaska Public Utilities Commission is to react to today's policy and to set rates accordingly. And we are specifically talking in the energy area now.

We should be considering long terms goals in the area of energy. But the reason I handed out the compilation of the diesel fuel costs to you was I wanted to show you what I believe is an overwhelming need to look at some kind of short terms or intermediate terms solution to what I think is an overwhelming problem.

Hydro is a marvelous alternative. We are all talking about it. It doesn't go on line. Next month, next year, two years from now. The people in Kodiak will tell you that they have been working for two years to get a permit to begin and what I want you to see on this sheet. And, of course, my background is particularly in -- as far as the generation of electricity -- but translate this to heating fuel. It's the same fuel that fuels the generator, is I think we have a crisis. And the crisis is this: Shall it be in the public interest to keep the lights on and the generation going in rural Alaska?

Some people say, "You know, if they can't make it, they can't make it." Well, I would like you to consider some of the consequences of not making it. When we talk about health services and the delivery of health services, we are talking about the need for electric energy, keeping

the drugs cold. We are talking about not having freezers if we don't have any power. And I could go on and on. But it's a little tough sitting in the slot where we say, "Usual pay 40 cents a kilowatt hour for power." And this is what my shop has said to the residents of the Avak villages.

To the people of Bethel we have just approved a rate increase that will be probably 22 or 23 cent power. The people in the urban areas, in Anchorage and in Juneau, are a little bit more fortunate today because Anchorage generates on gas. And the gas, the gas contract is much less. The people in the Anchorage area pay four cents a kilowatt hour. The people in Juneau are paying anywhere from five cents to ten cents.

How do we stimulate economic development in ours rural areas when the cost of power is so high? Do we keep the lights going?

THE MODERATOR: All right, who would like to jump in?

MR. GIBSON: Madam Chairman?

THE MODERATOR: Mr. Gibson.

MR. GIBSON: Rather than make a long statement, I would like to refer you to my paper mailed in as a people paper on Alaskan oil and energy. I would like to endorse everything that has been said thus far as entirely realistic. I would like to cast ours energy problems, however, and ours energy challenge on a statewide basis. I

would like it to be the sense of this group that ours highest priority for the expenditure of the monies we get from ours petroleum reserves go to the conversion to systems as appropriate to get us off petroleum power technology no later than the year 2000.

My proposal indicates specific time tables, specific legislation, and specific recommendations for that accomplishment. I should like to recommend to the group that they look it over. It's certainly not definitive or exhaustive. But I think something of this sort should go emerging from this group. We can make a general statement that we need to do more. It's later than we think.

THE MODERATOR: Mr. Fairbanks?

MR. FAIRBANKS: I will pass right now.

THE MODERATOR: Abi?

MS. DICKSON: I think I would like to pass at this point.

THE MODERATOR: Mr. Cooper?

MR. COOPER: I think that Carolyn Guess probably touched on the biggest single problem with the energy within the State, and that's government. I think we are ours own worst enemy. We need to develop hydro, which is a relatively inexhaustible source of power. And the first thing we do is erect such road blocks in the permitting process, that we freeze to death several times over before

we can finally get the permit, let alone get the facility built and on stream. We have been 20 years trying to get the permit to build Bradley Lake. And we are assured that we will be getting it probably within the next couple of years.

And like I say, I think if the commitment to pull the road blocks out of the way that, rather than a being able to carry this permitting process on for practically forever, that there be guidelines established as to the amount of time that an agency can spend in its deliberations to speed up this process that we can turn the human resource loose to develop this alternate sources of energy, whatever they might be.

THE MODERATOR: Thank you.

Miss Fleming?

MS. FLEMING: I can only overwhelmingly support Mr. Gibson's goals as outlined in his paper. I think that Alaska has enough alternative power sources that are regenerative in nature that it will not have to resort to nuclear energy, which at this stage, although it's a wonderful branch of physics, is still in the finishing stage. And when they finally get around to perfecting fuses, it will be great.

But I think the dangers are too important. And I would like to see these other things explored explicitly.

MR. DAVIDSON: I agree. And self-sufficiency, I think, is also very important.

THE MODERATOR: Margaret?

MS. COOKE: I don't have much to add to Gibson's paper, but I think with most of the electricity now, the question posed: is should we continue to keep this electricity going?

Relatively people were happy before electricity came, but now that electricity is there, we don't want to shut it off. Once we get it, we don't want to let it go. And I think it's essential that some. The electricity bills now are way, way, way high. But even though they are high, the people aren't going to shut their houses off. And I think the alternative sources should be explored, you know, because some, sometimes household income for a month will only go into electrical bills or fuel bills. And if they could, you know, get the fuel down.

THE MODERATOR: Thank you, Mr. Delisio.

MR. DELISIO: I think there are two problems. First problem that Carolyn has touched on is one of immediacy. And the other problem is a long terms solution. Obviously what needs to be done now is throw a tourniquet on a gushing wound, perhaps, instead of nursing it and seeing the wound is healed and returned the full use. On a short terms basis, it doesn't seem to me there is too many

alternatives. One alternative is to provide a State subsidy to purchase the fuel or a State subsidy to transport it.

One subsidy that wouldn't be difficult to bear is the use of National Guard personnel to fly tanker planes loaded with diesel fuel and someone into these villages. I find that today in ours system, ours Air National Guard crews are required to fly so many hours a month. And they fly with empty aircraft nine times out of ten with no discernible mission. They are just keeping up their competence, which they must and certainly should do as required by the governor. And if we have critical shortages and the cost of transportation we know is staggering and air we now know is the only way to get it in because the rivers are freezing up and the ocean is freezing. Maybe we ought to use the Air National Guard to put it in.

The water projects we talked about, seems to me that rather than fractionalizing ours energy production system, we really ought to look at some way to concentrate in it so that we gain some efficiencies.

For example, Buckminister Fuller last night was talking about creating a worldwide power grid that we can extend from the United States across the pole from Alaska to the Soviet Union, and Alaska would be the pivotal

location.

He was explaining how with the new methods of conducted electricity, you could transmit power with minimal voltage 1500 miles or more, and by increasing your voltage you could transmit it farther on a point-to-point basis. With those kinds of distances available for transmission of power, there is no need to generate your bulk electrical production in a remote village all of the waste and efficiency involved in that. You could produce it in the Beluga Fields fields, where another source of energy concentration is located.

Another possibility is transmitting electric energy on laser waves, light beams, and on radio waves, which I understand is another technological concept that's developing. Where electrically power itself can be transmitted through the air, the visible world that he was talking about.

Again this seems to be the private enterprise incentive to do this on a long term basis, and disincentives to those who stand in the way.

I wish Mr. Carlson were here right now, because I am sure he would have a reaction to what I am saying. The use of Beluga Fields presents a tremendous source of fuel for Alaska. They have a huge tremendous potential of coal and modern equipment to remove the coal. They are finding

extreme difficulty to continue to do so simply because of the union practices and the feather-bedding that's going on in the coal industry in Alaska.

Those things need to be discouraged, partly by education and partly perhaps by disincentives to the industry that permits itself to respond that way and contract negotiations, perhaps even to the workman who is a party to that thing. What disincentives would be, I haven't really thought it out. But it seems to me it would bear some looking.

THE MODERATOR: Mr. Charley.

MR. CHARLEY: In Copper Valley, we have an electric plant there located in Glennallen. But then 70 miles south, there is a village down there. 50 native people live in that village. And then there is a town. Each one of them has a plant, a local plant. And now what we have been talking about, there is a water, the old hydro plant they had at the Copper River. Town Lake used to supply water plants. And we have been talking about to see if we can revive that old Town Lake land.

The property, that tunnel, whether tunnel or underground down to the Copper River, is our property and wouldn't be much problem to get it transferred the total to the electric company, if we can get one started. And the town hasn't got any lights. The only thing they do is, I

think there was a man I was talking to last week said they were -- it cost them $150 a month just for oil alone. And then they were paying so much a month for installment plan with their, what they were paying on the payment, and which runs about 200, $300 a month for just what lighting they get. That's one person I talked to.

The water potential, we have a lot of water potential, because we've got at Town Lake. And if Town Lake wasn't self-sufficient, we could go to Fox Creek where there is quite a volume of water coming out the hill.

THE MODERATOR: Thank you. Mrs. Degnan?

MS. DEGNAN: Looking at energy, I think, in terms of heating your homes and keeping electricity going and with most of the population living in the Anchorage area and paying four cents a kilowatt hour and the rest of the State over on varying rates.

But looking at choices where people want to live in the life style they want to maintain, and shall we going to come up with a solution to high energy costs to where that we will only have what you call modern cities, regionally, where you have one region -- you go in and you have all the conveniences, and then you go back into the small community to survive and live like we have lived the past several centuries. So it's kind of are we going to provide equal access for the leases or do we make sure that

people can only give them certain places.

THE MODERATOR: You are saying that's for us to decide.

MS. DEGNAN: This is for us to decide.

THE MODERATOR: This is for us to decide.

MS. DEGNAN: This is in the State of Alaska. I think it's a really critical thing where if the costs are ready to be up so high, there is no going into because, you know, centers around are climbing, and development. All I am saying it is a really critical situation. And we are living in a cold climate, and so just -- we are happy in the small village. It hasn't been too cold the past several years. That's all I have to say.

THE MODERATOR: Thank you, Mr. Ekval.

MR. EKVAL: This conference was called because we have millions, if not billions of dollars, extra dollars, because of ours own sort of windfall profits on petroleum in Alaska. And it seems to me that there is no more clear cut issue in terms of how we should spend this money then to somehow plow that back into the development of Alaska's energy potential, one way or the other.

I don't have any black and white or very clear-cut ideas about how that should be done, except that it's going to get worse. The energy problem is going to get worse before it gets better. And if we have a large amount of money to play with over the next two or three years, it

seems obvious to me that we should supplant the use of oil, diesel fuel, petroleum, and so forth, with some other kind of program or programs from retrofitting houses, tax incentives to insulate one's house, to the development of alternative energy sources. And I haven't given it too much thought how that would be done.

But to me it's important that the primary use of these monies should being replowed back into the energy field, because I think Carolyn said it earlier, this is the nut around this which all of the problems revolve. And until we deal with that one, health, transportation, communications, they are all really basically ancillary

THE MODERATOR: Thank you, Mr. Davis on energy.

MR. DAVIS: Yeah, on energy, I think the energy problem you have here is kind of isolated to oil and gas here. And that's what the United States needs to hear, needs today. And it doesn't help us at all in the rural area, because ours energy to operate ours diesel machinery there is still reliant upon the fuel that's being brought up there. We are not getting it big one way or the other on fuel costs because we still pay the same price we did as we did five years ago even though we got the oil being produced here in Alaska. And I think that any kind, any kind of a -- any more production of oil in the State of Alaska last year, we would look at alternate sources of

energy within the area and I see nothing coming out.

Before, we sought ours resource and developed some kind of alternate energy. I think you all know we have the wind, we have the solar power. If we could develop them first, the areas that use the alternate sources, if they could be developed for us, the oil resources tapped, then I think we can benefit not only from the sale of the resource, but also benefit in terms of developing some renewable alternate energy resource for the rural areas.

MS. FATL: I confirm all what you are saying. I would like to see more study into alternate energy plans, like you said, the wind, the water, thermal, the hot springs. We have a lot in the State of Alaska that are not being utilized. Some of them are privately owned. But we haven't even tackled that or looked into it. There should be a tax incentive program not only in large businesses, or the corporation, but for the home owner.

Again, back to transportation, there should a better route of energy transportation, because you can't transfer the products with passenger. And there is certain regulations. You have to charter it certain size, that we should store energy and get places with not too much regulations, again, but store a larger bulk of energies in the rural areas.

THE MODERATOR: Mr. Crow.

MR. CROW: Apparently we have a Kuskokwin caucus position on this to which I subscribe. And I yield to Mr. Gibson's paper.

MR. GIBSON: I am going to pay for this later, I just really know.

(Laughter)

MR. CARPENTER: Yes, we do subscribe to the statement Mr. Gibson has made and the other statements as has been made here. The Kuskokwin Area does support as a long range solution the immediate Bethel needs, the Golden Gate Highway project which has only been been proposed. We realize this does not present a short terms solution. One problem we have in that area relates to the APUC, which has not supported through its regulations the efforts of private utilities to invest money in waste heat recovery systems. And we would like to see the regulations change to permit that to encourage private industry, to utilize modern systems.

And we strongly want to see wind generation. And on an emergency basis, the villages must have some sort of a short terms basis. The oil and gas that has been produced comes from rural areas. The transportation systems that do exist, we have subsidized a system in low populated areas. We have extensive road systems in ours

urban areas.

Because of those things, the people in those areas have short power. For the short range, we must equalize what rural people are paying by coming up with a subsidy plan for, say, a five year period, that would average out the cost of, the cost of power over the State, and enable rural people to pay no more than that average.

And one last thing, we do support the idea of an energy -- regional planning councils for energy that would develop long range plans for fuel efficiency and for alternative energy resources.

THE MODERATOR: Ms. Fisher.

MS. FISHER: In my opening statements, I made reference to the fact that I supported alternative sources of air, water and solar energy. And I still do. I would like to see incentives given to people to do something about any of these areas on a small scale so that if anything goes wrong, you don't wipe out your neighbor.

This idea that if we are going to have solar energy, my God, we have to pave ours glass in, a whole valley, to me does not do the job. I think it should be, having people do things on a smaller scale.

I was recently visiting friends, and I find that they paid more for electricity than we do. I think the house is for a smaller size. One of the things that they

have done is gone to solar for a great number of things. In fact, you will go to the industrial area, and you will go to the stores, where you will buy units that do all kinds of things to your house, cool it or heat it or any number of thing.

I went to a Fairbanks committee and listened to man telling me about solar energy in Fairbanks, that it became too hot and that held the pipes together melted, but that was sort of something that could be rectified. And I think that much should be done to encourage the small inventor-type people to work up things for their own homes.

I think there should be tax placed on the high use cars and the high use buildings. It seems like we bought a house that, when we moved back into Anchorage, that was built over 20 years ago. The rooms are smaller. It doesn't have the cathedral ceiling, the wasters. We enjoy the fact that our fuel bills are less than in Kenai for a comparable house.

I think that there is much could be done in the design of a house. Ours builder told us we have the windows on the wrong side of the house. At this point, we can't do anything about it. In building houses of the future, there should be made into lots of capacity solarization.

You can build things into the house to make it

more economically feasible. We feel it's a God given right to have a glassed in view where we can see a view or something or other. What happens is ours view is obliterated, because somebody builds a house right beside you, because they want to look at you, too.

I think we have to look enough as to what happens to the people in the rural areas as to say there should be a limit on subsidy. I would not like to see them forced into the city simply because they have cheaper power. I think they should be able to live where they want to, but I think there should be a time limit made with definite plans by the area saying that we are going to combine solar, air, power, and have it ready in X number of years.

I was raised on a farm. We did not get electricity until the war came, but because we had cattle, we were able to get electricity. The barn was electric at first and the house came later. I grew up with a wind charmer outside my window. I hated the sort of thing, but it provided a certain amount of electricity for a certain use in the house. And I really didn't suffer a whole lot.

I think there needs to be somebody some education along the lines of automobiles. And it's a rather difficult subject, because for some people taking away their gas guzzling automobile is a traumatic thing. I stepped at the bus in the morning and watched one person go

by at each car, and they have to stop there at the intersection of Fireweed and Arctic. So I get a look at them. So it annoys me. They are using energy that belongs to all of us. I think you are going to have to be assertive to be able to speak up to say, "Go find something else for your ego."

For some people, the only way they can function is to wrap themselves in a piece of steel and get their wheels in gear. And I find that this increasingly annoys me. It really isn't all that good for your mental health. I'm sorry.

MR. GIBSON: Amen.

MS. CROFT: In addition to the remarks by Mr. Gibson which I think are excellent, I would like to also see some study and research in the methods of power transmission. Mr. Buckminister said that hopefully we will be part of the group that's trying to send anybody's journey south. As we would, fund alternative energy sources both individual incentives and agree with the tax on high energy user. I think sometimes the buildings that use a lot of electricity cut right for the amount they use. Nothing like that should ever occur in Alaska.

And I have a question of Mr. Cuccia. We are going to have to do something for the short term. Is the best type program one in which we take money from the

general fund and put it directly into this subsidy, or is it the best type program where rights are equalized or crossed out by putting it into more of a fund and equalizing it? What is the method for, short terms subsidy.

MS. GUESS: I will be glad to respond.

Toni, I don't believe I have the answer for the best. There are two Legislature committees and a governor's committee addressing this problem. There are a number of ways you can go. People are concerned that you have to have some incentive to provide an efficient operation. There are proposals -- I handed you out a sheet of paper so you can see the increase of cost of fuel since January. We get new ones every day.

Approximately 40 percent of the rate that anyone wastes in the cost of the diesel fuel. So you can see what's going to happen. Some people suggest subsidizing only the fuel cost because people have no control over it. My friends out at Bethel Utility have no control over what happens, and I would like to address that. It's going to caucus with the Kuskokwim group. But other people are suggesting bus bar, which is this wonderful technical terms, which means subsidize, you are providing the electricity at the generator. In other words, the maintenance from the generator, you've got the power.

One thing, and I know my friend Mr. Gibson is not

a friend of this. I believe there is and I understand that there be a directive and there is a solution.

As far as I am concerned, there should be one generation source in a community. If the community the utility is the generating source, for the schools, for the cannery, and for whatever else. And you can't make private enterprise hook up. I understand that. They will tell you that it's cheaper. The schools will tell you that it's cheaper. And I will have an opportunity to talk with Mr. Gibson and tell you I don't believe that is. But the larger your source of generation, the more efficiently you are using nonrenewable resource.

And my concern is this, if we get to the crisis stage of allocation in this State, in many areas who are we going to allocate to? Are we going to allocate to the utility? Are we going to allocate to the schooling? Are we going to allocate to the cannery.

So the first thing I would say before we subsidize is that if you have a certificate, you have a utility. You have one generation source and we should encourage private enterprises. Maybe it's through incentives to purchase the power.

But there are a number of combinations in rural Alaska four times what it is in Alaska.

MR. GIBSON: 40, ten times.

MS. GUESS: You are right, ten times. It just spells problems. I don't think -- I think we need answers from people and suggestion, short terms. And there are going to be a lot of them this next session.

THE MODERATOR: Did you have anything else, Mrs. Carpenter?

THE MODERATOR: Mrs. Davis.

MS. DAVIS: I would just like to say that I would endorse Mr. Cooper, his paper. There won't be a lot of people coming from the outside to come in and solve for us that we just better get about ours business. And this one thing we are doing is it's well for the university to do instance research. They will come up for about ours renewable energy resources for the future. I think it is the responsibility of everybody in Alaska to do their part. As you observe people, they seem to have the other person do without. But I want my share of the pie, and I want to use as much as I want. I think we can eliminate that, educating the public, children in the schools about the energy that we now have so that we will know more at this time and also the future.

THE MODERATOR: Mr. Hison.

MR. HISON: I think the key word that I feel in this -- or at least one of them -- is conservation. We are a very wasteful people. We have gotten into a habit of wasting.

And it's difficult for us to retrain ourselves. So I think the key is in education, and if that starts on the elementary schools sufficiently, it will get back home to the parents, and all of the other things that have been mentioned may key into that.

However, I think that some economic incentives would be in order. If it were profitable more than it is now for car pooling, or the other way around, if it were a penalty if you didn't, more people might be interested in car pooling.

Also, from the standpoint of individual home owners, when you install energy sources in your home, you increase the value of your property. And you are penalized for doing so. Your property taxes increase. I think instead of increasing your property taxes, this type of thing, energy efficiency evolves. And it is said reducing your taxes rather than increasing them. And I think it's just working opposite to what we are wanting. I think that really needs to be looked into.

Also the revising of building codes in town would make it possible for energy conservation in that. There are people who would like to rent out a portion of their house which we have the heat anyway, but they can't do it because there are certain restrictions. Maybe some of these restriction are good and I think they may not be.

competition in that regard would be of a help.

Also from the standpoint of construction policies, there are certainly not things allowed to construction in the energy that could be saved by using alternate materials. And yet it's not looked upon in that fashion because it's purely economic. Or the building trades have axe to go grind in it. These are some of the things that I am interested in and they all, I suppose, tend toward conservation.

THE MODERATOR: We had a couple of late comers, if you would like to have a chance, have a say. Mr. Chapados.

MR. CHAPADOS: I haven't heard all of the discussion and I don't know if that means a lot to what I have to say. But I live in Fairbanks where we have a refinery that gets its crude source from the Alaska Pipe Line. We are paying the same kind of money as far as anybody else in the State, as far as the high cost of energy. It would seem to me that somehow or another, this is kind of an unfair situation. The State of Alaska gets the benefit of all the unpaid taxes and that we pay the bill. Some form, it came back to us in another for , whether it's a sublease individual or whoever it goes to.

I feel within Alaska I think we ought to have efficiency from the fact that the resources here are within the State, virtually. There is no shortage. There is a

fact that there is a lot of discussion at the moment. Regarding -- you will request a gas line, the Arasnutes (phonetic) asked me to support the establishment of a conditioning plant in the interior of Alaska.

At the present time, under the ruling of the Federal Regulatory Commission, they have established a Pipe Line pressure that will including transporting all of the liquids into ours gas. The plant is to build the plant at Moser Bay and use probably 50 percent of these liquids. And believe me, there is a lot of them in ours gas. The gas line, once it's in production will produce about 120,000 barrels of liquie a day. That's a lot of propane and methane and other good things that can be used for evaluated energy. That also could be a source of energy. And it's going to provide more revenue to the State. And they are still going to benefit from the windfall to prices that exist today.

I think that somehow another, something, and I am sure the Legislature has under consideration in various committees some way to provide at least some sort of a windfall for the people of Alaska.

I certainly appreciate the problems of the people in the outlying areas because they do have a transportation problem that's very costly on top of the fact the energy sources themselves are expenses.

I don't know whether anybody has mentioned the use of coal and wood. That seems to me I know it has some empathy there with respect to the environment and so on. The problem was anywhere wood could be used and even coal might be used as a source of energy even on the outlying areas because I think the cost of transporting coal could be and the price of the coal at the mine itself is considerably less than what oil or gas would be.

In Fairbanks, if I recall correctly, last year they had permits to cut something like a thousand cords of wood. And this year the permits have gone around to 30,000. People are using wood, a lot of wood, in the Fairbanks area right now. You can drive right through town and see stacks of cord wood in front of many homes.

For whatever that's worth, these are some thoughts. And I guess my thrust is that somehow if the State is going to get the benefit of the windfall of taxes, I think that should come back to the people of Alaska in some form.

THE MODERATOR: We have had a request from Mr. Fairbanks since he did not respond to the questions on energy, he was wondering if he could have someone else make his comments for him, one in particular, Glen Fredricks in the audience.

MR. FREDRICKS: Yes, right here.

THE MODERATOR: Would you like to come up a little closer.

MR. FREDRICKS: I am from where Mr. Fairbanks is, middle Kuskokwin area. I keep hearing this windfall tax and what the State has, and what's the abundance of it. We in ours area are trying to locate some funds, maybe some seed funds for hydroelectric up there. We have tributaries going into the Kuskokwin River. That could be used for hydro. We do and somebody mentioned wood. We surveyed ours area over there and we found we had about a billion board feet of lumber and all kinds of wood that could be used for steam processing, electric.

And I was wishing if anybody here in this audience or in this gathering here is from the State, I would really like to talk to them because we could make cheaper electricity if the State would give us a hand.

THE MODERATOR: We have Mr. Dwayne Carlson who just walked in.

MR. CARLSON: No, Madam Chairman, I apologize for being late and I will just pass.

THE MODERATOR: Does anybody else want to speak who hasn't spoken before. Miss Dickson.

MS. DICKSON: I passed a little earlier. I think everybody has hit on a lot of different subjects. I think that we don't want to lose sight of the fact that ours

people in ours State should get some benefit from the windfall profit, from selling ours resource, which is a national resource, which is a State and human resource. We are really paying service in a sense unless we make a concerted effort individually, publicly, and at State levels to educate ourselves and ours people, that this is it. We've just paid along too long. We've not to do it. We've come down to the nitty-gritty of it. We've got to deal on ours energy problem first and everything else will fall in place. That ours energy problem is our number one problem, if we can emphasize that above everything else to the Legislature, that will be the most important thing that can come out of his hands.

MR. COGHILL: I am sitting here with a real problem, and that is that right today we are starting to get back where we were 20 years ago, in the cost of fuel. Right today it costs less for a gallon gasoline than it did 20 years ago in terms of how much labor it -- or how much money it costs or labor it costs to earn a gallon of gasoline. 20 years ago, one hour of shop time in a shop, would by 15 -- or, I'm sorry, gasoline was 40 cents a gallon upon. Shop time was 5 to $6 an hour.

Today gasoline is a $1.15, $1.20. Shop time is 30 to $35 an hour.

So you get -- you get better than twice as much

gasoline today for an hour's shop time. And you did 20 years ago. 20 years ago I was content with a couple of light bulbs. I was real happy because that was all I could afford. Today electricity is cheap in comparison to the wages paid. So we have a lot of light bulbs. 20 years ago, Mrs. Fisher made the comment, they bought a 20-year old house, the rooms were smaller, easier to heat, the reason being the cost of energy 20 years ago was so much greater than it is today. 20 years ago people didn't build houses which had high volume and high ceilings. We have done it to ourselves. And now we are hollering because we have done it to ourselves.

And that isn't a problem that, I don't think, a problem of the future that we are supposed to be looking at. We are supposed to be looking at where do we want to go from here on. And all we are doing is, well maybe what we are saying is maybe we want to go back 20 years. But if we do, that means that we face the reality that energy is expensive and we have to put more of ours energy working energy into a large, well-heated home if that's what we want. Or we can make the decision to go back to a smaller house, smaller rooms, and spend more of ours time and money on other things.

But let's quit blaming someone else for the high cost of energy. It isn't higher in cost. It's just

inflation is making it seem higher. In reality, you can get a load of oil and haul from it here to the interior cheaper today than you could 20 years ago or 30 years ago. The volume or the economics of volume, as was mentioned in a generation, also is evident in the manufacturing. It's manufactured here. Certainly the fuel costs more than it did 20 years ago, but it doesn't cost the same amount in proportion, because it is manufactured here.

THE MODERATOR: Miss Fleming?

MS. FLEMING: I am not in a position to question the figures. they sound viable to me, but I wonder if they ever are time bound and if they will be holding true five years ago. Any time you have a limited amount of something and all fossil fuels are in a finite amount, there is going to be continuing demand for that and people are going to be paying more.

In light of that, I think it would be foolish, for the space ship earth, as Mr. Buckminister Fuller fondly referred to it as light, to invest much in harnessing and depleting the fossil fuel supply, when we are being bombarded from energy from space that we haven't even bothered to harn. The rest of the world will need ours nonrenewable resources. We have the power, right now, it seems to me to buy the technology that we need to harness and deliver energy that is just wasted. It just needs

somewhere to go. I really think that's the way. And it's not an unpopular view in Alaska, given the many advantages that having nonrenewable resources has given us. But I can see them useful only as a transition. And if we don't jump on it now, the chance will possibly be gone. The federal government has been very slow to move on it for political and other reasons. And I think it's a marvelous opportunity. We can leave the entire nation in sharing this. We can buy the brains.

MS. FISHER: Yes, I would just like to make one final comment and I will shut up. That is, I think we need to clean up ours act. There was a period of time we were accused of the outsiders of going around with ours bulldozers and bulldozing our land. We said we don't know what they are talking about. Of course, we appreciate ours land. About that same time, I drove down in an area on the Peninsula and discovered in one afternoon they had discovered an acre of lovely woods and was in the process of burning it up, which makes ours argument seem a little hollow.

I think we've wasted a good deal of wood, as Alaskan. Part of it has to do with ours antiquated land clearing, the reasons for the use of the land. And you can still go down the road and see large berms of rotting wood left over from somebody's clearing project at one time or

another. It's too bad that that wood couldn't be used in some fuel efficient stove at some time at the time it was decided to do it in.

I think these are some of the things that are coming back to haunt us. We've been messy.

THE MODERATOR: Okay, let's go around one short time. And then we will let Mrs. Guess summarize the whole energy problem. Mr. Delisio.

MR. DELISIO: There is one thing that I neglected to mention is a source of alternative energy that we should take a hard look at. That is satellite solar energy. Apparently there are techniques for transmitting solar electrical power from out of space. We spend a huge amount of money on transmitting television signals to villages. And we probably will spend a huge amount more, and yet the villages won't be able to the use on the TV sets, certainly, if we have the suggestion of using the government money to do this and so on.

One other area, it's kind of interesting the thoughts that you get. Well, you know, I think we ought to do more on a small scale basis. If we do, for example, one generation. I would build a wind tower by my home and get a huge amount of my energy need from it. So could my neighbors.

But if ours utilities operate like most in the

State, it would end up costing me more from the electricity because of the power company. I couldn't tell my excess energy to the power company, which I ought to be able to do, and which will help them out. And they are really penalties assessed new in and tap out. I think that those kind of hinges need to be addressed that we are given the incentive and the opportunity.

THE MODERATOR: May I suggest a real short minute break? Just a quicky five.

THE MODERATOR: I believe Carolyn has just two quick points to make and we go on to government services.

THE MODERATOR: Mr. Davis.

MR. DAVIS: I wonder if we on could try to identify ours problem in the State. We are looking at two different types of energy here. And the first one basically is related to every city in the State here, and that's electricity. And there should be some alternate groups that you can develop other energy uses. In transportation, you have a source of energy that you can point to and that's oil and gas. There is two different kind of energy sources that we are looking at, and I think the Legislature can really take a hard look at it and see if we can come down on the cost on the delivery of this service to the area.

THE MODERATOR: Carolyn.

MS. GUESS: One point of clarification, Abi came up to me a little concerned about one of my statements. When I made the statement that I believed that an immediate thing that could be done would be to have a single source of generation, that certainly does not mean that you wouldn't tie villages together if you possibly could. I think we should encourage alternative methods of transmission which is being done. There are two experiments that will go on next spring, one in Kuskokwim and one up in Kotzebue area. I think this is terribly important. What I was talking about is one source to generate, one source using that fuel to get the electricity out.

I've got some information coming for my Bethel friends in regard to waste heat. We didn't talk about that much. But I think we should get Allstate agencies to encourage ways of using waste heat because it's economical. It's like the sewer and water systems. Somebody has got to pay for it. Figure out. You've got to know what the cost limitations are before it's in front of you and someone has to pay for it.

The third thing was that in terms of what Margaret said about the villages in keeping the lights on and they are not going to -- they were happy before the lights came on, but they are not going to turn them off. I

say to you this: You cannot make a utility stay in business unless it receives revenue. And some of the utilities that are providing service in rural Alaska have receivables that if are not corrected will put them in a bankruptcy position within a year. And the lights won't be there.

I'd like to work with a group from 4:30 to 6 on an energy statement. We are going to do that small group; aren't we? So I would just end that.

MS. CARPENTER: Madam Chairman

THE MODERATOR: One quicky.

MS. CARPENTER: No, no, this isn't on energy.

I am just wondering if there is any way we can speed up between now and 4:30. We have two hours, and we have -- in addition to government services, which is I know a concern we were going to next -- we haven't touched on oil and gas or finance, which are two key areas. So I wonder if we could just keep ours -- just mention ours priorities and just, you know, skip the philosophy. I just don't think we have time for it unless we are talking about a policy guideline because we just are not going to get through. Just have everybody just say the points they want to make. And we will move on. And then if we endorse somebody else's statement, just say we endorse it instead of repeating it.

MS. FATE: Madam Chairman, just quickly on conveyance of Indian claims and subregions and village lands, there is going to be trespassing, especially on the wooded area. It's going to be closed to users, and I am afraid we are not putting this into ours plan. Also, we are not tapping on surplus or waste energy. We should look into that.

THE MODERATOR: Okay, next on the agenda is then government services. Under government services we have regional and local governments. We have communications and we have law and justice. Would there be any opposition to start with local and regional government?

MR. DELISIO: Would it be possible to sort of lump them all together. You know, when you make your statement make it about all of them?

THE MODERATOR: Do you think you could?

MS. FISHER: You could lump local and regional government under one and then do either communication, law and justice.

THE MODERATOR: I don't think we would could lump them all into one. How about let's go into local and regional government. Would anybody like to hop in on that one?

MR. DELISIO: I wrote up and circulated a statement. I sort have been saying this all along, and this applies not only to regional, but it applies to philosophy to the extent in Alaska we can control. It says for every request

in government programs for financing participation and regulation, before acting, the government should ask the requester: Is there really a need?

Number 2, have you exhausted all other means of resolution of the need? Number 3, what is the lease the government can do with government resources in order to meet the need? Number 4, what is the most creative roll the government can play in resolving the need that maximizes private participation?

Once those questions have been asked and answered, then the government's roll should be limited to the participation adequate to resolve, consistent with the incentives for maximum participation by the individual and the private sector in general.

I would urge that as a policy statement of ours group.

THE MODERATOR: Thank you. Anyone else on regional and/or local government? Mr. Cooper.

MR. COOPER: Could I add to that the supposition that local and regional should be required to provide the services before going to the State to implement the services, because to editorialize a bit on it, there are a lot of things that we like, say, well, let's let Juneau do it. It's easier. We don't have to put so much effort into it. But I think that it shouldn't being just a case of us

letting or asking Juneau to do it. We should be, should be forced to do it on a local level. If we feel it's worthwhile doing, we should be willing to do it. If we don't feel it's worthwhile, then we shouldn't have to -- or we shouldn't have Juneau doing it for us.

THE MODERATOR: Thank you. Mrs. Flynn?

MS.FLYNN: Variations on a theme.

I think decisions regarding government service ought to be made at the level where the impact would be felt insofar as possible, my point being it ought to be possible in as many as cases as we can arrange it that way.

And to that end -- and I guess I am looking for a response from some of the rural people on this -- but to that end, I would like to think that as the unorganized boroughs -- the unorganized borough, as areas in the rural part of the State come to desire services, that they will then take on a class of service consistent with first, second, third or fourth class borough and take on the responsibility for making those decisions in an organized fashion. That was sort of vague. I'm sorry; I didn't mean to put it that way. I am suggesting the organization of local government in the areas of the State where there is now no local organized government as persons desire those services.

THE MODERATOR: Thank you.

Anyone else on local or regional government? Mr. Davis.

MR. DAVIS: Madam Chairman, I really have a problem with trying to enforce local control versus local resources, because I think if they are going to administer any kind of service within any area, is that you are going to have a minimum amount of operational money for operational funds to have some kind of control over regulations within any area or within any city, you know.

And to try to classify them is that they are a little different in what kind of services you want. We probably don't want as much service as Anchorage because you've got so many complex problems. None of your complex problems really relate back to the villager. Ours are very simple. We need a minimum amount of administration. The problem I have here is we don't have that kind of resources, unless there is some way you can allocate funds, so the funds equally go out to all areas. I can go along with trying to have local control here.

MS. FLYNN: How about something like a REAA. That is the beginning of the service level.

MR. DAVIS: I feel that would be kind of informative. But I feel we have to have a minute amount that you have to offer.

THE MODERATOR: Mrs. Carpenter, did you have something?

MS. CARPENTER: There 's no way at the present time that rural communities in the unorganized borough can support even basic services with the existing system. The only thing we can do is qualify for grants. Revenue sharing is inadequate. And I would -- I would urge that revenue sharing be increased. I agree with Mr. Cooper that as much as possible should be done at the local level. People in the bush generally do not want things run from Juneau. I think that may be a misconception on his part. Juneau is where the money is. We would much rather take care of those needs locally and we can do it much cheaper. And we do need revenue sharing just for basic local services.

Also another possibility to consider is the local income tax with credits applied against the State income tax so that, so that the money comes into the rural areas. It is being paid.

Third is that right now, the fish processors who are, many of them, from outside, are paying very, very -- they are making substantial profits and paying very good into the areas where the resources are coming from. And we do need to have a higher fish processing, taxes -- not taxes -- so some benefit can come into the local areas.

And fourth, the borough governments are forced; they must be small. They must be small. We do not assist,

because of ours communication and transportation limitations, to be extremely expensive to try to manage.

Just with the REAA system is so incredibly expensive, and the costs for the village people with Bethel, Bethel feels that its needs aren't adequately met because it's the only community. The other community feels that Bethel dominates. It just doesn't work.

MS. FLYNN: Isn't it nice to hear that?

MR. DELISIO: A regional problem within a region.

MS. CARPENTER: And we don't have the rights set up to make large regional governments at this time. So if an organized borough, if mandated, it must be small enough that it can be adequately managed.

THE MODERATOR: Regional and local governments. Mr. Fairbanks.

MR. FAIRBANKS: I agree with Ms. Carpenter on everything she said. I just want to support about everything she said about boroughs. The people up there in Calista region, they are so worried about being mandated a borough Arbister Jeluski said the other day it looks like we are going to be forced into a borough and the people out there would like the boroughs to be small, not encompassed in like the Calista area. We would like it broken down into following the school systems or smaller, simply because it's such a diverse area that Bethel, for instance,

will not do the things for the people in the up-river regions, so small boroughs, if they have to have boroughs. That's about all I can say.

THE MODERATOR: It's communications.

Local regional government. Are you ready to move to that?

MS. DAVIS: We talked about State and local -- I mean regional and local government's. Are we not going to address anything pertaining to State government?

MS. FISHER: Where would you begin?

MS. DAVIS: I would like to go on record saying that I endorse the statement that was passed out by Dr. McGinnis. And I don't know if everybody got a copy of it. And he has done a real detailed report that he summarizes in these two pages, and I want to endorse this.

MS. FISHER: Where did you get that?

MS. DAVIS: I got it from him. There is a lot of issues that we don't have time to go into. And the work has been done for us. Areas have been identified. And one of my main areas of concern is welfare payments to AFDC recipients, paying them at the right of $120 per individual or $350 per mother and a child not being enough money to even meet their basic needs. That somewhere needs to be addressed. And it is addressed in the summary of this paper.

MR. CARTER: I think the good doctor didn't want those to fall into unfriendly hands.

MS. DAVIS: What did you say?

MR. CARTER: Nothing, I've been slighted.

MR. CAZEWAY: I generally endorse everything that was said, but likely, in the petition on revenue sharing, I think the State exercized too much decision by ear marking funds for specific purposes. And I would like to see the local community receive their allocation of money and they decide what programs to be used.

THE MODERATOR: Thank you.

MS. CROFT: Do we get a copy of McGinnis' paper?

THE MODERATOR: Anybody who hasn't spoken before on regional and local government?

MS. PICKSON: Just a comment on some of the things you are speaking about. If you are going to be forced into an unorganized -- I mean into a borough system, you mentioned the system doesn't work. When you get down to local and regional levels of government, don't ever lose sight of the fact that if the system doesn't work and you don't like it, you can always change it to make it fit and to make it work. This is what you are -- this is the nitty-gritty of working in a local and regional level. We need to exercise some ingenuity here. If we don't have a tax base and you want some services, I don't think it's too

much to work something out on a trade and barter system. You could -- one of the gentlemen over here says he's got all this lumber, a billion board feet of lumber, he may not have a tax base, and it's a real resource, and they might use the revenue to pay the tax somewhere else.

THE MODERATOR: Ms. Fate, did you have something?

MS. FATE: Yeah, on government's that are already existing, local and regional, for better communication, especially in their plans asking to the public and letting the public know. I am thinking of meetings that are relevant to some regulation changes and using it properly, whether it's in the media or a newspaper, where those people will definitely receive it.

Another thing is coordination of programs so there is no duplication. These with State, federal, with regional, nonprofit, and subregion nonprofits, and village and incorporated city that are all working on this same programs. And also, the residency longevity this should be extended from one month, if possible, to a longer period of time, maybe three years or five. And that's it's.

THE MODERATOR: Mrs. Flynn.

MS.FLYNN: Yeah, I have long had the feeling that government is very, very good -- at all levels of government -- are very, very good at one thing and that's collecting money. But they are not always very, very good

at spending it. And it kind of goes back to something I think you said, Steve, when we were talking about health care. And you said, "Why in the world is the government health care in the alcohol treatment program?" It occurs to me that I sit on a local health board that does just that. It takes a block of money and it puts it out to bid and anybody can bid on it. I mean any reasonably qualified organization can bid on it. In fact they are private contractors very often that come in for it. I think that should be one of the things that we should be encouraging more. That while government is doing a great job of collecting money, what we should be doing is encouraging -- I hesitate to use the terms private enterprise. I guess it's private enterprise, but encourage individuals and groups and private businesses as well as public corporations to provide the services and utilize the money, bid for the money to provide the services, much the same way you would put out a bid for any other kind of services, a bid to build a building.

THE MODERATOR: Mr. Cooper.

MR. COOPER: A point of clarification. When I am talking about regional government, I am, in effect, thinking in terms of boroughs, which basically cover a wider region than a city. I am not thinking in terms of the ANI Claim Settlement Act regions. I want to make sure

we are not missing basically what will be or what are private corporations with public enterprises or public entities, which are city, borough, and state.

And then a further clarification, or something, may be the way we could encourage more local government would be through the revenue sharing. Revenue sharing being put out to the local level only -- I mean funnelled only through local government, rather than the State providing the local government services that could be provided by incorporation of a city or a borough, and then then receiving those revenue sharing and taking care of the problem, at the local scene.

THE CHAIRMAN: Did you want something, Mrs. Degnan?

MS. DEGNAN: Yes, as far as, you know, the unorganized borough, all the small communities were mandated to incorporate either as first or second class cities, so you do have local government which is, you know, funded through, you know, revenue sharing.

And I think that if there is going to be mandatory regional government, that is the local people that would vote whether or not they want to have that formed and then the size of the boundary or whatever. But it has to be done with your local level if a regional form of government is demanded.

THE CHAIRMAN: Thank you, Mrs. Carpenter. I have a

statement on the subject of reapportionment that comes up here. It doesn't seem to be addressed anywhere else.

THE MODERATOR: Go.

MS. CARPENTER: Ours concern in the rural areas is that reapportionment, although we already have large areas that are fully represented, that we would have virtually no representation at all. And we would like to propose a Constitutional change providing that if reapportionment occurs and rural representation is strictly limited in the Legislature, that the senate be organized to represent geographic areas much as -- regional areas, much as the United States Senate is.

MS. FLYNN: It's been thrown out of the U.S.

MR. COOPER: Can't, federal constitution has thrown it out.

MR. DAVIS: How come the federal government is using it?

MR. DELISIO: It's okay for them but it's unconstitutional for us.

MS. CARPENTER: Apparently it is. This has been discussed in other groups and apparently this is possible.

MR. DELISIO: The Supreme Court has ruled on that specific issue and it says one man, one vote.

MS. FLYNN: Person.

MR. DELISIO: One person, one vote. Excuse me. And

when the argument was made the United States Senate and the accounting fathers in their wisdom felt it was a dual representation taken into account, the Supreme Court said the Constitution specifically permits that at the United States level, but it is not permitted in any other level.

MR. COOPER: It would take a federal Constitutional change.

THE MODERATOR: Ms. Croft.

MS. CROFT: About one of the things that people have been discussing if you grant that we couldn't do that -- there are some petitions going around saying you might not be able to. But you can't do that, the very least we might be able to do is increase the size of the Legislature, so that the proportional representation might drop, the actual number of representatives doesn't drop or at least it doesn't drop so low that someone has something the size twice the size of the State of Texas in order to cover to represent it.

Along those lines, we have a vote coming up on the ballot in '82 asking whether we want a Constitutional convention. I would like to have us go on record saying that that request for the public to decide whether they want a Constitutional convention be on that 1980 ballot instead of the 1982 ballot so that we could possibly have a Constitutional convention before reapportionment takes

effect.

THE MODERATOR: Okay, are you ready to go on to communications?

MS. FLYNN: I just want to voice absolute opposition to what Mrs. Croft said.

THE MODERATOR: I will second: Mr. Carter.

MR. CARTER: I would like to publicly announce my support on the form that Mr. Delisio passed around regarding preparatory steps to take over when the government request the financing or passed on to the legislature. That is what we are supposed to be doing is helping establish policies for the State. And I think it's very good that most of us are eventually getting around wearing the hat off the taxpayer. At least if you are involved in local government, you have to listen to it. And involving yourself as attacks pair, you have to stop and think about these other things. Most of us talk about we would like to see less proliferation of government, less government or as little as possible. And then we turn around and talk out of both sides of ours mouth by asking for everything under the sun. And I think some restraints need to be voiced. And I think Mr. Delisio did a fine job of expressing it on this policy paper.

THE MODERATOR: Are you ready for communications?

MS. CURTIS: I would like to say one thing on the

Constitutional convention question. I prefer the process of amendment as opposed to the Constitutional convention. The people will make the decision, but I think if their concerns about apportionment that we could go that route, I continue to be concerned about polarization, and I think that the thought of a Constitutional convention right now, with all the various factions, could leave us with a very shabby document.

MR. CARLSON: Madam Chairman, Dwayne Carlson, I would like to associate myself with Mrs. Guess' remarks.

MS. CROFT: I want to ask. If it goes on the ballot, I it goes on in '82 I think we are going to have it in any way in '82 and I think it would be better to do it before apportionment rather than after.

THE MODERATOR: Mrs. Fleming.

MS. FLEMING: I just wanted to address Toni on that. The function of having it on the ballot in 1982 is presumably to get a greater cross section of the population's opinion on the matter because it is something that effects everyone.

And since the great fears do resolve around special interest groups. You kind of give them another edge by having it on, not on the general election ballot.

MS. CROFT: It's an advisory vote either way, either in '80 or '82.

MS. FLEMING: That's true.

THE MODERATOR: Are you ready for communications? Ready for communications.

THE MODERATOR: Would someone like to start us out with communications.

MS. FLEMING: I would like to have my friend Larry Golden recognized and just say a couple words about communications.

THE MODERATOR: Mr. Larry Golden.

MR. GOLDEN: That's right.

THE MODERATOR: Are you in the audience?

MR. GOLDEN: Yes, I am.

THE MODERATOR: Would you please stand?

MR. GOLDEN: Certainly. I was involved in the initial set up of the tele-communications conferencing and that is presently working. And we are involved in planning a statewide structural communications network. Some of you may be hearing more about it in the not-too-near-distant future.

In any event I want to propose the discussions regarding Sue's telecommunications that you people think very seriously about the social and political consequences of evolving the telecommunications systems in the State of Alaska. Some of the impacts of telecommunications are very evident to us. People in small villages can see the

benefits of improved phone service, emergency medical service. It touches them in a very concrete way in their day-to-day lives. But some of these other implications of telecommunications aren't so obvious at first glance. And I am asking that you address some of these. These are very broad policy matters. And the public tends to think that this one area is so complicated that only engineers and attorneys are qualified to deal with it. And it's a broad policy the public has to get involved in. It is my own thinking that up until this point in time, telecommunications policy has suffered in Alaska because of the not well thought out year towards social goals.

I want to make a very quick association between broadcast technology and nonbroadcast. In broadcast you are talking about a large number of people who are getting some message at a source at a given point in time. You watch it and listen to it; you like it or you don't like it. And not much you can do about it. That technology is very expensive as well, highly centralized.

On the other hand, there is a possibility for technology that is decentralized the way they work. The telephone is an example. The telecommunications is an example of that. In an interactive system, you get to talk back to the source of information and request the kind of information that you want and change of shape in attitudes

and behavior. These technologies are very inexpensive and they should be looked to as the social tools as the device that you can use to create the society that you want.

On the bottom line, telecommunications effects all the issues that you can deal with.

You have just finished talking about local government and regional government. I would say that that's axiomatic. When people have more access to more information, and they know what's going on in the community, in their own State communities, they demand to have a process and make decisions for themselves. I think you will find that as telecommunications evolve to where people can find out what they want to find out and where they want to find out, they will start getting more control in their own communities and start planning for their own needs.

And you will see a decentralization of power within the State and within the national scene. And I think that these are the sort of things that you should be working towards or at least discussing. Do we want to see government decentralized? If so, what can we do, what telecommunications services to bring this about, because that's going to be the whole nuts and bolts of the whole thing.

Then with respect to the area of broadcast, whether it's television or radio, I have very strong

concerns that with the importation of national television, we are going to see a lot of the cultural values of Alaska, whether they are traditional native values or just the values that have permeated Alaskan life even in the cities for the past 34 years. Those values are going to be changing as exposed to entertainment programs from all over the country. That's all well and good, I suppose. Everything changes. And we can't live in a vacuum. At the same time, I think it's very important that commercial and certainly public broadcasting in Alaska should be doing more to reflect life in Alaska as it really is today so that we see ourselves, hear ourselves, talk about ourselves some more, help us to find ours own identity in the State, and as well do the same thing on a regional basis so the various regions of the State can use communications to help build a common identity, common sense purpose in the various regions, have a healthy respect for themselves and each other. And I just don't think that All In The Family is going to do that for us.

THE MODERATOR: Thank you very much. Going around the table, Mr. Davidson, did you have something to add?

MR. DAVIDSON: I will pass at this point.

THE MODERATOR: Margaret Cooke.

MS. COOKE: I think communications, there is just no communications in ours villages now. There is telephones

in some of the villages, most of the villages now. The telephones we have aren't usually operative. It's really hard to like call between villages.

And there is the radio, I think the radio works better than the telephones. I think the communications is not very widely in the rural areas. And it's not there. There is no communication between villages.

Like it, in ours area, it's really hard to call between villages. Sometimes it takes days to get from Bethel to Hooper Bay. That's about 80 miles.

THE MODERATOR: So you have problems with your communications with telephone and radio.

THE MODERATOR: There is no communication. There is telephones in those villages, but a lot of times they are not operated.

MS. FISHER: Could we ask her why?

THE MODERATOR: Do you know why they don't operate?

MS. COOKE: Technical problems.

THE MODERATOR: You get a lot of that in busy signals.

MS. COOKE: What?

THE MODERATOR: Thank you.

THE MODERATOR: Mr. Delisio.

MR. DELISIO: I wasn't going to say anything about communication.

THE MODERATOR: Good. Then we will go on to the next

MR. DELISIO: but because I represent a client that's doing something about them, again, a cooperative that's putting telephone into the villages, this is an example of a symbiotic relationship that can exist between individuals and some other resources in the states.

In this particular situation a study was made to decide whether free enterprise, RCA or some other company, could go and put a telephone system in and continue. They looked at the government and decided the government would be a disaster if the burough was put it in. They decided it on a cooperative. They are going to own the system and pay for it in part out of their rates. On the other part, they share from this pool that is long distance calling, like Alaska is subsidized by the Lower 48 states. And to this degree, the village is subsidized by the rest of the State in their telephoning. The Arctic Slope Regional Corporation has put up over $100,000 as front money to get the opportunity to get a permit, to get their system, their act in order to borrow money from the Rural Electrification Association and to build their system. I think they are great opportunities. There are also great challenges and great difficulties. It's not an easy thing in the villages.

To answer some of the questions that were asked to Margaret here, one of the reasons that telephone service in the villages is not reliable is that you have an earth

station that's owned by RCA jointly with the State of Alaska, one telephone. That telephone is in a public place, often times locked up. It's not always a place that's truly public. It's semi-public like in a store. Like in a store there is no access. RCA doesn't have the financial incentive to get out quickly to repair a detect. They don't bother in many instances to train local people to make sure that the building where the equipment is properly vented to where the exhaust vents don't get iced over and hence the equipment quits working and so on.

And I think again, here is a situation where local individual effort combined with a seed from the government -- and, of course, we are going to depend a great deal from REA not just on loan moneys but on training. And we are going to try to train ours own people in those villages to have to run their own system.

THE MODERATOR: Thank you, Fran Dagnen.

MS. DEGNAN: Well, we found in the community that I lived in, we found we had telephones since 1964, and they worked a lot better when we were on the microwave system, now we are on to the satellite, and it seems like it is more modern technology, yet at the same time we have more problems with it. But we are a small community up on the Norton Sound and we are one of the very few that do have telephones in each home. And I knew that -- just trying to

call to other villages is very difficult because you can't hear half the time what they are saying, and you wind up yelling and spend money for not hearing. And just recently, because of the storms, the high storms that we have had, there were no radio communications, verbal transmission, you know, from Saint Lawrence Island to the mainland. And they have had to transmit the blind and this sort of thing. And telephones weren't operative.

So even though technology, it's mother nature or whatever, interferes.

THE MODERATOR: Mr. Carlson.

MR. CARLSON: I guess, Madam Chairman, I would like to respond a little bit to Mr. Colden's comment about maybe not liking or not having the life satellite picture come into ours State and upset ours life style or maybe teach us what's going on in the rest of the world.

I happen to appreciate the morning news and the live news. And I may not like what's on it but at least I can see what's going on in the world. I like live football while women may not. But my set also has an on-off button. I turn it off. And I don't want the government particularly telling me what programs we may or may not receive any more than I want them to tell me what kind of books go on the book shelf. That doesn't help the bush much, but I thought that remark should not go unresponded

to.

THE MODERATOR: Mr. Ekval.

MR. EKVAL: The field of communications is expanding at a more rapid rate than anything else we have talked about today, yesterday, or will likely talk about tomorrow. And I think it's probably the area in which we are becoming more and more future shocked, not only in Alaska but in the world. I think we are having a very hard time handling what communications means to us. This little what we have here is a failure to communicate perhaps between Mr. Carlson and Mr. Golden, is one example of that. Another is the incredible heat surrounding the recent TV Town meetings which was, as I see it, trying to apply broadcast communications to a two-way link up of the public and policy makers, and for all its imperfections. It was a very daring and very bold and extremely provocative experience. Most of the public comment that took place about the TV Town meetings was politics, who did what and who screwed who and had less to do with news, without realizing what an incredible step forward this was toward linking the people in the State and diffusing some of the factors that polarize communities and polarize people's opinions. I think it's an extremely sensitive issue. And while I understand Mr. Golden's comments about perhaps preserving some sort of cultural integrity, all the great

buzz words of the '70s of local controls and so forth, we have to keep ours minds extremely open and realize the degree to which the communication tools can better us and how they can be used as weapons. With it the Ayatollah Khomeini's use of communications in a communications war, basically, ranging a little far afield.

I think that as much as possible Alaskans should not become parochial and afraid of the uses of media, and I am afraid. I am concerned that experiments such as the TV Town meetings will not be used in the State because of the heat that was generated around this experiment. I think that it is going to be the most viable way of bringing people together around issues and explaining who we are to other people. We can't overlook this medium and I think we should do as much as we can to explore the different uses of communications, telecommunications, in the area of government, public policy, and just plain cultural exchange.

THE MODERATOR: Thank you. Ms. Fate?

MS. FATE: Yes, I am for a better communication. And I feel that we are still way behind any State in the Union and other foreign countries.

We have better communication between the United States and foreign countries than we do within ours own State of Alaska.

I was born and raised in a village where there

was totally no communication except one phone. And if it worked, and it was usually in a public place that was closed. When an emergency time arose and the phone was needed like at night or during weekends, it was usually dark or the phone was pulled off the wall.

And there is quite a bit of -- really and truly I want to say -- boredom or a lot of time that's not utilized when you don't have a job. There is no education facilities and there are no interested third parties or amusement places or even a restaurant to go to, or even another person to visit in a city in rural areas. And it's kind of good to get a newspaper even if you have to share it with 20 other houses, that one newspaper, and even though it is old, a week or two. And you don't have visitors as often from out of town. And sometimes a movie you might see three times the same one over and over, but you are gathering and there is a common gathering and communication exchange. I think it may help lessen the problem of boredom, then drinking, then use of drugs, and then maybe abusiveness to individuals. We need live television. We need from it ours Legislature in Juneau as well as Washington D C.

Take for instance, Manley Hot Springs. They found out that they could get TV by somebody going up on hill on a Snow Co. And take up a television and here was

television. It happened to be KANC and all the little kids tuned this in. And you should have seen them sitting there listening to long hair music and they loved it and they grew from it and they are interested in music.

I am more interested in communication within an area, within and town city, especially for the aged and the handicapped or the ill, because there is no protective services, and at least they could grab to a telephone if they are in need.

We do need career education in your communication field within ours own state.

THE MODERATOR: Thank you.

Mrs. Carpenter?

MS. CARPENTER: Mr. Gibson is going to be speaking for ours caucus.

THE MODERATOR: Mrs. Fisher.

MS. FISHER: My few comments have to do with the fact that as a nation we have a communication problem that we are a nation of lonely, depressed people. It's one of ours mental health problems.

I think, if anything, there should be more interchange of ideas like this, people getting together throughout the State and talking among themselves. I may not agree with the people around this table, but I am going to be more aware of the problems in bethel of southeastern,

of the places that I have heard about during this conference.

THE MODERATOR: Mrs. Croft?

MS. CROFT: I have several things. One, I think that public policy is best served if the government reserves a hands-off relationship on informational control of public coverage of government affairs. And I would like to see this group go on record to say that radio and television programs set up to report on the government will not be controlled by that government, that some sort of public broadcasting in Alaska will be on a semi-autonomous basis with maybe a regional representation on some sort of control of the board. I think we are in a position that when it was a pilot project Legislature organized something that would emanate from Juneau. We had to see if it would work or not. But we now know that we are going to need that kind of coverage, but year-to-year funding and year-to-year control over those programs is a very dangerous thing. I think the public form was a good idea, but the way it was handled had some serious problems. And we are going to have more and more of this in Alaska and I think we need to set up some sort of system so the government will keep its hands off.

Secondly, I would like to see more -- I would like to see us encouraging University of Alaska to use

telecommunications for teaching between Fairbanks, Anchorage, Juneau, and some of the rural areas. I think the whole idea of how you teach a course, how you use telecommunications to teach in Fairbanks and Juneau and Anchorage and maybe in the rural area, we have only begun to get into it. And it takes some hardware back up, which I think we should start finding out about.

Thirdly, Anchorage is due fairly soon sometime for a cable system, which will have one channel for government access, and I think the State government should be encouraged to cooperate in whatever cable system eventually gets that program in making that government access channel a very viable thing for the Anchorage area.

And fourthly, if it's necessary to put some money in libraries, I don't know exactly where this money would go, but I would like to see -- when local programming is done, Alaska Review, various really good programs that are done in various communities, I would like to see some funds to reproduce those, and to have them not only on the library in Juneau, but have them in Anchorage or Fairbanks so that we can get the benefit of the excellent programming that is done in this State.

MR. WELLER: I am Mark Weller from Anchorage. I work for Alaska Review. They are available through the film library. That is one source. And the rural communities

use that quite extensively.

MS. CROFT: Not only the Alaska Review, just money to produce those so you can have them.

MR. WELLER: Very expensive and the money has to come from someplace.

THE MODERATOR: Mrs. Davis.

MS. DAVIS: I will pass.

THE MODERATOR: I'm sorry, I forgot somebody, somebody slipped in.

MR. CORSUCH: I apologize for being late and I will pass.

MS. DAVIS: I will pass.

MR. GAZEWAY: No comment.

THE MODERATOR: Mrs. Guess.

MS. GUESS: Attempting to learn and build on what we have learned in the energy area of what some of the problems are, I guess the only thing I'd like to say is I think we have to again be realistic about the provision of telecommunication services in Alaska because someone has to pay for it. Again, if the entity doesn't have the money, they are not going to provide the service. We are talking about continuing the satellite demonstration project in rural Alaska, and there are many benefits to it. Somebody is going to have to pay for it. People in rural Alaska are having a very difficult time paying their electric bills.

The Alaska Public Utilities Commission is the State agency that determines whether a utility such as cable television or the telephone utility goes into bills. And we have to make a determination that 1, there is a public need, and that 2, the applicant is fit, willing and able to provide the service. And when we do that, as we did for the application in the Calista area, and now Hooper Bay has a local exchange. So there are telephones in the homes. We have to look at; is it economically feasible; where will the revenues come from?

And so I guess I am going back to my experience of the last four years. If the State is going to pay for certain telecommunication services, that's fine. If the people are going to pay for the telecommunications services, please let's take along hard look and not end up where we are as I mentioned this morning, in sewer and water.

THE MODERATOR: Mr. Gibson.

MR. GIBSON: I would like to make some general statements first which have not only to do with communications technology, but I have a couple other things. The State of Alaska has constantly been faced with the battle of regionalism, whether this is true dichotomies or imagined ones doesn't make any difference.

MR. GIBSON: The State will rise or fall whether it be in energy, communications or anything else, directly

that it realizes that the commonality of bush and urban interests are one and the same. The urban areas provide us with services. The rural areas provide us with raw materials. And the communication and the power and the things that are necessary to support those are a statewide concern.

To go more specifically to the roll of communications in this State, I was, for a number of years, the man in Alaska who allocated services over the satellite system to remote as well as urban areas. And eventually, the military sold its system to private enterprise, which promised and is on record as having promised to provide service to other areas, not forgetting there is a subsidy. It is the subsidy that the urban areas received or rural areas received because of their density on highway money programs they are using.

The private enterprise State partnership in rural Alaskan communications is an unadulterated failure. We are stuck with a single unmanageably large and vulnerable satellite system.

Case in point. About a month ago I was on the phone calling Anchorage. And that wonderful glorious satellite tumbled. And we had so vulnerablized ourselves that the jet could not take off from Bethel because the local FAA station could not call over the satellite to give

it a clearance and the amateur radio operator in town finally. So there is a scale, perhaps, of economy in super big things. But there is also a diminishing manageability scale on power and communications when you put all of your eggs in one basket, accordingly.

I feel that whether private enterprise does what it is supposed to and is obligated to do in this State, or whether the State does it is unimportant. The economic health of ours whole state depends on rural, urban communication and intraregional communications, which we have not got.

I'd suggest technology that perhaps the best way to go would be an integrated VHF, UHF, or microwave system. They are not as glamorous as satellites, but they are not nearly as vulnerable to the operation of Murphy's Law, that we must learn to live without in the Alaskan bush and in the communities as well. Within that system, all needed services could be provided, television channels, public safety channels, channels interstate, intrastate and international communications. This is the backbone technological system that should be used as a supplement to, not a replacement for the satellite. I think that we are paying some tremendous medical costs, whether it come out of the public or private coffers because there is not adequate dedicated medical channel service to us in the

rural areas, and ultimately you taxpayers in the urban areas are footing that bill. You may think it's a giveaway. It's not. It's an integrated system that cannot be separated. So having said that, I think that's where I would like to stop.

THE MODERATOR: Thank you, Mr. Fairbanks.

MS. DICKSON: I defer to what Mr. Gibson said.

MS. FLYNN: Three things. I think telecommunications in this State is going through a birthing process right now, and I think it's having a lot of very real labor pains. I am concerned with the comment that Eric made that because we have had some bad experiences or at least presumed to be bad by some persons that we now want to shove the baby back. Well, the baby isn't going to go back. It's going to be born and we are going to continue to use this new technology that we've got. And I think we should not build upon it, not ban it. That's it.

I would also like to endorse what Toni said. I think that, capital, that '78, '79 and presumably '80, is an outstanding resource. I like that axiomatic conference made there over there by your deference behind you that the more people know about the procedure, the more they demand knowing about the process. I walk walk up and down the halls in Juneau day-to-day, because, frankly, they can pick up more in one camera than

I can in one body in my house. I think it's an absolute necessity for that organization to go on. I don't have to use in it Anchorage, but I use it when I am in Juneau, too, and I think that's extremely important.

The third thing -- I won't hesitate to mention for fear of something blowing up in the room. We have talked a lot about many people have alluded to the devidedness between urban and rural or the dividedness between the State, period. I think that a great deal of that dividedness has come about over the perceived need to move the capital.

Now, I realize there is some very, very strong feelings on all sides of that subject, but I would submit that maybe we ought to give this baby just being born, this kernel of telecommunications, an opportunity to be born and to be nurtured and to grow for just a little while or a little while longer before we plow into the breach of the capitalhood.

MR. CHAPADOS: I would like to confirm the remark that Mr. Carlson made. I would like to confirm Mr. Carlson's remarks and also Ms. Flynn's remarks except where we were discussing the Alaska public forum. I think that needs to develop quite a bit before it's popular in Alaska. To toll that up, I believe that one of the problems we have in Alaska today is that we are governing ourselves by

consensus, and I don't think that is a good way to go. I think that what we should be doing is the people in Alaska should be informed of what's going on. They should know an awful lot more about their government than what they do and the manner in which it functions, and they should know the problems of the various areas. If we are going to have public forums and that sort of things, it may be desireable to have regional programs that come from these areas that educate the rest of the public.

And then, I believe, that rather than consensus, let's get some leadership and go to the poles and vote for the kind of things that you really believe in. And I believe that's where we weakened ours state government considerably.

THE MODERATOR: Mr. Cooper.

MR. COOPER: Just some comments on what has already been said, and that is that all around the room we are talking about a need for more modern satellites in the bush, whether it was electricity awhile ago or whether it was communications today or now. And then statement, people are also saying we need to preserve the life style of the bush communities. And it cannot be done. We are going to have one or the other. We are going to have modern facilities or we are going to proceed serving the life style as is. You can't very well say we are going to be

modern at the same time.

I think we need to make the decision, do we want modern communications which requires a cash society to pay for, which requires a number of people within the area to make it become anywhere near cost effective, or do we want to live the way we did 20, 30, 40 years ago. And maybe some people would desire to go back to that, I don't know. But I don't think we could very well, like you say, have ours cake and eat it, too.

THE MODERATOR: Mr. Carter.

MR. CARTER: I would just like to echo Mrs. Guess's statement that whatever you get, there is going to be a price on it and a few questions need to be asked. And I am all for modern technology and telecommunications and all those great things, but the answers need to be made first. How much do you want? How much is it going to cost? And who is going to provide the money, the bucks, to pay for it?

MR. COOPER: I guess that's what I was saying and I didn't know how.

THE MODERATOR: Would you like to break for five minutes and come back.

THE MODERATOR: Did we pass anyone?

MR. DAVIDSON: I passed earlier, but after hearing all these difficulties with cost and technical difficulties, I wanted to share for consideration alternative forms of

communications I have been using down in Homer, and it avoids high cost, and it avoids big government and technical difficulties and satellites tumbling out of the sky, and at homing pigeons. Now, the range is only up to about 500 miles, but I tell you, you get messages back and forth. We have flocks in every village and house, and everybody can have their own flock. There is some nice side benefits.

We could have a market for the barley and big delta and environmental things like the hawks would have more food. So maybe we could, seriously.

MR. GORSUCH: I didn't know your father-in-law was having such an influence over you.

THE MODERATOR: Mr. Fairbanks.

MR. FAIRBANKS: One good thing about that is that if the communications system of the carrier pigeons does not work, we can always eat it.

THE MODERATOR: Would you like to break for about five, then come back? We need to, you all are getting rummy.

(Meeting was recessed)

THE MODERATOR: We've got about 35 minutes, and we haven't even hit a lot of topics that you would like to have hit by this time. And I'm sorry, but we are pressed for time again. Are you ready for law and justice?

MS. CARPENTER: Yes.

MR. CROW: No.

THE MODERATOR: We will have law and justice.

(Laughter)

THE MODERATOR: We've got 35 minutes in this room. 45 more minutes in this room and then we have two rooms available to us after 4:30. And we have from 4:30 until 3 o'clock in the morning. But we are going to have to decide. we are going to have to break at some point in time and break up into the small committees that has been suggested to bring all these good ideas that you see on the wall all into some sort of policy statement.

So let's try and tackle law and justice and let's see how much time we have left. And then we will take suggestions after that as to what exactly you want to do.

MS. CARPENTER: Madam Chairman, could we -- could we just very briefly just express ours concerns on law and justice and maybe try and take not more than 15 minutes on it and then 15 minutes on finance?

MR. CROW: You've got to be kidding.

MS. FISHER: You've got to be kidding.

MS. GUESS: Madam Chairman. I have a real problem with having a goal of making sure we do everything. I would rather what we do is quality work. And if we can't get to some of them, then I think so be it. But I think I really would rather stand on quality than quantity. I would be willing to go with what anybody wants to do from

here on. I ought to be. I certainly should.

THE MODERATOR: I really tend to agree with you. We have gone further than we probably should have. We've probably not tackled education as well as some of us might have hoped. We've tackled transportation. We have health.

MS. CROFT: Resources is one I would hate to skip.

THE MODERATOR: There is a lot we would really hate to skip. Wait, I can't see.

MS. CARPENTER: Can we go from 7 to 9, take an hour for dinner and go from 7 to 9.

MR. DELISIO: Rather than debating it, why don't we get this done?

MS. GUESS: Can we work tomorrow morning? What do we have to do tomorrow morning?

MR. VAN DOREN: The schedule calls for a summary decision with all the other groups all morning.

THE MODERATOR: Starting at 9 o'clock tomorrow morning.

MS. GUESS: I would like to suggest that maybe a better use of ours time is to work in the morning and then submit the written statements and then the policy makers can take a look at it rather than standing up and reading things that we all have the ability to read later on.

THE MODERATOR: I think this is a Maverick group.

MS. FISHER: I think that's fairly representative of Alaska.

MR. DELISIO: Can I offer something on the justice system? I think I am the only person who is involved in the justice system here on a day-to-day basis. I won't speak about the criminal justice system. But the civil justice system, that I am more involved with.

We have a social problem, a social disease that is creeping -- well, it's no longer creeping, it's reached epidemic proportions nationally in this State, as bad, if not worse, as most with regard to civil justice systems. We have a society this is more dense. We are in closer communication. We are in closer contact physically and otherwise. And yet by virtue of ours judicial decisions, by virtue of legislation, by virtue of attitude in general, we are teaching or ours people to be more intolerant of one another than more tolerant.

It seems to me that somehow we've got to develop and foster in ours State and ours nation an attitude toward each other of tolerance. I was almost physically sick at the question that was asked this morning. We saw that beautiful film about this adventure education as a method of dealing with children, some troubled and some other, as a form of education, as a form of mental health assistance and so on.

And then somebody asked a very pertinent, and unfortunately socially necessary question: What do you do

about insurance for the children? For the children you take out -- you know, here we are trying or someone is trying to do something that helps somebody. And yet in ours society, we are encouraged to sue each other at the drop of a hat for dam near anything. Ours judicial system is -- and ours decisions are aimed at giving a person a suit remedy against anybody for anything at any time under the most absurd conditions imagineable. And we are becoming an extremely litigeous society. This is terrific for me as a lawyer, in the sense that it means a lot more cases for me to handle and so forth and so on. But somewhere along the way that system is going to have to collapse of its own weight.

The Yamanis had a solution for it. They developed a social system in a culture. Which was aimed, as they became densely populated, at being considerate and tolerant of each other. I think you've got to do that here. You can do it a little bit at legislation. Somehow we've got to get the judges who want to do the social engineering from the bench to understand that they are socially unengineering; they are pulling ours society together. And somehow we've got to bring some sanity back to this interpersonal relationship.

MR. COOPER: Amen.

MR. CROW: Gee whiz. A beautiful statement.

MS. CARPENTER: Beautiful statement.

THE MODERATOR: Anyone else on law and justice?

MS. DICKSON: I would like to recommend that we support this Alaska Wilderness Group and perhaps make a policy statement on it. I think it's a very valuable tool that we should use.

Anyone else? Mrs. Carpenter, I would like to refer you to the statement on page D 62, and I would like to say that the basic, the minimum basic safety needs of people in rural Alaska are not being met. There is no -- there is essentially no justice system functioning in many villages. There is no victim assistance. There is no way that people can feel safe in their homes or on the street. And we must have a system for providing local police protection.

At the present time, the only way villages can fund a police force is through a CETA Training Act that was not intended for that purpose, which means that when those CETA -- when the person who is hired to be the village policeman has extended the maximum amount of time possible under the CETA Training Act, they have to start all over with another person, just as that person is getting to the point where he can perhaps provide some adequate services.

There is a very small State police contingent that is, that is expected to cover a 100,000 square-mile area with two airplanes.

Even for homocides, people have to wait three and four days for a State trooper to come. This is incredible. This is the kind of situation that would never be tolerated anywhere else. And we must deal with it. We are paying the social cost of these things many times over in other ways. We must have at least minimum services of that nature in the bush.

We need, also, correctional, a correctional program in ours region for youth and adults so that people who are incarcerated, can have the opportunity to have rehabilitation programs, work release, be close to their families, whatever is appropriate, but not to take, say, a boy who has been in trouble in a rural area and put him in McLoughlin with kids that are ten times tougher than he ever thought of being. This sort of thing does not work. We would like to have a correctional center that would serve that region. Thank you.

THE MODERATOR: Anyone else on law and justice? Mrs. Davis?

MS. DAVIS: I would like to go on record saying that I support the so-called Missouri plan. As mentioned in ours book on page D '69, this particular plan provides for the screening of those applicants that are going to be placed for judges. And those applicants are then screened by a group that could be done by the judicial counsel with

laymen and other appropriate people being on that rather than having the judges appointed and allowing them to serve forever when they are inadequate in that capacity. I would like to see something being done that's going to make the judges accountable for their action. Why should they get away with doing the things that they want to do, where if it was in another case, they would be removed from that duty. But we have judges that have served for many years, and the people are not satisfied with them, but we continue to let them serve. I just want to go on record and present that I adopt that proposal.

I also want to speak on behalf in the judicial counsel on the study that was done. There was some inequality on race in sentences, especially with blacks and native people, because they get longer sentences than the whites for the same charges. I want to know what is done about that, not just denied, but see that something is done to improve it.

THE MODERATOR: Mrs. Fisher.

MS. FISHER: I have another problem that doesn't seem to have any answer at this particular point. In the year that I have served as director for the Alaskans Women's Resource Center, we find that the third most asked for problem that comes into the door is for legal service of some sort. We have not had any help from the Alaska legal

services. They tell us that it has to really be a crisis situation. And I don't know, I thought we had some real crisis come in ours door, but so far they haven't seemed to qualify. And I really don't know the answer. What we have done, as a partial solution, is there are lawyers in the community who will donate time to at least help screen the problems for these women. And this has been a partial solution.

MR. CARLSON: Maybe we can send you some of ours. They are even advertising for clients.

MS. FISHER: The problem is the clients have no money.

MR. CARLSON: I am talking about the freebies.

THE MODERATOR: Anything else on law and justice?

MR. GORSUCH: Madam Chairman? I would like to direct a question perhaps to Mr. Delisio since he is more expert at this than certainly I am. And that is, I know from a number of instances that there are at least to some extension of legal services to low income and certainly available for those who can afford it.

At the middle income categories, however, I find legal service to be exceedingly expensive. And although I would not want to perpetuate litigeous society, nevertheless, it does exist and I am concerned that middle income is often times left in the position of not being able to protect their own legal interest. And I am

wondering whether or not looking for alternative forms of providing, I hate the terms legal insurance, but something that might represent the possibility of forming corporations where people could buy into for the purpose of some joint legal policy that's available. I know this is a fringe benefit that has been extended to the Teamsters as a part of their package. I don't know how successful this has been on, what effect it has had. But I am wondering if it works just as well to contain or protect people from catastrophic illnesses in the health field, whether or not something parallel might be worth exploring on the legal services. I direct that more as a question rather than a recommendation. It's a concern of mine, but I don't know whether it would become counter productive.

THE MODERATOR: Mr. Delisio.

MR. DELISIO: Programs developing across the country, mostly through labor unions, which is prepaid legal service. It's a form of insurance benefit like health insurance.

My own opinion of the Teamsters program is that it was an unmitigated disaster, not because the idea was bad, but because it was badly administered. People could come in for -- if your neighbor's dog messed on your lawn, you could take him to court through the Supreme Court and the legal services program paid for it, which is a little

bit -- that's not serving the need. If it's properly and soundly administered I think it could work extremely well.

I am the chairman of the State bar committee that is serving for altering dispute methods. And one of the things we are intending to recommend is the adoption of the Citizen Dispute Center which would provide binding arbitration to the public at no cost, with volunteers lawyers and laymen to serve as arbitrators to handled things like consumer disputes, the kinds of things that are even -- or the types of things that you don't want to go into small claims court, because you don't want to take a day off work. Ours idea is to provide these services at night. Both parties would have to agree. We may get a person who gets a defective rain coat and feels they should get a replacement; people who got a car repair job done and that sort of thing. So you don't need lawyers in that situation. In fact, we are recommending that lawyers be precluded from participating to represent the people because they will come forth and basically tell their story and the arbitrator will find a fair, equitable solution for them.

MR. GORSUCH: You are saying group legal services is something we might want to advance?

MR. DELISIO: I am saying that the quality American middle class person is applicable in every single field we

think of. The very wealthy can pay for the services. But the poverty line people or people below the poverty line can get virtually what they need, but it's the vast majority of people in between that are getting shafted because they can't a forward to pay what they need.

MS. FISHER: I sort of would like to dispute that, what seems to have been said about three times. If that were so, there wouldn't be any need for the business I am in. I do see the very poor, and they aren't getting service. A typical example of a woman is where she calls us and says that she has been married ten years, she has 2.5 children. Her husband left last night, took the contents of the bank account and the car.

MR. DELISIO: She is eligible for legal services.

MS. FISHER: She hasn't been able to get it. That's what I am trying to say that is these people that we try to get into legal services, they tell us that they are booked, that they can't take them, that they don't have anyone, that they are overworked.

MR. DELISIO: Well, you know, I have to question that a little bit, because they have a long list, for example, of attorneys who sign up to be on an on-call basis for referral. They involve themselves in providing services for entity like, for example, they are representing the North Slope burough against the oil companies on the

Beaufort Sea. Now does the North Slope Burough need anybody to provide legal services or free legal services? I don't think so. There are some problems like that that the resources aren't necessarily put where they are legislatively mandated. That's a real problem.

THE MODERATOR: Anyone one else on law and justice? Mrs. Croft.

MS. CROFT: Mr. Delisio, I have had that same experience in Anchorage with poverty level students who need legal services and are told that they don't need funds: It is, in fact you, true, that they cannot get legal services.

MR. DELISIO: I don't dispute that. The mechanism is there. Maybe the funding is inadequate. I do know that the mechanism is being abused, not by your people. But it's being abused.

THE MODERATOR: Do we have any more comments on law and justice?

MR. COOPER: It should be swift and short. Regardless of the severity in timing on it, it should be short and it should be timely. It doesn't do any good to whip your kids for breaking the window three weeks ago. You only have to give them one whop right away, and it's far more good.

THE MODERATOR: Okay. We have approximately 14

minutes. Now, we have two rooms that are available to us we have so far covered five topics. Now, what do you want to do?

THE MODERATOR: Should we break off into groups?

MS. CARPENTER: What about if we went ahead and tried to do financial resources before six, and then used the even for the committee work.

MS. GUESS: I think we are going to loose some people. My concern is that we get, you know, some kind of written documentation on what we've done so far. I would really vote for breaking up into ours small groups and utilizing the two rooms.

MS. CARPENTER: Then what do we do in the evening?

MR. COOPER: Resource and finance.

THE MODERATOR: I doubt very seriously, the way we are going today, if you are going to decide in one and a half hours all that we've discussed, you are going to come up with a policy statement in one and a half hours. I think you are going to be going on into tonight.

THE MODERATOR: Will we have this room at 8 o'clock.

THE MODERATOR: We have 301 at 8 o'clock.

MR. FAIRBANKS: How much time do we have tomorrow for discussion?

THE MODERATOR: We start at nine o'clock supposedly with a summary, with a summary of all the work we have done

MR. FAIRBANKS: So we've got to be done tonight.

THE MODERATOR: That's what we are saying.

MR. FAIRBANKS: We've still got to do finances.

THE MODERATOR: Not necessarily.

MS. FISHER: Madam Chairman, I would suggest that we choose up subjects and sort of parcel out people. I, myself, will not be able to be here tonight. I am going to turn into a mother and go home and mother a chicken this evening, so I won't be here, which might be just as well, I have a tendency to talk too much.

THE MODERATOR: Let's take them in the order that we started, and that is education. How many would like to tackle education? Oh, come on.

MR. COOPER: May I make a suggestion, that because this group seems to be fairly heavy on education, that we don't load the committee with people from the education field. Certainly there should be someone from the education field on the committee, but I would hate to see the majority of the committee have a vested interest in the education system.

MS. FISHER: Why not have the person whose doing the writing go to each one of the beginnings and those people who are willing to be on that committee to overhaul that area to be written down.

MR. FAIRBANKS: Transportation is here.

THE MODERATOR: Energy is behind me, justice, communications.

MS. DAVIS: Education is not up there.

MS. FISHER: Madam Chairman, Mrs. Carpenter has something to do that has to do with women and justice. I would concur that it's quite important if she might have time to have it included in the section on law.

MS. CARPENTER: Do you have something else?

THE MODERATOR: Do you have something else?

MS. CARPENTER: Yes, we have something I had trouble with. You are aware of the recent study on the treatment, on the comparative treatment of natives and blacks that brought out some very strong discrimination patterns. The same problem exists in crimes against women including extremely severe cases of battering, sexual abuse of children, and other related crimes. And we would like to propose that a study be done by the State to compare convictions and sentencing practices of crimes against women with similar crimes against males.

THE MODERATOR: Okay, the suggestion has been made to just hop up and put your name on whatever list you want to work on tonight. You've got nine minutes.

MR. DELISIO: May I suggest something else? I think I recall Mrs. Carpenter's saying something this morning was that when we get some of these more articulately or

carefully worded and maybe synthesized ideas that we would rather than technically voting them up or down see how many of them everybody is willing to more or less accept even if they don't find a pertinent state of view. And I wonder if in that context, since we haven't gotten to the most critical issue, if some of the people who have ideas about finances and resources would like to try to make up a very carefully-worded written statement to include in that list of things that we are going to word. The problem is we have gotten fewer in number, and I think if you try slicing us any more finely, then you are going to end up with one person, one subject.

MR. GORSUCH: That's what we may need to finish.

MS. CARPENTER: How are we going to come back together to view, if rewritten?

THE MODERATOR: We will come back at eight o'clock tonight.

MS. CARPENTER: Okay, at eight o'clock tonight whoever comes will review the statements.

THE MODERATOR: When we all come back.

THE MODERATOR: Room 301.

THE MODERATOR: Okay.

MS. CARPENTER: Okay, that's clear.

MS. FISHER: Perhaps one person in each of the groups can be responsible for each that all the materials come

back.

MR. DELISIO: What two rooms are we going to provide right now?

THE MODERATOR: Right now we have 1216 and we have 1010.

MR. GORSUCH: Madam Chairman, could we start with at least someone stepping forward to volunteer to make sure each topic is covered.

MS. GUESS: I will be with the energy group.

MS. FISHER: I will join her.

MS. DICKSON: I would like to be in the energy group.

THE MODERATOR: I need leaders, education, I mean education -- no, energy, gas, how about education? Education, going once, going twice.

MS. CROFT: I will recommend Peter Gibson.

MR. GIBSON: I would prefer to work on education.

MS. CROFT: I wanted communication, but I will go education.

THE MODERATOR: Toni Croft on education. Transportation, Mr. Davidson.

MR. GIBSON: I suggested I would like to be on that, too.

MR. DAVIDSON: Sure, I would like to transportation.

THE MODERATOR: Would you lead it.

MR. DAVIDSON: Lead it, unless somebody else would

rather more than happy to lead that group.

THE MODERATOR: Health, health. Going once. Abi would you take health?

MS. DICKSON: I would really like to work with the energy if I could.

THE MODERATOR: Health?

MR. CAZEWAY: Could I raise a question on that? Does that include social services. Normally it does. The State does talk about health and social services

THE MODERATOR: Anybody else on health? Beautiful. Mr. Cooper.

MR. COOPER: I'll take it.

THE MODERATOR: We've got education, energy, transportation, health. How about government services?

MR. DELISIO: How about that one, in fact, if you don't mind, if we can join that and justice together.

THE MODERATOR: Why don't we take communications, regional, and law and justice. Why don't you take them all?

THE MODERATOR: We just don't have that many rooms.

MR. COOPER: Communications isn't that large of a subject or as vital and it certainly ties into local government.

THE MODERATOR: Okay, we've got two rooms.

THE MODERATOR: I've got a room that will take a small group. I'm in 1105. I think it's 1105.

THE MODERATOR: Does anybody else have a room they will volunteer because they don't have?

MR. GIBSON: Madam Chairman, I will volunteer the use of my room for transportation group.

MR. DAVIDSON: No, I am the leader, no smoking.

MR. FAIRBANKS: I suggest the leader for transportation be out on the ledge.

MR. DELISIO: There was a major system here all the time and it's appeared. We have education, Mrs. Croft; and energy, Mrs. Guess; transportation, Mrs. Davidson; health, Mr. Cooper; government services, Mr. Delisio. Now, we've got room -- okay, you said transportation could have your room. And your room number

MR. GIBSON: 610.

MR. GIBSON: They may not have it, they may use it.

THE MODERATOR: 610 education, Croft, would you like 1010?

MR. CROFT: Fine.

THE MODERATOR: Energy, Mrs. Guess.

THE MODERATOR: We don't know which one is going to be the largest, and that room 1216 that we were in last night is a nice-sized room.

MS. FISHER: You could probably get one at least each end. I heard at least three.

THE MODERATOR: You don't want 1216.

THE MODERATOR: How big is education? Would you raise your hand if you are interested in education. Please raise your hand. Education?

THE MODERATOR: How about health, Mr. Cooper, health, how many interested in health?

MR. COOPER: I have to have someone that can write.

THE MODERATOR: Energy and education in 1216, okay.

THE MODERATOR: Mr. Delisio, how about 1010.

MR. DELISIO: 1010, fine. Whose going to be in that group with justice communications and government?

MS. CARPENTER: Can we join you maybe a little later?

MR. DELISIO: If I am not already done.

THE MODERATOR: It doesn't look like we are going to have people working on these committees. Do you want to just double up on the committees?

MS. GUESS: Where are some of these other people? Where are some of the other people going that haven't raised their hand.

THE MODERATOR: I am going to transportation.

MR. CROW: There is some small hope on Kuskokwin East that there will be renewable resources.

MR. FAIRBANKS: I've got a question with that, how about if somebody goes to the other groups and copy is down from what they found out hand then bring it back and present it to the group, and then we can start from what

they've got and we can add ours except theirs.

MS. FISHER: I think we are spreading ourselves a little thin.

MS. CARPENTER: We can do that at eight o'clock tonight when we come back with the other statements.

MS. FLEMING: We should do that now. They are going to be taking it to those statements.

MS. CROFT: We have the points that were covered and try to put them together in some sentences.

THE MODERATOR: Mr. Cooper.

MR. COOPER: You haven't assigned me a room.

THE MODERATOR: You can have my room if I can go up and clean it up a little bit.

MR. COOPER: If I am going to be by myself I can get my own room and get my wife to write up.

THE MODERATOR: That's a good idea, Virginia is not busy. She wouldn't mind.

MR. COOPER: No, but I am hoping there is going to be someone to help me on this. Mr. Fairbanks.

MR. FAIRBANKS: It's is it okay with the group if I go around quickly now to the other rooms that have the things on the wall and record what they have and bring it back at 8.

MS. FLEMING: Grant, I will do the third floor

MR. DeLISIO: By the way, once we get these things

written, is there someone that is going to type them and copy them.

MR. VAN DOREN: We will try.

(Evening Session)

THE MODERATOR: I think everyone should have a copy of the education portion, and if you don't, here are some copies.

MR. FAIRBANKS: Who does not have one? Anybody else not have education?

MR. GIBSON: I went to third grade, is that had education.

THE MODERATOR: Toni, would you like to--

MS. CROFT: Yeah, I guess so. We tried to put everything in. There has been a couple of suggestions since we finished this. First, should I ask, does anyone have any strong objections?

THE MODERATOR: Could you go ahead and read it.

MS. CROFT: Why don't you let everybody have time to read it.

THE MODERATOR: Let's just read it. Sometimes it sounds better and you won't have any problem.

MS. CROFT: We decided to divide it into policy program funding and it didn't always fit that way. Under policy we said. The one that we vote on we passed provided the residents with post-secondary education. We left off

the second part that didn't pass. Then to best serve the interests of the State's autonomy should be granted to the college system. The third one is in educational systems including alternative to the University of Alaska systems. We he decided to say educational systems because that included some of the private programs that are trying to teach secondary and some of the others. Under program, give special consideration to minority students through program development and teacher preparation to enable them to achieve at grade level. Secondly, establish a nontraditional educational program to let rural students obtain a bachelor the school without walls open learning concept that was in O'Rourke's (phonetic) paper and has been talked about.

MR. GORSUCH: Noncampus phase.

MS. CROFT: 3, develop bilingual and cross culture programs and better training to serve minorities students. We kind of threw several together there.

Under funding, we tried to keep the funding down to programs that were already in existence that were, most of the time, that were in existence that were just not adequately funded. Revise the State formula funding to provide smaller classes and needed services for children's in grades K through six to insure their success at the secondary and post-secondary level. That's the secondary school foundation level. That would be a good start.

Second to explore all alternative forms--and we made it Alaskan University so it could not only be the University of Alaska, but Alaska Pacific University if they could qualify for it. Three, increase the level of funding for special education programs including those for gifted students. And 4, provide funding for inovative pilot programs such as student exchange programs, wilderness experience and special constant programs. That is sort of a catch all for a lot. And I think what George Holman said was that the budget" economy wasn't allowing them any flexibility so that they could use those new programs. We wanted to make sure that we told them they should be able to do that.

MR. CROFT: Would you like to explain?

MS. CARPENTER: There are a couple of things we inadvertently left out, one was addressing voter needs and the other was a policy of the Board of Regents. At the present time, the Board of Regents policy is that the only student housing is at the University of Alaska in Fairbanks. However the Board has also passed another policy which is in conflict with that. They have said that they will not duplicate special vocational programs at the various student colleges. So for example, Kenai has a petrochenical program and Kuskokwin has a fisheries program. They won't switch them. Therefore, they are using the community colleges in sort of a regional VOTEC kind of WAY. So, if

they are expecting students to travel from other parts of Alaska to attend these programs, then they do have to address the need for husbanding, because these are all communities in which housing is extremely critical in and everywhere other housing is just not available. It's very difficult in Bethel to find any kind of housing. So we didn't want to add that. That and the VOTEC statement. And both of these were in O'Rourke's papers. And we could perhaps use that wording that would--

THE MODERATOR: Do you want to read it, because I left mine?

SUMMARY OF RECOMMENDATIONS

The following recommendations are inherent and stated within the paper entitled, "Health and Social Services: Needs and strategies in the 1980s." It is recommended that consideration be given by the legislative and executive branches of the government for implementation during the early years of the 1980 decade.

1, public policy in Alaska as developed by the legislative and executive branches of government should shift priority as far as possible from the curative and treatment approach to health promotion, health education, and disease prevention. (Report: Page 1)

2, cost containment for all health care purchased by government should be undertaken with a minimum goal that

payment and fees for services should not be allowable beyond the increases in the consumer price index for the region concerned (report: Page 2)

3, that to the extent allowable by present law and reasonable amendments there to, health and social services delivery programs should be investigated in local government and in private nonprofit corporations with mutually agreeable funding provided by federal and State government's (report: Page 3)

4, revenue sharing funds made available by the State government for health services and health facilities should be made available to local government's with the local government's determining the priorities for usage of the funds, whether for services, institutions, or facilities (report: Pages 4 and 5)

5, that public policy in Alaska includes studies leading toward the possible revision of all direct service, health expenditures, with the emerging possibility of operating out of the Medicaid program, the development of a unique and comprehensive Alaskan health insurance program or other innovative improved methods for assisting Alaskans in meeting medical costs (report: Pages 6-11 and 13-16)

6, immediate attention should be given to an improved catastrophic illness program to bring relief to low and middle income wage earners otherwise ineligible for

federal and State assistance including an improved catastrophic illness program for consideration of coverage under Medicaid of the "medically needy" provided financial impact statements are deemed to be within acceptable ranges (report: Pages 11-12)

7, the State should consider a revised plan of reimbursement for physicians' services and hospitals whether or not the Medicaid program is continued or dropped including strong emphasis on the free enterprise, competitive systems, and that as a quid pro quo the free market forces be ridgidly enforced as demanded in other fields of endeavor (report: Page 16)

8, since disease prevention is cheaper than cure and treatment, Alaska should single out several diseases which contribute unduly to the pain and suffering of citizens and lay heavy claims on public funds. Singled out for earliest attention should be: Tuberculosis, otitis media, alcoholism and drug abuse, accident prevention, venereal disease (report: Page 22)

9, alternatives to expensive institutional health care (hospitals, nursing homes, residential centers) should be sought including pilot programs in home health care with services available not only from nurses, but also doctors for inhome assistance (report: Page 22)

10, financial obligations for emergency response

systems should be a shared responsibility between the State and local government's with special provision for communities with low population and tax base (report: Page 23)

11, since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of health care dollar expenditures, special massive attention should be given to the fundamental causes of those accidents and the relationship there to to other social and health phenomena, and that a bold program of education and prevention be developed (report: Page 26)

12, all third party insurance payment mechanicisms for health care in Alaska should be required to cover mental illness services in much the same way as they cover physical illness at the present time (report: Page 33)

13, legislative and executive branch decisions should be directed toward more extensive utilization in funding of the community mental health centers; several small regional juvenile residential facilities should be provided for mentally disturbed juveniles; in extensive review of the programs of the Alaska Psychiatric Institute and the Harbor View Developmental Center should be instituted in order that their future roles may be determined consistent about changing patterns in delivery

of mental health services (report: Pages 33-34)

14, that the legislative and executive branches provide for detailed analyses regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the aid to families with dependent children program (under AFDC, the monthly payment for mother and child is $350 versus $608 for two persons under the supplemental security income programs) (report: Pages 41-42)

15, since $80 per month per person for certain needy person in the State is not sufficient to deal realistically with those eligible, a detailed study should be provided to determine the future structure and coverages under the general relief and general relief medical programs (report: Page 41)

16, the legislative and executive branches of government should attempt to influence more strongly the federal office of management and budget" in order to adjust the official poverty guidelines for Alaska to bring it in line with financial realities and remove the current discrimination against Alaska's needy made possible by the policies of the federal office of management and budget" (report: Page 42)

17, that the legislative and executive branches provide for an updated, comprehensive study of Alaska's

elderly population, with special emphasis on the adequacies of the financial assistance provided to elderly elegibles, and with special review of the effects of inflation on the fixed income of retired persons (report: Page 45)

18, the legislative and executive branches of government in Alaska have recently provided for a comprehensive corrections master plan for Alaska. Those portions of the plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska (report: Page 52)

19, limited and new programs such as treatment alternatives to street crime and New Start center have demonstrated efficiency and adequate rate of success in assisting in the continuing rehabilitation of ex-offenders. It is in the interest of every citizen of Alaska that such X offenders be assisted in developing new life patterns free of crime and deserve adequate staff and financial support to assist in that goal. (Report: Page 52)

20, even though public assistance in the form of money transfer payment programs and social services based on counseling do not have the same goals, human service centers in various communities throughout the State should be located in order to serve citizens in a more efficient manner (report: Page 57)

21, since Alaska does not operate any social service child care institutions and only one correctional juvenile institution, revisions should be made in the, "Purchase of Services" statutes by amendment in order to fund those privately operated programs giving care to juveniles whose care has been made a State responsibility more nearly on the basis of actual full cost of care (report: Page 58)

22, the legislative and executive branches of government should make provisions whereby a reasonable percentage (approximately one percent) of the human services budgets of the State could be utilized by the executive agencies for research and evaluation purposes in order that full data may be available and proper evaluations made to play sound statistical and programatical bases under all expenditures in the field of human services.

MR. GIBSON: While we are looking for it, I would certainly like to express my appreciation that that subcommittee did on putting that together. It's nice and concise and clean and very much to the point.

MS. CROFT: Thank you.

MS. CARPENTER: Which one is that? I don't have my glasses on. Let me dig for them.

MR. CARLSON: Why don't you.

MR. DELISIO: Why don't you just say where the Board of Regents places a statewide program at a community college issue also provide dormitory facilities for out of town students.

MR. COOPER: Or be sure that they are available because in some areas there is a problem.

MS. CROFT: On number 8, due to the lack of transportation corridors within the State of Alaska, State policy makers should encourage the establishment of appropriate student housing on a number of campuses within the public higher education system.

THE MODERATOR: Could you be a little more specific or do we dare?

MS. CROFT: I think yours is better, Mr. Delisio.

MR. FISON: They may think we are addressing somewhat of a political football issue between Anchorage and Fairbanks. Fairbanks, the main college, is interested in different curricula in Anchorage College can't be a resident campus because then they feel that would be unfair competition, because the center of the population would be here.

THE MODERATOR: I think Mr. Delisio said very well where housing was not available. And this may be tied into the smaller communities.

MR. GIBSON: I think this is addressing specifically

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

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CSR

BETA MEETING PROCEEDINGS

(December 7, 1979, 9:55 a.m.)

to the community college as opposed to or separate from the university situation.

MR. BISON: Is it clear that that's what it is.

MR. COOPER: When he gets it written up, I think it will be fairly clear.

THE MODERATOR: Also, you said there was a statement on the VOTEC. Would you like to read that.

MS. CARPENTER: That the State of Alaska provide a major funding thrust to improve the status of vocational technical education within Alaska geared not only toward program development and maintenance but improved employment prediction needs and improved job development and placement.

THE MODERATOR: Good, good.

MR. GIBSON: I would like to add something to that. Vocational, technical education at the community college.

THE MODERATOR: Level.

MR. GIBSON: At the community college level, right, because that could be satisfied by dumping a lot of more money in the sewer.

THE MODERATOR: Mr. Delisio.

MR. DELISIO: When the Board of Regents establishes the State community college program. It shall insure out-of-town students housing.

MR. GIBSON: Watch that.

MR. DELISIO: That's what I wrote down, town.

THE MODERATOR: Any objections to what we have come up with so far. Mr. Gorsuch.

MR. GORSUCH: I am afraid I would have to object to the last one, the improving the vocational technical. The reason I say that is the State of Alaska spends a great deal of money right now on vocational education, both in the secondary program as well as the community college. In my experience of looking at how successful those programs are, they are not very successful. Approximately two to three percent of the students enrolled in the programs actually graduate from the programs. Of those that are involved in the program, a vast majority of them will take only one course. The lack of attention to actual job opportunities in Alaska is pretty extensive. The actual efforts of trying to develop job development are quite limited, and I would be hesitant about saying you ought to put a lot more money into a program we are already putting a great deal into until I had confidence that the system was really capable of concentrating job development and job placement as well as coming up with real vocational careers rather than a variety of do-it-yourself type courses. And I am not objecting to the do-it-yourself, although I think you need to separate from those that are really oriented towards careers versus those that are helping people in their basic abilities to cut costs by tuning up their own

cars and things of such sort.

MR. GIBSON: May I address that?

MR. CORSUCH: Uh-huh.

MR. GIBSON: First I think you are addressing two different sides of education. The single skill courses, like powder puff mechanics or how to unstop your sink, are not what we consider in the community college education as vocational or career training. These are community interest courses which are not part of the program, but which are designed for what exactly the course implies, how I as a home owner, for instance, can fix my own appliances. The contrast of that is the career development course in the vocational and technical areas. Now, under the reasons you have where the major funding sources are now putting their money, i e, Stewarts Skill Center in Anchorage, the reason you have a low rate of success is those.

MR. CORSUCH: Stuart is far more successful than any other and the Anchorage business college is far more successful than any of the programs.

MR. GIBSON: Let me finish, please. One of the problems with ours rural students is that there is entirely too much irrelevant terms presented in urban centers as opposed to rural needs. And we have another problem, too, that community college serving in rural areas is a very valuable function, which is saving taxpayer money for

supporting those students in a program that they are bound to fail on in the larger urban centers.

So what we are suggesting here is that vocational funds, rather than being allocated in only one or two major areas in a State, be allocated where the students are, where failures are not as expensive, where chances of success are greater because they are tailored to local needs.

For instance, we use bilingual instructors for ours people out in ours area, which are not available here in Anchorage. So, I think that if we look to does saving and efficiency, we can better deliver the educational product in the milieu in which it will be used. And so we need to make those two distinctions, one, community interest program, and that is not to be confused the career vocation or vocational training, and the other actual career training in the other where people live and using that training. Both are cost effective.

THE MODERATOR: Excuse me. I just did it. Everything is being taped and when we could have or make funny noises, the man with the head set gets hickups, and so if we cough, and also that you speak a little slowly, so ours very, very important person over there in the corner is able to take everything that you have said.

Now, we have two statements, one where the Board of

Regents establishes a statewide program at a community college which will assure the availability of adequate housing for out of town students participating. We have no objections to that statement.

We have another statement that the State of Alaska provide a major funding thrust to improve the status of vocational technical education within Alaska and such efforts shall be geared not only towards program development and maintenance but improved employment prediction needs and improved job development and placement. There is objection to that?

MS. CROFT: Madam Chairman, I have a suggestion, if we change provide and major funding thrust to improve and just take that whole thing out and just say improve.

THE MODERATOR: The State of Alaska.

MS. CROFT: Improve the State of Alaska vocational and technical education.

MR. GIBSON: I would like to have statewide inserted after that.

THE MODERATOR: That the State of Alaska improve the status of vocational education within Alaska.

MR. GIBSON: No, statewide, statewide as opposed to within Alaska.

MS. CROFT: Improve the status of vocational technical status statewide.

THE MODERATOR: The State of Alaska improve the status of vocational technical education statewide, period. Such effort shall be geared not only towards program development. Any objections, we have a statement.

MR. COOPER: I have a little bit of a problem with it, and I am not sure what it means, but I would hope that the, the intent is not to have this include only public educational systems, because there are very fine private vocational training systems within the State that certainly are geared towards, and their very success depends upon good results.

THE MODERATOR: Do you have a suggestion.

MR. COOPER: No, just as long as we are aware that we are not talking about public education only.

MS. CROFT: Madam Chairman. We might have covered that in the third one under policy where we said the four methods of encouraging competition within the educational system so that if there is another good one. Then we will encourage them.

MR. COOPER: But I was thinking in terms of some of the union principals programs. Certainly they are turning out first class skills in their particular field.

THE MODERATOR: Okay, a point well taken. Okay, do you think that third sentence, then, Toni, would cover our intent?

MS. CROFT: I think so, do you?

MR. COOPER: I will withdraw any objection there might have been as long as it is then it would be part of the record in case anyone started squabbling about it.

THE MODERATOR: So we have an educational policy.

MR. COOPER: One question.

THE MODERATOR: Mr. Cooper.

MR. COOPER: The last sentence in the printed policy, provide the funding for innovative pilot programs. I have no problem with that. But I do believe that there should be a realization that we have a tendency to create pilot programs that never stop, whether they are good or bad, they seem to go forever.

THE MODERATOR: Just one thought, and what Earle is talking about is the problem that we have had on the Peninsula and I am sure you have had elsewhere as well. The State comes in with a car and says this is going to be a very, very good pilot program for you; you try it and we will pay for it for the first three years. It may or may not works. But after that third year, you have staff on hand. You have hired teachers, and you have hired extra, and you have extra everything. And at that time, your community says, "hey, we have to cut the budget". So the problem is funding. And that's what you are talking about.

MR. COOPER: That's right, and you are locked into

this program that for three years was a pilot program. Now you are obligated because you have accepted the funds for the first three years. You are obligated to continue the thing, and maybe it isn't a successful program.

THE MODERATOR: Is there an alternative?

MS. DICKSON: I am not suggesting an alternative, but I am saying, what do you do when you have a pilot program that is a really good idea and then it's not funded.

MS. CARPENTER: That's the most common problem.

MR. COOPER: Well, it's a pilot program and it's of good value.

MS. DICKSON: So how about if we eliminate the word "pilot" and just say provide funding for innovative programs. Pilot programs seem to make it.

MS. CARPENTER: Beautiful.

MR. GIBSON: Good, good. Then the funding source can determine the effectiveness of it. I think the pilot, that word pilot was what hung you up there.

MR. COOPER: Yeah, because if it's a good one, it should be able to on its own merits be continued.

THE MODERATOR: Mr. Delisio, did you have another comment?

MR. DELISIO: I object to the policy number 2 about autonomy to the community college system. First of all, I think that it's an ill-conceived notion. I can understand

where living out in a community, you'd like to see your system completely independent and under your total local control. But as a practical matter, I am not sure that that's really -- that's a statewide good interest.

MS. CARPENTER: That's not what we meant.

MR. FISON: It's not clear the way it's stated.

MS. CARPENTER: Right.

MR. DELISIO: To take the community college system out from under the Board of Regents, number 1, you have a Constitutional problems, because the Board of Regents under the constitution is designated as an entitiy that is to run the higher education in the State. But the second problem I see is that you are talking about developing -- and I think it's wise to develop in location statewide programs in a certain community to have a fisheries program, not to have in Anchorage but to have in Kuskokwim perhaps. But if you are going to have a statewide system and statewide inter-exchange of students and some sort of meaningful organisation where people can get their credits transferred back and forth and you don't have an unseemly squabbling for who gets what and how it gets done and duplication of efforts. You look at other states where they have two State university systems. You have State university, for example, Michigan and Michigan State University. So often sometimes in other states that duplication system or method

has really been disasterous. So I just -- I feel very strongly about it. I just am not at all confident that while it may sound attractive on the surface that it really is going to generate the things that you think.

THE MODERATOR: The problem again I would have to relate to back home. The problem that we have is successful petrochemical setup in ours community college. And for some reason or another, ours funding didn't come through as we had hoped in ours area. The Kenai community college suffered, suffered greatly, and the residents and the citizens of that community felt unjustly that a lot of that money was going towards other areas. And we have no one on the Board of Regents from ours area as close as we have as the Anchorage area. We have tried to get people on the Board of Regents and have not been successful. And we have not been successful with the excuse that we have to have so many from Anchorage. Okay, that's another story.

What we are saying, we did not get ours funding. Something has to be done in that area. We have the capabilities. We have the facility, and we don't have the funding to provide a good education for ours area. Something has to be done. I don't know whether autonomy is the thing.

MR. DELISIO: Let's assume that community colleges were run by an entitiy different from the University of

Alaska, but I gather what you are saying is that all community colleges would be under one entitiy and the university under another.

Okay, you've still got the problem that Anchorage is where the big student population is. Anchorage is where a lot of legislators with a lot of clout are. Fairbanks has got a big population, Juneau has got a big population, Kenai has a small population, and Kuskokwin, et cetera. You are going to have the same problems. The solution to those problems, I think, are in the solution to ours regionalism and ours urban versus rural. The solution is not in fracturing a statewide system. It would be like saying, "Well, let's have two legislatures are two court systems." We won't solve the problems by fracturing ours institutions, I don't think. I think what we have to do is to fracture the attitudes that make those institutions work in a nonproductive way.

THE MODERATOR: Mr. Peter Gibson.

MR. GIBSON: I would like to address first the regional problems. One of the community colleges is suffering most from the dual competitive system is the Anchorage Community College. I speak in this area exclusive on statewide best interests. First I would like to give you some facts. You are always yelling about effectiveness of cost. All right, the actual credit of

ours production in this State is 60 percent more efficient in the community colleges than it is in the university, because the community colleges are interested in teaching not building up large research grants. Research properly is something done at the University level. But teaching is far more efficient financially to this State in terms of actual credit ours production at the community colleges. Right here in Anchorage is an excellent example, the community colleges not being than through the university system.

Secondly, there are only three states in the Union besides Alaska that have kept this dual system under a single governing board. You will always have competition that usually turns out to the disadvantage of either the university or the community college system.

Now, we have, in fact, an almost complete dual administration at this time with the chancellor of the community college system reporting only to the president and the Board of Regents. However, what has happened is that the more economically efficient and more responsive community college systems have been swallowed up in a most interesting manner or destroyed where there is competition. Let me give you an example.

The University of Alaska, Juneau with five permanent academic staff members and an enrollment of less than 560

credit hours per semester swallowed up the Juneau-Douglas Community College with four times the enrollment, four times the staff, and four times the credit hour production. And in the process destroyed the opportunity for people who wanted to go to night school. They had to now enroll in full time programs. Nobody can go down and help himself at night now because those classes are given during the daytime.

What I am saying is give your people in your major urban centers as well as you will us people in the bush an opportunity for democratic, responsible, cost effective teaching without the frills, community college plan investment is small. University plant investment is large.

Now, the Legislature, and those of us who are proposing this autonomy would welcome legislative involvement in ours cost efficiency. We have already proved it. Now we would like a chance to prove it and be responsive the cut down 15 percent of the administrative overhead that the University of Alaska is hitting you for tax fares just to run the system poorly that they can't even account for their money on. So this is where we are proposing it, not to make regionalism, but because we have a common interest with everybody in the State whether it's in the urban centers or rural centers, for cost effective

responsive education.

THE MODERATOR: Sonny.

MR. DELISIO: All I have heard you say so far, however, is the university, is controlled by the Board of Regents and it's various administrative levels needs to clean up its act.

MS. CARPENTER: Negative.

THE MODERATOR: Sonny.

MS. CARPENTER: Diane.

THE MODERATOR: Diane.

MS. CARPENTER: I think what we are looking at here is just two totally different philosophies. A university system has a perfectly valid philosophy. A community college has a different philosophy. And the people in Kuskokwim want a community college that they can go to and say that, "hey, we want to do this." And at a community college they can say, have flexibility and can respond to that need.

Universities don't have that same -- universities are more traditional. They are more slow to make changes in programs. They have different kinds of standards, different kinds of purposes, and they just don't mix.

And I think that any time you have a Board of Regents over both of those two very different kinds of institutions that they are -- you are going to have a Board that is

either split and doesn't do either one of them very well or favors one or the other. And I just don't feel that you -- I think you have to have a Board that is committed at the community college concept, where there are community colleges and a board that is committed to first rate university where they are quite different. And I think each group has to get fully behind the institution that they are supporting. I don't see them -- I just feel like they ought to be able to develop their own program in a their own way and not have to feel the instrumentation, which every other institution, it's values to represent, is not able to meet the needs that it seeks because because the people are having to use up all their emotional energy dealing with the board of Regents instead of serving the people. And I just don't feel it's ever going to work under one system.

THE MODERATOR: Someone over here had a question?

MS. GUESS: Yeah, I was trying to find a compromise. She doesn't think it would. I took Bob's words of cost effective responsive education and said, could we all agree on cost effective responsive, to what Diane said, education that should be available through the community colleges.

MS. CROFT: Madam Chairman?

THE MODERATOR: Could you repeat that?

MS. GUESS: Cost effective responsive education

should be available through the community colleges. I am only trying to find a compromise area. Toni does not feel that that meets--

MR. FISON: Doesn't that just say it should be run well.

MR. COOPER: That's correct.

MR. DELISIO: That's agreed upon.

MR. FISON: And it doesn't -- that's a nice statement, but it's not specific enough to give any guidance. Of course, we want all of ours institutions run well.

MS. CULES: Maybe you want to say that it's not available and it should be.

MR. CORSUCH: The argument was that it's doing an exceptionally good job under the existing system.

MS. CROFT: It's doing a better job, but every time they just about get a program going -- this has happened all over -- the Board of Regents doesn't seem to be responsive to the whole community college idea. The community college system sort of arose out of the grass roots. Anyway, it rose in response to the Legislature, except as to the Anchorage College. The bush community college came as a response to a real need from an area. The Board of Regents sort of got into it grudgingly and at every opportunity tends to push people into a baccalaureate degree type system.

The Juneau situation is a really good example. I really feel they did it because they can't make it as a senior college without absorbing the community college. There is really a strong need for a senior college there, but not at this one point one or the other.

THE MODERATOR: Mr. Fison.

MR. FISON: I work here on the campuses and am aware of what goes on here at least at Anchorage. And I think part of the problem, if you have two separate systems, that is getting the credit kind of transfer worked out. It's a problem even now but at least they are working on it because it's one union. You don't have to have a group over here and a group over here. It's just a case of setting down and establishing a policy for all.

But if you have two different groups, there can be some kind of competitive thing where University of Alaska says well, now, if we offer those courses over here at the University of Alaska and you have taken that course at community college, we can't give you full credit. That's already happened. But they are trying to work that out.

I fear if you separate the two, the community colleges from the University of Alaska, it may stifle that to where students have the difficulty of receiving full credit for courses they have taken in the community college when they want to transfer over.

MS. CARPENTER: Several years ago, the post-secondary education commission funded a very large project to evaluate the post-secondary education system here. And there is a consultant by the name of Armand Serafian (phonetic), who was the college president from California, very well qualified. Recommended the separation of the two system at that time. The community colleges were just getting set up. Hearings were held throughout the State and we took exactly that same position. We were thinking primarily of students who we felt would be handicapped by having less transferability of credit.

We have since found that you can hardly -- I can't imagine how it can be any worse for students. It's sort of -- it's like if you can't make a marriage work get a divorce.

MR. FISON: Well, they have gotten divorced.

MR. GIBSON: No, it's not that bad.

MS. CARPENTER: Students can have better transferability outside than they have between those two campuses right in Anchorage because of the bad feeling that exists.

MR. GIBSON: It's not near as bad this year.

THE MODERATOR: Okay, we have a statement that this interest to, to best serve the interests on the State, autonomy should be granted to the college system. Now, we

have a very definite difference of opinion.

MR. GIBSON: Madam Chairman, may I suggest that because of this difference of opinion that we submit this resolution to a vote of ours total body for ratification or nonratification?

THE MODERATOR: We will not meet again.

MR. GIBSON: We will not meet again.

MR. DELISIO: I would suggest that what you do is present it -- I think maybe what we can do is put these in two categoris, those which represented a basic consensus of the group and those which don't.

Now, if there is one where you've only got one or two people in favor of it, we ought to eliminate them. But here you've got the --

MR. GORSUCH: The resolution or the people speaking in opposition.

MR. DELISIO: The people speaking in opposition. Here you've got a fairly substantial difference of opinion. It's not just a minor difference of opinion. And put it in as one in which the group did not reach consensus on, but there were a substantial number of people in the group who supported it

THE MODERATOR: I am told that we can have -- we may have a minority point. So we will go ahead and present this, and as such time that it's open on the floor, you are

more than welcome to have at it.

MR. FISON: Could I ask one question? Does anyone know what administrations of these two institutions prefer?

MR. GIBSON: I can address that in part.

The Board of Regents has expressed no desire to foster the separation of the two institutions. The administrator -- that is the chancellor of the community colleges has expressed his views very thoroughly in here. And I refer you to those. And I am not at liberty to say what's in Pat's mind because I don't know. But I think if you will read with the utmost care the view of an inside administrator, you will see that the things that Pat is recommending to make the community college system work would be very difficult to implement within the present structure and attitudes of the president and the Board of Regents.

THE MODERATOR: Okay.

MR. DELISIO: Madam Chairman, is it clear who would present the minority report?

THE MODERATOR: Yes, you would.

MR. DELISIO: How do you know that's minority feeling or majority feeling?

THE MODERATOR: Do you want to take a vote on this, then?

MR. DELISIO: Might not be a bad idea.

THE MODERATOR: All those voting, we are voting on the second sentence for the policy of education. All those in favor would you say aye? (Complying)

THE MODERATOR: All those opposed? (Complying)

THE MODERATOR: We have a majority.

MR. GIBSON: One thing I would like to say to you that during this time all of the community colleges within the State are under going their own accreditation exercises. Ours community college has just been accredited, so that is a problem that did exist, but it's not existing now, because these community colleges are now accredited directly to Northwest a crediting association, which is the same organization that a credits the University of Alaska. And that accreditation is not given now by the blessing of the university but by the merits of the institutions by themselves.

THE MODERATOR: Are we ready to go on to another subject?

THE MODERATOR: Mrs. Guess.

MS. GUESS: I would like to propose an additional category under funding, and that is to increase the loan moneys, and if possible, the seaming amount of the scholarship loan program.

THE MODERATOR: To increase the loan funding.

MS. GUESS: Moneys.

THE MODERATOR: Moneys.

MS. GUESS: And if possible, the ceiling amount.

MS. CARPENTER: Are you talking about individual

MR. GIBSON: Increase the ceiling amount.

MS. GUESS: The ceiling amount. You have a problem now that you can't fund the ceiling amount for the number of youngsters and are applying to increase the ceiling amount.

MS. CARPENTER: What is the difference between the loan moneys and the ceiling amount.

MS. GUESS: Well, you have a basic pot upon which you can draw, depending on how many youngsters are applying for that, the ceiling amount is 3,000. It's my understanding the youngsters are getting anywhere from 1,300 to 2400. They are not able to borrow up to the ceiling amount.

MS. CARPENTER: The ceiling amount for individuals rather than as differentiated from the --

MS. GUESS: And the individual ceiling, we can rephrase it if that's not clear.

THE MODERATOR Okay, to increase the loan funding moneys.

MR. COOPER: You are saying make.

MR. GIBSON: You are saying make the pot bigger and give a bigger amount of money

THE MODERATOR: To increse the loan funding moneys and

if possible the ceiling amount for an individual.

MS. CARPENTER: For the individual.

THE MODERATOR: For an individual.

MS. CARPENTER: Individual applicants.

MR. FISON: Harold, I have something that would go very well with that rather than making it a separate one. We talked about this but it didn't get in. McGinnis spoke to it but I do feel that it's unfair, that is to add to that, and that this moneys be available to students to attend both public and private higher education in Alaska as well as outside of Alaska. The statement that he made was that students can go to private education institutions outside of Alaska, but cannot use that money to go to private institutions in Alaska. And it seems to me to be discriminating against ours own people.

THE MODERATOR: Would you rephrase that one more time slowly?

MR. FISON: Would you be willing to add that bit to yours, because it's talking about the loan fund money, that the money be available to students to attend both public and private higher education in Alaska, as well as outside of Alaska? See, right now the money is available in Alaska only for public education. But outside it's available for public and private. And that's discriminating against ours private higher education institutions in Alaska and I don't

think it's fair.

MS. GUESS: I would agree.

MR. GIBSON: Very good point.

MR. FISON: It isn't specific.

MS. GUESS: It goes to this concern about encouraging competition.

MR. FISON: This is a specific thing that the other could be looked over.

THE MODERATOR: That paragraph reads then to increase the loan funding monies and if possible the individual ceiling amount of the scholarship loan funds and moneys would be available for public and private institutions inside as well as outside Alaska; is that what you have?

MS. GUESS: I agree that that should be the policy. We have a lady in the audience. I am not knowledgeable what Mr. McCinnis said. A lady who worked for Sheldon Jackson who said the youngsters going to her school received the moneys. Maybe we ought to check the facts.

DELEGATE: I think it's just accredited is the key word there. It has to be an accredited institution and Sheldon Jackson has --

MR. FISON: I have no objection to that.

DELEGATE: The students at Sheldon Jackson, I have worked there for seven years and ours students have applied.

MR. FISON: Maybe that's on the basis of

misinformation then.

THE MODERATOR: Moneys will be available for public and private accredited institutions inside as well as outside of Alaska.

MR. FISON: If she is correct on that last statement. I don't know.

THE MODERATOR: Well, let's find out.

MR. FISON: It may be that the institutions outside of Alaska who are unaccredited, but reliable, let's say, students can go there where they can't in the State. I don't know. But he really ought to know what he's talking about.

THE MODERATOR: Okay, are there any others.

THE MODERATOR: There are any other changes, any other changes or proposals. Any other changes or proposals on education. Okay. Guy just went down to talk to McGinnis who supposedly is down in the coffee shop and we should know more on this a little later. Okay. Lee.

MR. GORSUCH: I would like to just cover something that isn't intended as a recommendation but I would be interested in other people's reactions.

I get the distinct feeling that the State of Alaska is determined to spend the surplus. Statement, a very substantial amount of our current expenditures do go to education.

If, in fact, we blow the bundle, education will suffer. That is, I don't know what's going to pick it up and meet those expenses. I am wondering whether or not, we would want to advance something which eventually would create a separate educational endowment or trust fund which had been entertained at one point many years ago. And at that point I think was argued against, that the State would be ill-advised for the State to create a bunch of different trust accounts for various different governmental functions. But I think the criticism was because ideally we can do a better job of managing ours funds as a pool. We have a renewable resources fund for renewable resources. We have a special agricultural fisheries fund to finance fisheries. We have nothing for education, except on the appropriations based on a year-to-year fund, based on a year-to-year basis. I think we are okay the rest of this decade. But I am not sure what we are looking like in 1990.

THE MODERATOR: How about the 10 percent of the permanent fund?

MR. CORSUCH: I am just wondering should we create an accumulative trust to accumulate overtime to insure the continuation of the funds available support, public education in Alaska. It's something that's been nawing at me, because ideally I wouldn't recommend it. But the way I see the money, proposals coming for all kinds of projects.

And I don't object to things like a limited renewable resources fund and so forth. But it does concern me that education is potentially left totally dependent on the availability of nonrecurring revenues, whereas everything else is getting into a permanent endowment or revolving fund.

THE HOUSEKATOR: Are you talking only about scholarships, then, the scholarship fund.

MR. GORSUCH: No, I am talking about the hard core base of the public school foundation program, as well as the university budget".

MS. GUESS: Are you talking about a Consitutional amendment, i e like the permanent fund, or are you talking about a year-to-year appropriation like renewable resources.

MR. DELISIO: You are just speaking conceptaully.

MR. GORSUCH: Just speaking conceptually, because obviously it is considered to support higher education. Does anybody offhand know what program it is?

MS. GUESS: 33 percent of the total budget".

MR. COOPER: Right.

MR. GORSUCH: If you needed ten percent, let's say if you were able to come up with some kind of performance program, you would need a very substantial endowment and so an additional amount as the education will demands increase. At the same time, as we look at 19 -- late 1980s, we are

also anticipating surpluses 20 to 70 billion dollars. What happened to the price of oil and how these other ventures rise.

THE MODERATOR: From what you said, you proposed, we proposed, creating an educational trust fund to insure support of the public school foundation program and scholarship fund, period.

MR. GORSUCH: Something like that, yeah. I am totally open to.

MR. DELISIO: Couldn't we tap in on the natural resources fund.

MS. CROFT: The only problem, there was a lot of talk of this sort. As I understand it now, the renewable resources fund is not a permanent type fund. It's a year-to-year fund thing.

MR. COOPER: Subject to annual appropriation.

MS. CROFT: The only one we have is the permanent fund and ideally the interest or things like that go into affirmative education. It's set up so that things like education don't just fall off the other end.

MR. GORSUCH: The renewable resources is not year-to-year, the statute can be amended. It's not a constitutional provision. The statute says 5 percent every year.

MS. GUESS: But it has to be appropriated. It has to be appropriated.

MR. DELISIO: They are automatically that way, but it has to be appropriated.

MS. GUESS: Idea. Maybe you are talking about about a percentage of the investment from the permanent fund. The fund is already established. That's constitutional. Moneys must go there in the amendment. So maybe you are talking about a portion of those moneys.

THE MODERATOR: Okay, then creating an educational trust fund to insure support of the public school foundation program and scholarship fund to come from.

MS. CROFT: The permanent fund.

THE MODERATOR: The permanent fund.

MS. GUESS: One half of the earnings of the permanent fund. Why not? If we are spending one third.

MR. DELISIO: I would rather put it into that than be in salaries to--

MS. GUESS: Bureaucrats.

MR. DELISIO: I didn't say that. I was biting my tongue.

THE MODERATOR: Creating an educational trust fund to insure support on the public school foundation program and scholarship fund to come from one half of the earnings of the permanent fund.

MS. CROFT: One, we don't really have any idea what the magnitude of the permanent fund is going to be. Can

can we say it's too vague to say a portion.

MR. GIBSON: A substantial portion.

MR. COOPER: I don't think we need to worry about it, because after all, if we put 100 percent, if we use the 100 percent of the permanent fund earnings for the scholarship program or for the foundation program, one thing or another, we wouldn't begin to be accumulating enough to provide 100 percent of the costs. We would still be needing annual appropriation.

MR. DELISIO: What Lee's idea is let's say that the fund earns 300 million dollars, say a ten percent a year or whatever. Say it earns 300 million dollars, so under Carolyn's idea, you put 150 million into a new trust fund that is now earning and invested and it's growing and growing and growing. And in the year 2000, oil and gas money stops, and now this fund that we have appropriated permanent fund moneys every year has grown into a 25-billion dollar fund which is earning 300 million dollars a year which we can now use to fund education. That's the idea, isn't it?

MS. CUESS: I think what he is getting at, is what may be all of us could agree about is concerning. We are talking about spending rather than investing, and that we don't want that to happen in the year 2,500. Now, the specifics are the way to go, and I do not know. There may

be something like that. But then maybe the other thing would be a policy statement of concern that, you know, if the dollars are used up, if we spend everything that comes in and we do not say that in the long terms the educational goals cannot be met.

MS. CARPENTER: I would like the statement. I like the statement. If what you said is the intent of Lee's suggestion.

THE MODERATOR: Would you say it again?

MS. CARPENTER: I like that idea of--

MS. DICKSON: Put these two statements together and that's ours policy statement.

MS. CARPENTER: Your statement as a policy preamble, but I like the specific -- the specificity of the others, too.

MS. GUESS: Sometimes you get people's attention better with specifics.

THE MODERATOR: Would somebody like to start rewording? Carolyn?

MS. CROFT: I will try.

THE MODERATOR: Toni.

MS. CROFT: Establish an education fund similar to the renewable resources fund which dedicates a portion of the permanent fund towards long terms educational needs.

MR. DeLISIO: I don't think we should worry about

dedicating, because if everybody had stood back like everybody agreed to in the beginning and said we aren't going to dedicate anything, we are all going to management, when you chip off the piece here in the interest and you chip off the piece here. If this isn't a piece chipped off, there may not be a piece to chip off.

THE MODERATOR: Every one in agreement? Do we have any other changes in education?

THE MODERATOR: What did we find out.

MR. VAN DOREN: The scholarship loan fund moneys are available to all universities in the State. What was declared unconstitutional was the direct service payments to the schools that were owned by religious organizations.

MS. GOLTS: Which meant that APU could offer the courses at the same price as the University of Alaska and the State subsidized the APU the same difference.

THE MODERATOR: Okay, so ours statement.

MS. CARPENTER: Scratch that.

THE MODERATOR: Any other statements on education.

THE MODERATOR: Carolyn your statement was to increase the loan fund and moist is and, if possible, the individual applicant ceiling amount of the scholarship loan program. That part you still want left in, right?

MR. DELISIO: Yes. It's a different thing altogether

THE MODERATOR: The only thing we scratched was and

the moneys would become available for public and private institutions. Okay, anything else on education.

MS. CARPENTER: Don't even ask. Okay, don't ask. That's it.

MR. BELISIO: The State -- actually, it's in two parts and it could be separate.

MR. GORSUCH: Why don't we separate it?

MR. BELISIO: First part is the State shall invest its surplus and permanent income inside the State to extend the opportunity for investment in Alaska.

THE MODERATOR: Period.

MR. BELISIO: That's the first part. The purpose for that is historically we have always been the treasure chest for everybody else. They came in here took gold out and all the money went outside. First, timber and then oil. And finally the State got a piece of the oil income. The State has invested the money all outside or has given it to ours banks which has taken it all outside and almost none of that money has found its way into any kind of investment here.

THE MODERATOR: That leads me to the second part.

MS. GUESS: Could we just talk about that for one minute. I think, then, we are talking about a policy. And we are talking about a policy that doesn't necessarily maximize the dollar. And I think that's very, very

important. If we feel strongly that the State policy does not have to be to maximize the dollar, but to best serve the interest of Alaskans.

MR. DELISIO: That's why the second part interrelates so much, because the philosophy of this thing, if you take it as a whole, is basically we have a huge sum of money investment capital. The rest of the nation is being victimized by high interest rates, and it can't expand. It can't grow, as long as that economic condition exists. We are in the same boat because we are getting out of the same pie. Now, the State can generate a return on its capital in numerous ways. It can -- it can get 10 percent interest or on the other hand it can build an atmosphere in the community, which we are talking about in terms of capital investment, program investment. Where you build jobs, you build jobs, you build opportunity, you build a variety of different things.

My idea here is that if we made moneys available on low interest basis for people in a sound financial venture, whether it be that I want to finance a house, build a new home and use my house as collateral, and I've got a flow of income that I can pay back, when I build that house and when a hundred other people like me build a house in Anchorage next year, there are going to be jobs created that don't exist right now. When I build a building or if

I decide to build a cannery, if I want to build a cannery in Bethel for seven percent interest, whereas at 10 percent it may not be feasible for me to do and I cannot compete with the existing cannery. But if I can get 7 percent money and build a cannery and provide jobs for people that lift in Bethel and provide -- or if I can build a system for marketing fish in the State of Alaska by borrowing loan interest money which might not be otherwise available. If I want to buy a hundred million dollars resource at someplace near Mt. McKinley and attract tourists as the San Moritz of the northern hemisphere, that's going to generate jobs and it's going to generate economic opportunity

THE MODERATOR: Could you read it again.

MS. GUESS: I would like to make an observation. I think if we are going to adopt that statement, it should also be consistent. That the investment is consistent with other goals. I.e., if people are going to get seven or six percent. It's better energy efficient, businesses, better energy efficiency. I just think we are --

MR. DELISIO: I didn't want to get it too complicated.

MS. GUESS: I understand that. But I think it's got to be consistent.

THE MODERATOR: Could you read it one more time?

MR. DELISIO: The State shall invest it's surplus income in the permanent fund inside the State to the extend

the opportunity for prudent investment exists in Alaska. Money shall be loaned at low interest rates to anyone who had his a financially sound investment opportunity subject to the availability of adequate security and the borrowers demonstrable ability to pay the loan.

THE MODERATOR: Are we talking about Alaskans or are we talking about somebody coming up from the Lower 48, "For you, I've got a deal. I've got this amount of money and I went to build a project out in Dillingham."

MR. DELISIO: I would say anyone in Alaska. Frankly we run into problems again.

THE MODERATOR: Residency.

MR. DELISIO: It really is a problem. I would like to be able to say you can borrow here 3 percent if you lived at 20 percent and 7 percent.

THE MODERATOR: We are in court over something like that.

MR. DAVIDSON: I have real reservations about this. I think there is some merit of having some of that permanent fund money invested for its highest return and to keep its equity. We've got inflation going on and you have to make a good investment just to keep its value. Then we get into the area of business investments in Alaska. To me, I can't personally go along with investment. I don't believe in business for business sake and growth for growth sake. If

somebody wants to come along and build a new bar important a go cart ranch, I don't particularly want my share of the State's money going for things like that. I would feel more comfortable if those loan programs were identified for more needs.

Housing is certainly one, development of renewable resources, any number of things, but saying any investment that might pay its way, just personally I have trouble with that.

THE MODERATOR: I will go along with housing.

MR. CORSUCH: I would also like to make a comment, I think I find troublesome, and that is that the low interest rates essentially a subsidy. That is you could earn 18 percent by having invested in a normal investment and you are going to collect say only 13 percent, or, now, its ten and a half percent to the existing State loan program. You are subsidized when the person gets the loan by almost 8 percent. Now, that eight percent represents almost all of ours money. It seems if you want the subsidy you've got to get into and invest. If you want your share of the money you've got to get in there and getting your share by borrowing.

My sense is the large majority of Alaskans are not going to be business people and they are not going to be investors in the traditional sense. And their

percentage -- we are going to wind up with a very uneven distribution of the benefits of that subsidy. The subsidy is going to go to those who find the opportunity or seek the opportunity of that increased investment.

THE MODERATOR: Need to, too.

MR. GORSUCH: I get back to the idea that need is, in fact, important. I don't object to sort of going into with a specific purpose in mind, but again, just the blanket provision, I can see all kinds of potentially abuses. Someone, for instance, let's say somebody wanted to go out and buy one, just in hotels, and it was owned by an outside company. And they said, "I will own the hotel now, so you give me the interest at ten and a half percent because they are paying 18 percent for their financing right now. So I can buy the hotel, and I'm better off." Well, what are we gaining, its not a new hotel. Its not creating more additional jobs. All it does is give the new owner a chance to get a lower interest rate and increasing profitability.

So I am concerned a lot of the loan programs. I am even concerned about ours existing housing program for the housing mortgages. I am concerned that what happens is it doesn't create new housing, people who are eligible go out and refinance and get rid of their my interest rate to go to a lower mortgage rate. If we do that, I would do it

more equitably. I am just concerned the way these devices work that it ends up in a very uneven distribution of the benefits. Its a false one, because all you are doing is substituting ours dollars for outside dollars. As far as I am concerned, I would like to get as many as outside dollars invested in Alaska as we can, and add ours to it, but not replace those outside dollars.

MR. COOPER: There was a valid point in regards to, in effect, refinancing existing but I do believe that the entire State benefits whether that new cannery is put in, put on line to further be able to process existing product within the State. That's a benefit not just to the borrower, but its a benefit to the entire area, because it is creating a more stable economic base for the people within that particular area, wherever it might be.

So to say that a business loan is only for the benefit of the particular borrower is not necessarily sole.

MR. GIBSON: I would like to support what he just said, that there are benefits, true, to the individual. but any investment we make, when things increase ours economic independence come back to us many times. For instance, if we had a good lumber yard on the Kuskokwin, maybe the guy who is investing in that is getting a little break, eight percent money instead of 5. But those of us down river are saving bundles on transportation, and we are

starting to get away from ours dam import economy for everything, export ours capitol and start developing ours own economic independence which we've got to have. And there may be some restraints that have to be put on that. but I think that is a most sound policy, because never before have we had venture capital come into this country for anything but exploitive activities. The venture capital that came in from the oil was to take out a nonrenewable resource. And we have been hard put to get venture capital.

Now, if we don't invest ours own money up here, the Arabs will be darn soon doing it, because they are looking for places to develop and get returns on it. And I think that's a very sound proposal perhaps with some restraints on refinancing existing stuff.

THE MODERATOR: Do you have that worked out?

MR. DELISIO: Let me respond to a couple of things, because I think -- I wish I was an economist and I could explain the effect of this. Because if I could explain this to you. I think you would understand.

MS. CARPENTER: There is a good explanation. I don't know if you have had a chance to read the supplemental papers. Its on the one on the permanent fund on page 15 and 16. What is economic growth and is it desireable. Have we enough of it now? How can we get more of it if we

desire that? And on page 17 it explains it very well. I found it quite instructive, talking about the multiplier effect.

MR. DELISIO: Let's talk about outside money coming in here. If we borrow outside money we have to pay interest to outside people. The outside money goes back.

MR. GORSUCH: Wait a minute.

MR. DELISIO: You said would you like to attract as much as outside money and add ours on top of it. We borrow, when you go to the National Bank of Alaska, you are not borrowing just money that's Alaskan money, you are borrowing money that's from outside as well. In fact most of ours businesses and homes are financed with money that came from outside. For one reason, because we changed ours interest rates to make them much more attractive than in the general market than most places were than when we moved ours floating ceiling and stuff.

But if you borrow $100 of outside money and you have to pay 18 percent interest on it, you pay back in one year 118 Alaskan dollars to pay back $100 from outside. Now, you are sending wealth out of the State, you are not bringing it in.

The second problem that you have is--

MR. GORSUCH: In other words, if you want to borrow that money, you can borrow it from the State or from a bank

here, and the money will come right back. You are talking about something below the interest rate, but anybody can borrow any business. I mean I know of no business, as long as they can afford to pay the prevailing rate, they can't get money in Alaska.

MR. CARPENTI: No.

MR. DELISIO: A, that's not true, and B, the problem is when you say get it in Alaska, what do you mean by that?

MR. CORSUCH: You've got a sound business venture, and you will go down to the bank and they will finance it.

MR. COOPER: Not today.

MR. DELISIO: The bank does not finance it. The bank goes out into the money market. They go to the Teamsters pension fund in Cincinnitti, Ohio or go to the First National Bank in New York City or they go lower Albuquerque, New Mexico, and that's where the bulk of the money comes from, because we don't have venture capital in the State. We never have. Its borrowed from outside and then we pay a higher rate so they take off their piece and they get paid back off what's inside.

The business is if we refinance, what happens if I refinance my house and I am paying ten percent interest and now I am paying seven percent. I have three percent money left over to do something else with, to spend in this economy, that stimulates economy.

MR. GORSUCH: Why should you do that rather than a person who has a home mortgage.

MR. DELISIO: What about the person living in an apartment, who is paying $500 for an inadequate amount have to get 75 percent to build a house who now pays $400 on their payments and upkeep of their house. That person has an extra hundred dollars in his pocket plus he's got an investment that's growing. What about we talk about all of the expenditure of moneys that we are talking about in services, you know, everything we have been discussing. Why should we spend my share of the investment money to build your dock? Why should you spend your share of the investment money to build my air field? I mean that's -- if we get into that kind of a thing, we get down to the basic question why should we spend it on anybody because somebody is getting some benefit that I am not getting.

MR. GORSUCH: As long as you look at it as an expenditure and not an investment, that's fine.

MR. DELISIO: This is an investment. It creates A, new wealth. B, it creates additional opportunity; C, it creates new jobs; D, it stimulates the economy. A person looking for wages today, if he has the opportunity to earn or get a low interest loan, he may be able to open up his janitorial business, he may be able to go into the wood cutting business and succeed.

THE MODERATOR: We have gone into a subject that we really didn't cover and we are going to have problems, so I would suggest that we cover those items that we did cover as a group first. And if it has to come out as a report under somebody else's, we better get on with what we have accomplished ourselves. And I think, Carolyn, are you ready?

MS. CUESS: Yes, the energy statement is being passed around.

MR. DELISIO: One page.

THE MODERATOR: Go.

MS. CUESS: The firms, in attempting to put this together in some meaningful way, we decided we needed a long term goal and you will see the little squiggles. The long terms goal as the Beta group sees it should be: Existing energy systems which depend on nonrenewable resources should be converted as -- that probably should be as practicably rather than L L Y, that should be A B L Y--as practicably as possible to to systems which are based on nonrenewable resources. On renewable resources.

THE MODERATOR: Any problem with that?

MS. CARPENTER: What do you mean by the word practical?

MS. CUESS: You can't convert tomorrow

MS. CARPENTER: As suitable.

MS. GUESS: No, as practicably. You have financing to consider, you have interest rate. You have the fact that it may take seven years for hydro, wind power is not considered firm power as far as integrating systems.

MS. CARPENTER: I think the meaning isn't clear, if you say assume that it's pratical.

MS. GUESS: Fine.

MS. CARPENTER: You are not talking about time.

MS. DICKSON: I think I can see what your question is, your concern. Okay, as practicably as possible we are not excluding. We are not excluding, within a time frame.

MR. GORSUCH: Cost should have something to do with it.

MS. GUESS: That's why I used the word. I think its semantics.

THE MODERATOR: Read it one more time, Carolyn.

THE MODERATOR: Okay, one more time.

MS. GUESS: Let's take a look at as practicably as possible, because that's the hang up. But the long terms goal. Exist energy systems which depend on nonrenewable resources should be converted -- whatever phrase we want to use -- to systems which are based on renewable resources. But there are many considerations that must go into that so that you have an orderly, effective, efficienct transition from today to tomorrow.

MS. DICKSON: Let's say orderly effective transition.

THE MODERATOR: Should be converted to systems which are based on renewable resources as soon -- go ahead Carolyn, what you are were saying, as soon as efficiently.

MS. DICKSON: Can we just ask her what Carolyn just said.

(The reporter read as requested)

THE MODERATOR: Could you please say existing energy systems which depend on nonrenewable resources should be converted to systens which are based on renewable resources as soon as --

MS. GUESS: Practicable in an orderly, effective and efficienct manner.

MS. DICKSON: Transition as possible.

MS. CARPENTER: I don't know how the transition is going to be orderly.

MS. GUESS: Its got to be because you cannot disrupts your existing systems.

MR. DELISIO: If you just added to that in an orderly and effective and efficient transition, I think you've got it all.

THE MODERATOR: In an orderly, effective and efficienct transition, okay. So it would read, "existing energy systems which depend on nonrenewable resources should be converted to systems which are based on renewable

resources in an orderly, effective and efficient transition." Okay? Next paragraph.

MS. CULLS: I don't think you can put a time on it. Bob is concerned with the specific legislation, but I think its an overall goal. I think to effect a goal, you have ways to effect your goal.

THE MODERATOR: Carolyn.

MS. CULLS: Yes. Now, I am not liking exactly the way the organization came out after this, but we struggled to try and get something that the consensus from ours notes would effect.

A means to accomplish this would be for the State government to encourage the private sector, i.e., business and individual, through tax incentives or tax penalties and low interest loans to convert existing energy systems to be as efficient as possible and to replace existing energy systems and develop new energy systems that rely on renewable resources.

THE MODERATOR: Any objection?

MR. GIBSON: I think that's beautiful, except it's gutless.

All right, look, this is nice, but the private sector will not be encouraged to convert with mere little arrots out here when they've got a plant that's going to be run out of renewable resources in 20 years and then pack up

and go south anyway. We have not once called for the Legislature to take any policy action whatsoever in the form of legislation. So I think we need to be stronger. By gosh, how long have we known there is an energy crisis.

MS. CULSS: Well, there are people today that do not believe there is one

MR. GIBSON: Exactly, a lot of them are in the Legislature.

MR. COOPER: Let's qualify that. We say there is an energy crisis, but an energy crisis in what respect, maybe with certain particular forms of energy. But there is not an energy crisis per se.

MR. GIBSON: There is a crisis in ours dependence upon the depletion rapidly of a single nonrenewable resource. We are on the petroleum mammary up here.

MR. COOPER: That's what you stated, but that is not what the program says. We are not running out of energy. We are running out of potentially for a single source. And that is what ours concern is, but not energy in all forms.

MR. DELISIO: Madam Chairman in the interest of getting something done here, all this says is this is a means. It doesn't say its the only means. Maybe we could state something stronger than we do. But to be very candid with you, when drafting up the sessions that I was trying to draft up, was drafting newspaper language that I thought

would meet a consensus of this group, but maybe that ends up being less gutsy than some of us would like to be or all of us would like to be. But I wonder if we would accomplish more than that.

MR. CROFT: It says among the suggestions, if you have certain ones you that you would like to see in there.

MR. GIBSON: Not really, I don't want to hassle about it. But I just feel that this is just like saying be nice and do something about it when you get around to it and recognize that we really have a problem.

THE MODERATOR: Okay, can we go on to the suggestions and come back to that, to that paragraph later. Carolyn.

MS. GUESS: Okay, these are a couple of suggestions that we pulled out. Energy efficienct improvements for both residences and businesses should not increase the value of the property for taxation purposes but should reduce the property tax.

THE MODERATOR: Uh-huh.

MS. GUESS: Mr. Fison made that recommendation and I think there is a lot of merit in that.

And the second concern I had heard articulated not as strongly in energy but in other areas was regional planning, you know, the people in the local areas understand what would work, that the State should encourage the creation of regional energy counsels to respond to

grass roots concerns and ideas to develop alternative energy sources, you know, being, like the man who spoke about all the wood.

THE MODERATOR: Okay, any objection to that?

MR. COKSUCH: I would simply like to point out there is real danger in regionalizing something as vital as energy. One of the problems that we have confronted in looking at the program like Anak is that once the southern community split off to their separate power authority, their rates were lower. But because their rates were lower, the remaining rates were higher. Then as you take the central Alaska rates and make them a central regional authority, their rates are lower and then the rest of Alaska rates are higher.

MS. CARPENTER: You are talking about planning and getting ideas. You aren't talking about authority or system. Its just a way of getting input.

MR. COKSUCH: My only concern is in the utility field, you want to get a rate equalization going at least to some extend, otherwise you end up with exorbitant rates in some areas and low rates in others, and as in the case of the telephone, and there is a definite limited effort to try to afford those basic utilities on a regional basis.

My only concern about planning regional authorities is that this groups tend to follow and I think they get locked

into a very efficient and very inefficient system.

MS. GUESS: Rate equalization I thought was rejected by this group so, I didn't put it in. I heard rate equalization come out. But I did not hear the support for it.

MR. GIBSON: I think the problem is we do not have a single power monopoly in the State. I would suggest it would not be a good idea. Where was we do have a single communications power.

THE MODERATOR: Do you want to keep on that one.

MR. GORSUCH: I don't object, but it just bothers me.

THE MODERATOR: Can we go on to the next.

MS. GUESS: The next one was trying to branch the long terms goal with the short terms crisis. And so this was ours lead in, nonrenewable resources used for energy systems are in State of transition, transition requires new problem solving techniques. And that's a very ambiguous statement. The traditional approaches won't work, but we have to realize that and policy makers are going to have to address that. We've had to change some of ours thinking, in other words. Human energy potentially should not be diluted by polarization and provincialism, but must acknowledge the immediate challenge that today's energy crisis brings. We took the concern of the group about regionalization, about polarization. We lifted it and we

put it here.

The cost of diesel fuel role. In rural Alaska is a crisis both in financial and emotional terms. Survival and economic development at present in rural Alaska is dependent on the availability and price of diesel fuel. Until the primary goal on energy system dependency on renewable resources is accomplished and a specific time limit should be established, the State should be prepared to assist the people in rural Alaska to acquire and pay a reasonable price for diesel fuel.

Now, this goes right with the paragraph. This was a concern of Earle's when he dropped by. Any State program should promote the stated energy goal, In no way should a government program foster business as usual which provides no incentive to convert to other alternative energy sources.

THE MODERATOR: And then.

MS. GUESS: Then the next one, it appears logical and appropriate that the moneys received by the State from the increased revenues from its petroleum resources should be used to accomplish the long terms energy goals and short terms immediate energy crisis, period. We don't need "facing us today."

MS. CARPENTER: To accomplish the long terms goals and do what to the short terms price is: You don't want to

accomplish the short terms crisis.

MS. GUESS: You are right. Address.

MR. CROFT: So, you want to be more optimistic

MR. GORSUCH: Familiarate.

MS. GUESS: That sounds bureaucratistic. I will go with them, if Toni wants to solve them. I am for that.

The last thing I put in was alls I wanted to make sure that you know that I believe all State agencies better work together including my shop. What I didn't tell you and what I should have upon reflection is what is desperately needed in this State is a coordination of energy policy and program. You have the UPUS. You have the division of power. You have the Alaska Power Authority. You have the Department of Transportation and Public Facilities. Unfortunately, there is no communication. Its difficult to crack. Its a desperate need and I think people are aware of it.

MS. DICKSON: Can we put anything in here about that specifically?

MR. GIBSON: We can't even recommend a 19 or 2,000 conversion target, get a target to shoot at.

MS. DICKSON: Up here we can make some more specifics recommendations.

MR. GORSUCH: Hire Schlessinger as the energy Czar.

THE MODERATOR: So the only thing they had problems

with were the second paragraph. And has anyone come up with a solution to that or have you acquiesced?

MR. CORSUCH: It wasn't objectionable. It should be stronger

THE MODERATOR: Has anyone come up with any wording?

MR. COOPER: I like the way it reads.

THE MODERATOR: You like the second paragraph.

MR. COOPER: Yes. You can't get so specific about something that we are not, we don't know what its going to be.

MS. DICKSON: Can we make a broad terms statement to say that we encourage specific legislation or legislation dealing specifically with time tables, what Bob has been talking about.

MR. FAIRBANKS: Relating to Gibson's energy paper, like you were just saying, all the other groups seem like they are keeping it very low key and not doing anything specific. I think we should mandate some time tables. Let's say by this time let's be self sufficient in energy. We can do it.

MR. FISON: You mean we can say it.

MR. FAIRBANKS: No, we can do it.

MR. COOPER: By the year 2000, we can be self sufficient in energy certainly.

MS. DICKSON: Giving yourself a time table.

MR. COOPER: We are self sufficient in energy today if we so desire. But I think ours whole conversation or ours whole discussion has been the concern over what kind of energy are we self sufficient on. Certainly we produce more than enough oil, for instance, to produce all of the energy that this State needs, today or tomorrow.

MR. DELISIO: Or the world in kind if we just use it.

MR. COOPER: So reasonably what we are discussing is a theory or a pratical point at which we would no longer be dependent upon oil as a nation or as a portion of the imported product coming from foreign nation. But we as a State are certainly energy behind

THE MODERATOR: Okay, it's 10:20. If we are having trouble with that second paragraph, may I make a suggestion that somebody meet tomorrow morning for breakfast and get this ready by the nine o'clock meeting. Because we still have other papers to go through.

MR. DELISIO: The second paragraph.

THE MODERATOR: That's the paragraph that people seem to be having problems with.

MS. CARPENTER: Can we just state the State government should to convert the energy systems.

MS. DICKSON: I think the second sentence says its fine. I think we need to make another suggestion down here under the suggestions of the Beta group, and number 3, we

encourage specific legislation.

MS. CROFT: By a certain time.

MS. DICKSON: That lists -- specific legislation emphasizes time tables. Put some punch into it.

THE MODERATOR: Okay, you want to encourage specific legislation emphasizing.

MS. DICKSON: You try and accomplish a goal, you set yourself a time table of accomplishment. Why can't we say this here. Can't somebody else help me?

MR. FISON: You are talking about goal setting, if the State set goals and then set out to implement that goal, rather than just sort of let it go as whenever it might happen. It may happen and it may not, which seems wordy

THE MODERATOR: I don't see how you can read. I was thinking encourage specific legislation emphasizing the conversion to what and by when. We don't have anything that definite.

MS. GUESS: Pardon?

THE MODERATOR: We really don't have anything that definite. What are we converting to.

MR. CROFT: The third one on Mr. Gibson's papers. By 1982, the plan shall be developed which will provide that all technologically and economically feasible public utility system providing electrical power within the State shall be converted to the use of renewable resources by

1995. That's a plan by '82.

MS. GUESS: Its too short of time frame. We don't even have an energy plan for the State of Alaska.

MR. GIBSON: How do we get it?

MS. GUESS: It's in the budget for next year.

MR. COOPER: I would like to point out in ours discussion of renewable resource and nonrenewable resource that the bulk of electricity in the State of Alaska today, I believe, is generated by renewable resource, methane gas.

MR. GIBSON: Its a permanent generation for the whole state?

THE MODERATOR: Let's go back. Now, is that second paragraph so obnoxious to anyone? Okay, can we go with it.

MR. GORSUCH: Yes.

MS. GUESS: Try this for number 3. Specific legislation should be effected to accomplish the goal within a specific time frame. I frankly don't believe I have enough acknowledge to say it should be 1985 or 1995.

THE MODERATOR: Then you are not saying anything.

MS. GUESS: You are saying to the legislature that there's got to be a specific time frame.

MS. DICKSON: Let's give them a time table to get that time frame. By 1982 there will be specific legislation.

MS. GUESS: I'm sorry, I don't think 1982 is

realistic.

MS. DICKSON: A plan, to come up with a plan

MS. GUESS: We are not going to have an energy plan until 1982. I say 1985.

MR. GIBSON: Oh for gosh sake.

THE MODERATOR: I would suggest we go on. It's almost 10:30. And I know someone else is getting awfully tired. And I would even venture to say would you even consider coming back at 7:30 tomorrow morning. I think its in the best interest of every one. I think we should. We should call it a night?

MS. CARPENTER: We can do ours little scratching on them.

THE MODERATOR: We have been going some of us since eight o'clock this morning.

MR. DAVIDSON: Could we perhaps get the transportation one? First, before we leave this one, could I mention one word? I don't believe anything is said here about conservation and all we are talking about is converting. Maybe we should think overnight about that and put something in the morning.

THE MODERATOR: One last word on transportation.

MR. DELISIO: Where are the copies.

MS. CARPENTER: We are going to work at it at breakfast, after we get a few words from everybody.

MR. DAVIDSON: I would like to read this quickly.

MR. DAVIDSON: It shall be the policy of the State that a transportation system be developed in a manner that serving the economic and social needs of all Alaskans and the areas in had which they reside. An integrated syster of transportation shall include facilities necessary to accomodate the mode of transportation which best fits the need and desires of the particular area or areas to be developed. Regional representatives must participate in the planning process -- no -- and to help -- yeah, regional representatives must participate in the planning process and to help facilitate their involvement must establish regional advisory committees which shall have representation on the statewide board that guides State transportation policy.

Priorities of an integrated transportation system are included, one, careful assessment should be made of all social, cultural and environmental impact involved with proposed transportation projects. Two, airport facilities in rural areas will be improved to assure the safety of users and provide adequate public, medical, safety and service support. Particular attention should be paid to improving and upgrading airport facilities to accommodate critical needs such as the transportation of fishery products.

3, all excision transportation facilities shall be upgraded to standards which assure traveler safety, minimal freight costs and minimized maintenance costs. And that's about what we have.

MS. CARPENTER: Okay, you didn't mention the urban mass transit.

MR. DAVIDSON: That's right.

MR. FAIRBANKS: We didn't get any interests yet.

MS. CARPENTER: The urban mass transit was mentioned by several people.

MR. DAVIDSON: Excellent, excellent.

MR. DELISIO: Also, alternative modes of transportation.

THE MODERATOR: He is trying to find someplace for us to meet at 7:30 in the morning.

MR. FAIRBANKS: Alternatives modes.

THE MODERATOR: Alternative modes of transportation.

MR. COOPER: How about innovative instead of alternative.

MR. DELISIO: Mr. Fuller was suggesting that the next great leap forward would be transmission of the communication by what.

MR. FAIRBANKS: Radio waves.

MS. CARPENTER: A number of points where I think you can use examples where there is really a need for docks and

barges, the plan that George Selites (phonetic) presented in Bethel, where there is presently not any really good freight provision.

THE MODERATOR: I think when they were talking about transportation, we were talking about airports, docks, roads, harbors. I think we were trying to.

MR. COOPER: It would seem to me that the statement that was read and integrated transportation system certainly would have to include docks and related facilities as well as airports or --

MR. GORSUCH: I would like to ask that if the group doesn't disagree that the statement incorporate the idea that when the plan -- when transportation projects are proposed that their full operation maintenance expenses are built in as a part of the decision and the commitment to undertake the project. I say that because my concern is the State increasingly sort of has taken a project. Well, the Haul Road is the best example. And all of a sudden they say here is a big project they say they don't have enough money to operate and maintain and its not kept up to standards. Or the same would be true of a lot of existing bush airports. It doesn't seem to make a great deal of difference to me a commitment you are not willing to stick by and build in enough assurance that are willing to operate and maintain in the few you are a lot of public

facilities such as water system. The systems are not only technologically inappropriate. But you wind up with people who can't afford the user charges. A lot of money is spent consistent and at one time it winds up being shut down and everyone is dissatisfied.

THE MODERATOR: I think we have a phrase under health that would cover water and sewer.

THE MODERATOR: Did you find a room for us for tomorrow morning.

THE MODERATOR: 1, 12, 16 at 7:30 tomorrow morning.

MS. CARPENTER: Where there is a difference is that in Western Alaska, it is the only area that doesn't have anything right now. The other places do. They either have a railroad, they have a road, or they have a subsidized ferry system. Western Alaska doesn't have anything of those things. The only access we have right now is inadequate airports and barge and dock facilities are totally inadequate. So to even meet minimum standards, I think we've got to mention that particular, the airports and port facilities be made available for Western Alaskans communities to meet basic freight and transportation needs.

THE MODERATOR: Lee.

MR. GORSUCH: Madam Chairman, I wanted to suggest adding something to ours initial energy statement, is that the states public facilities and communities be integrated

as apart of the community system. I know in the past there is a big yes about whether or not, whether, for example, the State supported schools will have their own generators independent of the generators in the community. Its probably one of the least sufficient ways of integrating an independent, integrating a system. I think the State needs to participate with the community in affecting an integrated power

THE MODERATOR: Everybody 1216 for 7:30 tomorrow morning.

MS. CUESS: For those of us who can not be here. That's fine. Lee, I put it in because that's my pet project; I can say better, but it will offend people. And that is wherever there are State facilities within a certificated purchase area, they shall purchase power from a utility.

MR. GIBSON: Absolutely I think that is wrong.

MS. GUESS: I know you do.

(Discussion was had off the record).

MS. GUESS: Does anybody object to this additional statement to take care of the concern for a time frame in energy. An Alaska energy plan shall be developed by 1982 which includes a realistic time table to accomplish the long terms energy goal? What I am telling you is that there is no Alaska energy plan right now. And they've got

the draft of a plan that's going to go to public hearings, and then there will be a plan.

THE MODERATOR: Okay, we finished education last night. We snagged on energy, but we did finish to a degree.

MR. COOPER: I think we finished with what's on the paper other than needing to be cleaned up a bit. But we did not agree on additional language.

THE MODERATOR: But that should be coming in this morning, if there is additional language. Okay. Then the next thing we have is health. And Earle, do you want to read that?

MR. COOPER: I will just read it for what it says.

THE MODERATOR: And we will pick from that.

MR. COOPER: I want to emphasize, I did not try to get specific on it because I don't think its something that we can get very specific in.

THE MODERATOR: And the fact that there was Earle, his wife and myself, and there wasn't any other input. So feel free.

MR. COOPER: Health services, which include family planning and counseling, mental alcoholism and drug abuse health need to be made available to all areas of the State from the pars medical, nurse practicioner in the rural level to the fully sophisticated that fills in the central urban areas with adequate means of transportation as is

necessary.

I tried to say a whole lot in a brief sentence, but I believe that that is where ours main health care problems are falling apart is not in the ability to take care of someone once they get to a large urban area, but to deliver a health care out in a rural area and to expect to be able to attract doctors into all of those remote areas is not going to happen, if we have experienced trouble getting doctors into small communities.

MS. DICKSON: Should we just read through the whole thing first?

MR. COOPER: An adequate curriculum be added into the school system at an early age to help school children become aware of health care needs. Now, there is some health as such certainly talking of schools, but I think that's the best place to start.

Alternative methods need to be considered for future water sewer systems to insure the practicality of the operation from a maintenance cost standpoint.

MS. DICKSON: Right.

MR. COOPER: Catastrophic health care should be available to all Alaskans with a mandatory participation requirement sufficient to prevent abuse.

THE MODERATOR: We can strike out the 20 degrees.

MS. DICKSON: Abuse of what, of the system.

MR. COOPER: If its free, the people that want to have their hand held are there, which is what destroys the government provided health care.

MS. DICKSON: I don't quite understand mandatory participation requirement, what you mean by that.

MR. COOPER: You have to pay 10 percent or 20 percent of the cost so that rather than you being faced with a $20,000 bill.

MS. DICKSON: All right, when we come back to it, but maybe we should put somewhere in there that its a personal reimbursement to the system at the ability of the person to deal with it. Its just kind of -- it says like.

MR. DELISIO: Why don't we say with a mandatory deductible.

MR. COOPER: That would do it.

MR. DELISIO: Yeah, that would be recognized.

THE MODERATOR: Okay. Go ahead.

MR. DELISIO: And maybe instead of staying 20 to 30 percent.

THE MODERATOR: We instruct that out completely

MR. COOPER: State needs ways for health education and media, ours TV newspaper and radio should have specific information about preventive health measures, only when ours communities are more concerned about health will we improve ours children's health and consequently about the

welfare of future generations.

MR. FISON: On the second paragraph, we already have in the school system, I think it is mandatory, a health course that people have to take. When I spoke to this, I mentioned about the early detection and retraining programs that go for children that are overweight and had high blood pressure where they come an hour early to school. In other words, it is not just educating the people that now here is something that you've got to be careful about, but it is taking the kids that have approximate and provide getting them there an hour early.

MR. COOPER: Where is that available?

MR. FISON: It is not available in the State now. but I just heard this week of one State that's doing this now and how successful it is being.

MR. COOPER: I think that's what we had partially in mind.

MR. FISON: I don't think that from the statement as it stands it indicates that, so I am saying I know that's what we discussed.

Now, for instance I would suggest to add with that a comma after needs and with early detection and training opportunities for correction. How would that be?

THE MODERATOR: With early detection.

MR. FISON: With early detection and training of

early detection of problems, health problems, early detection of health problems and training opportunities for correction; how's that?

MS. DICKSON: How about if we inject that above, okay, where an adequate curricula.

THE MODERATOR: Should be be curriculum.

MS. DICKSON: Be added into the school system of stressing early detection.

MR. FISON: And training opportunity.

MS. DICKSON: And training opportunity. So as to help school children become aware of health care needs.

MR. FISON: Well, to become aware, is not it? Its actually to provide a correction in the direction of, for instance, if somebody is having overweight problems as an early kid, they are going to have them all their lives not if not careful. So its try to retrain.

MR. DELISIO: What you might want to say is stress on early detection.

MR. FISON: Early detection and training opportunities for correction. That seems to be something that's new is the training opportunities available, not just telling the kids or even the parents, you know, this kid has got a problem, but it is providing something that will bring a correction to that, to that problem.

THE MODERATOR: Okay, so sentence would read an

adequate curriculum be added into the school system stressing early detection and --

MR. FISON: Maybe providing training opportunities for correction.

THE MODERATOR: Providing training opportunities to help school children become aware of health care needs.

MS. DICKSON: I have a concern in here is that nowhere in this statement has the concept of the holistic approach to health care learning. We need to put in in here. This was discussed quite lengthily.

MR. FISON: I think the idea that so many illnesses are brought on by stress, it starts off as an emotional problem. If we could work at that end of it a little more, put more attention to try to have people have a good self image so they won't feel they have to sedate themselves into alcohol.

MR. DELISIO: Maybe its a simple sentence to the effect that the holistic approach to health care shall be --

THE MODERATOR: Considered.

MR. DELISIO: Shall be preferred or urged.

THE MODERATOR: Would we want to put it here or down here or at this statewide health education.

MR. DELISIO: I think its a separate statement.

THE MODERATOR: What was that, the approach.

MR. DELISIO: Let's see. The holistic approach to

health care.

MR. FISON: Does that automatically imply prevention.

MR. DELISIO: Shall be emphasized.

THE MODERATOR: Shall be emphasized

MR. DELISIO: Does that do it?

THE MODERATOR: Okay.

MR. DELISIO: There was one other thing here that I think should be included. You do talk about paramedical and nurse practitioner in the rural area, but the suggestion was much broader than that. If we are going to bring health care costs down or really impact them at all we really need to expand the roll of paramedicals and health care nurses at all levels of delivery. That is one of the things by licensing, by practice in the industry.

MR. FISON: The medical profession can't go against it.

MR. DELISIO: You may be in the office of a doctor right now, you will see the doctor for three minutes and its the nurse that spends the rest of the time you are not waiting. And if you wait, you have a way to pay the nurse for what she is doing.

THE MODERATOR: We have a thing like that.

MR. DELISIO: I know paramedics are able to work as doctor's assistants.

THE MODERATOR: There is three nurses in the Anchorage

area, that opened up an office. I don't know what kind of service it is.

THE MODERATOR: Would that be included in your paraprofessional.

MR. DELISIO: Here what is I said. Expansion of the role of paramedics and nurses shall be encouraged at all levels of health care living.

MR. FISON: I don't know how to say it. But I think one of the greatest things on the health problems is unrelated to health in a sense that if a person can get himself or herself into a situation where life is meaningful and they are active and doing something and feel good about themselves and feel good about life, you are not going to have as near as many problems. And we are addressing the cure most the time.

MS. DICKSON: Well, I think that incorporated into the concept of the holostic approach towards health is the concept of wellness, is that if you are well to begin with, then -- and you maintain your body, this is, I think, what the concept is.

MR. FISION: In your mind.

MR. DELISIO: A whole person is not as prone to mellow.

MS. DICKSON: It's the whole person wellness. Maybe we should define.

MR. COOPER: I think we are getting so nebulous

because a person can be, can be just the opposite rather than being healthy and then able to function as a, in a good job situation, just the change of a job sometimes is sufficient to cure a person's health. They don't (pause)

THE MODERATOR: There is any situation or any other real changes that you can see here.

MS. DICKSON: I do have a concern about this very first paragraph. I think that I would feel more comfortable if somehow we can -- its nebulous somehow. It doesn't flow properly. I think this business of adequate means of transportation as is necessary is what's boggling me.

MR. HISON: A question mark around what does that mean. I think I know what it means, but I am not sure.

MR. DELISIO: Getting to and from health care places

THE MODERATOR: Especially out in the bush.

MR. HISON: Isn't what we are talking about here transportation instead of a delivery system.

MS. DICKSON: Its getting people out in an emergency situation.

THE MODERATOR: We are not talking about building sophisticated facilities in every small area in the State of Alaska.

THE MODERATOR: You have to have some means of transportation to get that patient out.

MS. DICKSON: So how about if we say here, health

services which can or which includes, among others, something like that, family planning counseling, mental alcoholism, drug abuse, health education.

MR. DELISIO: Or did you cover health education.

THE MODERATOR: You have health education already.

MS. DICKSON: Need to be made available to all areas of the State from the paramedical/nurse practitioner level in the rural area.

MR. DELISIO: Slash might not be a bad idea. The comma is kind of confusing.

MR. FISON: Shouldn't that be singular, include.

MS. DICKSON: Including paramedical and nurse practitioner approach.

MR. FISON: I mean the first health services which include, rather than includes.

MS. DICKSON: Yeah, okay. Now, need to be made available to all areas of the State from the -- not from the, but stressing including. See, if you say from the paramedical nurse level it, in a sense, brings it --

MR. DELISIO: That suggestss your minimum standard is all.

MS. DICKSON: Here it kind of indicates that this is less valuable than say a doctor.

THE MODERATOR: Its the only thing that happens.

MS. DICKSON: But its not less valuable.

MR. DELISIO: That's not what its saying. What you are saying is the full gamut of medical services and the bottom of that gamut.

MS. DICKSON: Has to be high quality.

MS. COOKE: It sounds like it will exclude the doctors.

MS. DICKSON: What I am saying is paramedical nurse practitioner levels are actually a high degree.

MR. PISON: Take out. Put a colon after State and then it would read need to be available to all areas of this State, the paramedical, nurse practitioner in the rural level to the fully sophisticated facilities. Would that solve the problem?

THE MODERATOR: Okay, that's it.

MS. DICKSON: And then put a period after areas. And then I think we should say adequate means of transportation are necessary.

MR. PISON: That's better. By putting a period there, that makes it a little clearer.

MS. DICKSON: Transportation in communications.

MR. PISON: Be provided or available.

MS. DICKSON: For emergency and routine. Without getting it too bulky.

MR. DELISIO: You don't want to have adequate means of transportation for routine.

MS. DICKSON: For emergency, then.

MR. DELISIO: Somebody has got a boil on their behind, I don't think you want to send help out for medical care.

MS. DICKSON: Do we want to say adequate means and transportation and communications. We haven't addressed the communications issue appropriately.

MR. DELISIO: That might be important.

MS. FISHER: I think it needs to be said in here. I think communication goes hand in and hand with transportation.

MS. DICKSON: So transportation slash communication.

THE MODERATOR: Adequate means of transportation and communication is necessary.

MR. FISON: As necessary.

THE MODERATOR: Is, is necessary.

MS. DICKSON: Yes, increased, not just adequate, but I mean we want to stress that.

MR. FISON: You can say -- I don't know, maybe there is a better word -- but to augment the program.

MR. DELISIO: The point is if you have adequate means of transportation and communication, then that takes care of the problem. You don't need luxurious and you don't need more than adequate, you need adequate and the problem is you don't have adequate now

MS. DICKSON: Right, if we just used the word,

adequate, it doesn't seem to be strong enough at this point.

MR. DELISIO: If you say more than adequate. People will say, "Why do you need more than adequate?" We had problems in the urban areas.

MR. FISION: Take out the as and you have adequate means of transportation and communication where is necessary.

THE MODERATOR: Period.

MR. COOPER: I am afraid if we get these things too wordy, they get lost. If we try to make them too specific we then get shot down because people find faults.

MR. DELISIO: One of the problems is that there is really not enough time to really hammer these things out like they need to be. That's one thing I hope we don't forget to do here. I would like to see us come up with a very strong statement that we have had grossly inadequate time to do more than a superficial review, and if this kind of format is used again that it ought to be spread over a period of time with repeated meetings so that there is plenty of time to really thoroughly discuss these issues.

THE MODERATOR: Or the groups be assigned different topics.

MR. FISON: Last time. We had 16 to 20 days, it was about four important five days each over a period of at least four months.

MR. DELISIO: It may have been three days a time. I was thinking it was two days a time.

MR. DELISIO: It was Thursday, Friday, Saturday and Sunday each time.

THE MODERATOR: Dick, is there any way we can get back together in a month?

MR. HISON: The problem is once this is done in a booklet form, who is going to take that and really go through with a fine tooth comb and see how this happens? Are you going to be the one?

MR. VAN DOREN: The organization that's the staff, that's behind this, will be doing that. We are each going to be assigned various areas to report on.

MR. HISON: That seems to me to be something missing last time there wasn't any implementation program

THE MODERATOR: There is anything else? Do we have any papers that we would like to take up now. Transportation is still.

MR. DELISIO: I've got justice and government services

THE MODERATOR: I don't have a copy.

MR. COOPER: How did you do that? It's four pages, five pages. One page was given out earlier and I've got it stashed someplace.

MR. DELISIO: The one page is the one that I wrote up the government services policy statement that the questions

should be asked. That's the first to -- unfortunately, these were typed up rather hurriedly and they were out of order, so I will have to read them to you. I have coded them in the margins.

MS. DICKSON: Can I just for one second? Can we go back to health? I would like to suggest that we take the last paragraph and make it be the first one. Its a very well stated -- a need statewide is for health education and media, our TV, radio and newspaper should have more specific information about preventative health measures only when ours whole community is more concerned about health will we improve ours children's health and consequently the welfare future generations.

MR. COOPER: Basically what was thought there was its kind of hard to educate adults.

MR. PISON: That's a conclusion

MS. DICKSON: Is it.

MR. COOPER: But if you can get them to bring home the, bring home from school, it sort of trickles up through the rest of the family.

MR. DELISIO: Sure.

THE MODERATOR: Okay, do you want to start with first, the policy statement is number 1.

MR. DELISIO: Okay, government services, number 1, I thought that sort of set the stage for the rest of it. And

I won't read it because think we talked about it quite a bit and you all heard it.

THE MODERATOR: Why don't you read what you have following that?

MR. DELISIO: Okay, following that. C 2 is actually two statements that appear on different pages, pages 1 and 3, the first statements on each would it read combined revenue sharing funds to local government shall be increased. The State shall share revenue with no strings attached. Disposition to be controlled at the discretion of local government.

MR. FISCH: I see C 2.

MR. DELISIO: You've got the original there anyway.

THE MODERATOR: The pages are numbered on the bottom.

MR. DELISIO: That is an extra copy? I am give you the original now.

MR. FISCH: Okay.

MR. DELISIO: The problem was that they got typed out of order. These are the two -- no, wait a minute, you've got all the ones here. This is all page one that you gave him. Look on my copy for the time being.

(Discussion was had off the record)

THE MODERATOR: Okay, Steve, what do you mean by -- understand the no strings attached, disposition to be sold at the discretion of the local government, as to how they

are going to be allocated.

MR. DELISIO: We are explaining what we mean by no strings attached. In other words if revenue sharing goes to the Municipality of Kenai, then the municipality can spend it on going to the races if they want or they can spend it on something useful, but the government does not tell them how to do it.

MR. COOPER: Let the local area make the decision on what is most needed.

THE MODERATOR: Okay.

MR. DELISIO: I guess the idea is, you know, we had an abuse a few years ago where the benefit didn't go to the tax payers, with the surplus that was given them after the fact so the Legislature passed a law that you have to do what we tell to you do it. And really the best way is to go in and point out your local government people is wasting your money and get rid of them. We called that one with a steamroller.

Then C S 3 (a). If the unorganized areas of the state are compelled to organize into burroughs, they should be limited to small contiguous areas with common needs

THE MODERATOR: Good.

MR. COOPER: Actually, your Burough Act pretty well specifies that. When the Legislature has created burroughs, they have done violence to the very, the very law that sets

up the criteria for each borough.

MR. DELISIO: Okay, then G S 4 the bottom of of page 1 and continuing on page 2, State activities effecting the local area shall not be undertaken without local consultation. Various levels of government participating in the same program shall develop effective means of coordination.

(Discussion was had off the record)

MR. DELISIO: Okay, then G S 4, I think I read that one; didn't I. Okay.

THE MODERATOR: Without local consultation.

MR. DELISIO: G S 5. Means should go found to constitutionally administer at least some State benefits if a longevity basis.

THE MODERATOR: Five years, 1 percent, ten years.

MR. DELISIO: I didn't think we should get specific about it. But, of course, there are Constitutional problems.

MR. DELISIO: Means should be found to constitutionally administer benefits on a longevity residency basis.

MR. COOPER: You left out carrier pigeons.

(Discussion was had off the record)

MR. DELISIO: G S 6. Legislative reapportionment shall be implemented so as not to effectively eliminate

rural representation.

C S 7, the size of the Legislature shall be increased.

THE MODERATOR: You can't do anything now.

MR. COOPER: I don't think that would accomplish anything in increasing the size.

MR. FISON: We don't need to tell them.

MR. DELISIO: That was one of the suggestions made and we just wrote it up.

THE MODERATOR: I don't want to see that.

MR. COOPER: I would be opposed to that.

THE MODERATOR: It won't accomplish anything.

MR. DELISIO: It will accomplish one thing.

THE MODERATOR: Vast chaos.

MR. FISON: We have a mandate so we increased.

MR. DELISIO: C S 8, there should be placed on 1980 general ballot whether to hold a State Constitutional convention.

THE MODERATOR: No.

MR. FISON: I don't really see that we need to address that unless we have something that we feel that from the group needs to be addressed to the constitution convention. And did that come out? I don't recall.

MR. VAN DOREN: May I say one thing. David, when you weren't there the other day at one time when you had to

step out, the only thing they mentioned is its mandated that it has to be on the ballot in '82. The reason why they said to put it on the ballot in '80 was so that they could do it before legislative reapportionment

MR. EISON: I see, well, in that case.

MR. DELISIO: Then someone else pointed out that if you put it on in '80, it gets on in a year which is not a general election, you won't get as many people voting on the issue in a general election.

MR. VAN DOREN: That's not true. The 1980 ballot would be a general election ballot.

MR. DELISIO: You don't have any sexy statewide raise.

MR. VAN DOREN: Sure you do. You've got the Gravel (phonetics) race.

MS. FISHER: Maybe we should State the reason suggested along with that that makes it more reasonable.

MR. DELISIO: The real question with that is whether it wants to go on as a statement.

THE MODERATOR: I would rather not.

MS. DICKSON: I think the feeling of the group as a whole was that we didn't want it brought up. Its just opening a can of worms that we didn't want to bring up.

MR. DELISIO: C S 9 I think I stated it the way, the raw fish tax on fish processors shall be increased. That is what she wanted?

THE MODERATOR: I don't know.

MR. COOPER: They have already addressed that.

MS. DICKSON: We have an increased raw fish tax that came up, it was proposed at 6 and came down to 4. I think what she is getting at is the State needs to be working with the federal government to get more revenue.

MR. FISON: That sounds a little better.

MS. DICKSON: Off of the 200 mile limit area.

MR. FISON: This is extremely specific in one way but it is not in any way stating the problem.

MR. DELISIO: That's the problems, that was all that she said or all that ours notes indicated and I don't know enough about the issues.

MR. COOPER: We are going to make her.

MS. DICKSON: So rather get into the entire fisheries issue at which I can expound at great length we should maybe drop that one.

C S 10. There shall be established a local income tax which she be deducted from the tax pairs State income tax liability.

THE MODERATOR: No, no.

MR. FISON: Once you get something like that, you never get rid of it, and then they come on and up the State tax in some other fashion, and all you've got is another income tax to fill out.

MR. DELISIO: I have got my petition here to abolish the income tax.

MR. COOPER: I think income tax is one of the most unfair.

MR. DELISIO: C S 11 appears on the bottom of page 3, and that's not a government range by the way.

MR. FISON: This abolisnes the State income tax.

MR. DELISIO: That's a petition. That's not on ours program. That is something separate.

MR. DELISIO: C S 11, the adventure education program shall be made available to all Alaskan youth.

THE MODERATOR: Yes.

MR. DELISIO: That was the program in the movie yesterday.

Okay, I think that's all of the government ones, the government services.

THE MODERATOR: Who is going to fund the Alaskan education program.

MR. DELISIO: Well, again the concept would be we should be self help as much as possible, sort of going back to ours original C 1 statement.

The next thing then is -- are there any feelings about those that we left? We have deleted 7, 8, 9 and 10.

MR. COOPER: I have a problem with the last one but I am not articulate enough to be able to say what it is.

MR. BISON: Well, is it this is good. But if it could mean that the young person really not into that and never learned to read and write, how do you offset? The other has to be there, too.

MS. DICKSON: What about stating this?

MS. DICKSON: As an adjunct to the regular education curriculum or something.

(Discussion was had off the record)

MR. DELISIO: As an adjunct to the regular curriculum.

MS. DICKSON: I think it should be made as a part of the whole system.

MR. DELISIO: The regular school curiculum.

(Discussion was had off the record).

MR. COOPER: Some, but I guess what I am saying is that the individual families have responsibilities for their children. And the more we ease up those responsibilities, take over those responsibilities, the less pressure there is that they will do it themselves.

MR. DELISIO: But Earle, I think again when we read these things, if we go back to the statement number 1, that you start off by saying if you want the government to help you, then number 1, there really is a need for help. Number 2, if you exhausted other means of getting the job done.

Now, this, I think really what this statement in

effect does is to say this adventure education concept is extremely valuable to help young people, you know, find themselves.

THE MODERATOR: Say that.

MR. DeLISIO: You want to say it that way?

THE MODERATOR: I would rather say exactly what you you have just said. That is valuable.

MR. DeLISIO: The adventure education program is extremely valuable to Alaskan youth--

THE MODERATOR: Not finding themselves.

MR. DeLISIO: --in achieving towards self confidence and a sense of purpose.

MR. COOPER: Helping them achieve.

MR. DeLISIO: Or helping them achieve, yeah, self confidence and a sense of purpose. Does somebody have that/ I didn't write that down.

MS. DICKSON: The adventure education program is extremely valuable to Alaskan youth.

THE MODERATOR: In helping achieving.

MS. DICKSON: In helping to achieve.

MR. DeLISIO: Self confidence and a sense of purpose.

MS. DICKSON: Self confidence and a sense of purpose in developing maturity.

MR. DeLISIO: That's implicit from the other two, I think.

MS. DICKSON: And shall be made available to all Alaskan youth as an adjunct to the--

MR. DeLISIO: Regular school curriculum.

MS. DICKSON: Regular school curriculum.

MR. DeLISIO: Okay.

MR. PISON: Has anybody addressed this from the standpoint--has the school administration addressed this? Could this bring havoc to the school system, I don't know. If you--

MS. DICKSON: I don't think it could if it was--

THE MODERATOR: At the discretion of the local level.

MR. DeLISIO: Well, again, I think we have taken the local level thing. I think we've got that dealt with.

Okay. On communication.

THE MODERATOR: We are back to page 1, communication number 1, broadcasting of State government activities shall be unde the control of an independent board with regional representation.

As I recall, the concern about this was that you don't want the Legislature spoon feeding what they are wanting to issue out of legislative sessions. You don't want our Governor manipulating the counsel conference situation.

MR. COOPER: Never happen.

MR. PISON: When you use the word, "broadcasting," are

you talking about the word media or what?

MR. DeLISIO: That's the only thing I can think that it will apply to here.

MS. DICKSON: Where is it?

MR. DeLISIO: On page 1, second item, C-1 on top of page 1.

MR. FISON: Broadcasting, you mean dissemination of material?

MR. DeLISIO: What does broadcasting mean to you?

MR. FISON: Well, broadcasting usually limits it to--when I think of broadcasting, I think of radio and television.

MR. DeLISIO: Right.

MR. FISON: What about the newspapers?

THE MODERATOR: All right.

MR. DeLISIO: There are ways they can manipulate the newspapers. But the newspapers have to allow themselves to be manipulated, but on the air--

MS. DICKSON: This is too much like sensorship. That's sensorship. Under the control of the Board under regional representation. If one community doesn't hear it and they say they don't want it, then you are not going to hear it.

MR. DeLISIO: That's not the idea. If you don't want it, you can turn off your switch, you don't have to listen to it. The idea here is you don't want the news of the

Legislature and the news of the Governor of the executive branch being manipulated by the Legislature and the executive branch.

What you want is an independent body which is responsible for--okay, are going to show tonight on a legislative form, are we going to show what went on, on the health and safety committee or are we going to show what went on on the floor of the House where everybody was posturing?

MS. DICKSON: I see what you are getting at, but who would it be under, the control?

MR. DeLISIO: It's under the control of the legislative executive right now. The idea is to take it away from them and give it to an independent board.

MR. COOPER: Public radio and television in this State are controlled by-- and I personally think that it's a dangerous thing-- and it should never have been allowed to get to this point.

MS. DICKSON: It's dangerous the other way, too, if it's exclusively the other way.

THE MODERATOR: How?

MS. DICKSON: Control of an independent Board of Regents.

MR. DeLISIO: Maybe we ought to say an independent public board.

MR. FISON: How about appointed by the Governor?

MR. DeLISIO: There is one thing about that process. The Governor appoints people to serve on the judicial council who screens candidates for judges. But, once they get on the judicial council, they are no cat paw, and all of a sudden they realize, "By god, we are going to do this thing. We are going to do it this way and we don't care what the Governor wants."

MS. DICKSON: I appreciate the concept. It's censorship one way and censorship the other way.

MR. DELISIO: Why don't we insert the word public, an independent public board, so we get away from the idea that it's NBC or Bob Atwood?

MR. FISION: That makes it a little more understandable.

MR. DELISIO: C 2, any expansion or improvement of public education must be preceded by a careful evaluation of the ongoing as well as start up costs and who is going to pick up the tab: Okay, C 3.

MR. COOPER: Basic need in the first place.

THE MODERATOR: That goes back on page one.

MR. DELISIO: C 3, government shall not interfere in program content or availability. We skip over now to page 3, to C 4. C 4, development of communications systems shall be -- that's on page 3. It's the second item -- development

of communications systems shall be sensitive to the resulting social and political effects. This was where people were talking about culture and so on.

C-5, highest priority shall be given to upgrading communications between rural communities and the rest of the world.

C-6, career education shall be provided in the field of communications.

C-7, the University of Alaska shall be provided the means and directive to provide education throughout the State via telecommunications.

C-8, VHF and microwave systems shall be developed as a supplement to satellite communications.

MS. DICKSON: Hear, hear.

THE MODERATOR: That was what Gibson was talking about.

MS. DICKSON: That's great.

MR. DeLISIO: And then, C-9, carrier pigeons--pigeons are misspelled there, by the way, p-i-d-g-- shall be utilized on a lage scale basis as a back up for and supplement to the existing modern communications system.

MR. VAN DOREN: I can see. There will just be silence until they catch on.

MR. DeLISIO: Now, what I wanted to read, it was like this: I wanted it to read "carrier pigeons shall be

utilized on a large scale basis as a back-up for and supplement to the existing modern communication system and as a dietary supplement.

MS. DICKSON: This is the whole stoic approach to communications right there.

MR. HICKS: Carrier pigeons are--

(Brief discussion held off record.)

MR. DeLISIO: That's the end of communication.

Justice, which starts on the bottom of page 3, J-1. Okay, are we all there?

"The State shall assure adequate basic law enforcement facilities in rural areas to local government.

THE MODERATOR: Okay.

MR. DeLISIO: J-2, it's right after that, "Effective means shall be provided whereby judges who are not performing properly shall be removed from office."

This was in response to Betty's question. She was saying that she supports the Missouri plan to get rid of judges easier.

What she was misunderstanding was that the Missouri plan is what we've got right now, and we can't get rid of judges very easily out of the Missouri plan. So, I worded it this way because I thought that was the intent.

MR. COOPER: How about something to the effect that no person, no person be appointed to the judge until he has

been in the real world long enough to know there is a real world.

THE MODERATOR: I don't think we can get that in there.

MR. DeLISIO: Very astute observation.

MR. COOPER: I know a judge who has never been in the real world.

MS. DICKSON: What do you mean by the "real world"?

MR. COOPER: He came out of a law school. Went from the assistant AG office, went from there to the judge. He has never had a client in his life. He has no concept of cost, when he says, "bring me four copies of a 50-page report."

MR. DeLISIO: I say that a full third of our Superior Court judges in Alaska are in that category.

MR. COOPER: That's correct. I ran into one of them, so, I have a personal--

MR. DELISIO: I would say that probably close to over well over half of our superior court judges are wet behind the ears, even though they have clients. They haven't been in practice long enough to have a mature feeling for what the world is all about.

THE MODERATOR: Did you say superior.

MR. FISON: I have problems with our judicial system, anyway. Most of it boils down to that the lawyer's task is

to win the case, not establish what's true.

THE MODERATOR: I think we could probably spend whole weeks on that. So you next one is?

MR. DELISIO: The next one is J 3, publicly supported legal services shall be expanded to meet the growing needs of Alaskans lacking the financial means to hire an attorney. I think that took care of the woman, minority situation.

J 4, research shall be undertaken to evaluate sentencing of offenders in crimes of violence against females in comparison with offenders who commit similar crimes against males.

J 5 is dropped down a little bit. Criminal sentencing shall not reflect minority bail.

J 6, criminal justice to be effective must be swift and sure in application.

MR. COOPER: Thank you.

MR. DELISIO: J 7, the Legislature judiciary executive and private sector shall actively pursue programs, incentives and public education to discourage the people in Alaska from their increasing propensity to litigate and shall encourage social amenity. I have to change the way I wrote it there originally.

MR. COOPER: You mean you don't think I should sue the woman across the hall with the dog that barked last night?

THE MODERATOR: Where do you go from there?

MR. DELISIO: That was th end of it. The only other one I had was that financial policy which is not in the government services report.

THE MODERATOR: Okay, what else do we have besides -- we are still lakcinn transportation?

MR. FISON: How are we going to know then where the levity ends? Are they going to say there may be several in here? Let's flip back. And then they might not notice that it's a tongue-in-cheek thing.

(Discussion was had off the record)

THE MODERATOR: The only thing we are lacking now is transportation. And has anybody heard from anybody in transportation?

MR. FISON: They are working on transportation and they are coming up as soon as they finish breakfast.

MS. DICKSON: May I say one thing about the energy policy: Carolyn, when she phoned, asked if it was all right with the group to state in here at some point that all State agencies should coordinate their effrots. She will phrase it. This is indicating that we don't want overlapping redundant work.

MR. COOPER: Or counter-productive.

MS. DICKSON: I think ultimately if we had a State Department of Energy to coordinate th entire thing, it

would eliminate the redundancy of different agencies, but without stating it specifically at stabbing it at DOE.

MR. VAN DOREN: JoAnn, just as a mechanical thing, I've got to impart a few things to you all.

Okay, these recommendation forms of this type which gives a recommendation to major factors leading to consideration of the specific recommendations, we do not have to use these for this morning's meeting. They've changed their minds. But you are going to have to read these, JoAnn, as the representative of this group. And so you should have -- I don't know if we can get a typewriter available real quick to get these out. And Sandra won't be in for a while. But we need -- you need to be able to read these and present them at this whole thing.

(Discussion was had off the record)

THE MODERATOR: Couldn't we have each individual person read that that is familiar to him?

MR. VAN DOREN: If you want to do that, that's fine.

THE MODERATOR: I would much rather go that route. Steve is knowledgeable at his, Earle at his.

MR. COOPER: No, I am not. Because I didn't write down any of th changes.

(Discussion was had off the record)

MR. DELISIO: On tis finance policy question, you know, do we want to take it up? You know, I read you the

two sentence concept last night. First, the State shall invest in the State of Alaska as much as possible and second, that there would be low interest loans made available.

It was kind of interesting after the discussion last evening: I was shown this article that was written by Bob Richards, who is the President of the Alaska Pacific -- yeah, Alaska Pacific Bank. And he says in the article, to summarize, the State faces a potential fiscal crisis in the long run. The solution to this crisis consists in holding back on expenditures and increasing the sources of revenue through expansion of the economic base. The latter can be aided through a reasonable tax and regulatory climate and parmanent fund intrastructure investments which serve as a

(continued on next page)

catalyst to investment by the private sector. So what he is talking about here is in addition to tax relief and regulatory relief that we need to start injecting some of that State money through loan programs into the State of Alaska.

THE MODERATOR: Okay, but in what areas are you going to pass those loans -- like someone said last night, I don't want to go-cart maybe in Kotzebue. It would THE MODERATOR: Okay, but in what areas are you have to be something that was structured to the needs of the community, and who is going to make that decision.

MR. DELISIO: Well, the problem for a statement like this, I think that this kind of a question is almost appropriate to almost everything that we've approved here. You can't come up with it. If we had three days just to work on this, I think we could probably come up with a super loan program. But we don't have it.

THE MODERATOR: I would go with the loan program if it were for construction of new housing that was needed. But there again, I am not inf favor of going out and buiding housing solely for the purpose of building houses and wrecking the present system in any community. Then we would be overloaded with new houses, and I don't oo for that either. There must be some type of restraint.

MR. DELISIO: Maybe if we were to add a clause on to

the end of it for projects which serve the -- the goals of the State of Alaska.

THE MODERATOR: That is broad and vague.

MR. DELISIO: It is broad and vague, but somebody is going to have to come along and implement the whole thing, but the idea now is we are trying to give a guideline. would This take into account, for example, Carolyn's idea if somebody wants to borrow this money at low interest, then they better have an energy efficient or an alternative energy concept for their project. Your suggestion is there shouldn't be something that is frivolous.

THE MODERATOR: Not frivolous.

MR. DELISIO: Or something that is counter-productive, but something that enhances. Maybe that's the right word, for projects which enhance the goals of the State of Alaska. So with that amendment is that an acceptable (pause)

THE MODERATOR: Read the first part again.

MR. DELISIO: Let me just write this change.

Okay, the State shall invest its surplus income and the permanent fund within the State to the extent the opportun for prudent investment exists in Alaska. Moneys shall be loaned at low interest rates to anyone who has a fiancially sound investment opportunity subject to the availability of adequate security and the borrowers demonstrability to

repay the loan provided the project enhances a goal or goals of Alaska.

MS. DICKSON: Could be system with the goals.

MS. COOPER: I think don't we want to put in who borrows money. Are we inviting a lot of outsiders to come up and borrow if we don't put in --

MR. DELISIO: I suppose we should say anyone in Alaska.

MR. COOPER: I was going to say, I don't really have any problem with where they come from, it's what they are going to contribute after they get here.

MS. DICKSON: And what they are going to leave if they go.

MR. COOPER: From the bush or the urban or from Miami, if they are going to bring business.

THE MODERATOR: No, I don't want Miami to come in here at low cost loans.

MR. DELISIO: What Earle is getting at is suppose somebody comes to Bethel and says, "I know how to process and market fish that are caught in this river to the people of Anchorage, Fairbanks, and so forth, but I need an interest loan to do it, and I am going to set up a program and I am going to hire all the local people and we are going to set up a transportation system and we are going to sell fish from the river in Bethel to the people

in Anchorage." What Earle is saying, if that person came up from Miami or came from Iran, as long as the person that has got a project that enhances the goals of Alaska.

THE MODERATOR: And he has demonstrated that he is able to pay the loan.

MR. DELISIO: There has not to be adequate security. Demostrability to repay the loan and it has to enhance the goal or goals of Alaska.

MR. DAVIDSON: I've got some comments, partly the things I said last night. I think the first part of it and the second part of it are a little contradictory. The first part says, we shall make prudent investments of the money, then we will say we will make low interest loans for these various purposes. And prudent investment means we are meaning to maximize.

MR. DELISIO: That's not what prudent means at all.

MR. DAVIDSON: In terms of an investment. I know that it doesn't have to.

MS. DICKSON: You get the intrinsic and extrinsic.

MR. DELISIO: If you spend $1,000 on mental halth in a State, maybe you are not getting a dime back. In this situation, you are getting interest back, you are getting a tax base with income tax returns, property tax return, plus social enhancement.

MR. FISION: Maybe it could be worded a little better.

MR. DAVIDSON: If that says everybody. To me, it seems like it was saying we are going to make prudent investments of these funds moneys and that seemed to be a little bit different. There is a distinction for investment for finance return and social return.

MR. DELISIO: The idea here was that the reason for using the word prudent was that I don't want to give anybody the idea that this is some sort of a give-away concept. It's just a let's throw money out the window thing.

MS. DICKSON: Steve, can you define the word prudent consistently not to include social implications or something like that, so as to --

MR. DELISIO: For, let's see, the opportunity for --

MR. DAVIDSON How about for prudent investments, for something like social as well as financial returns.

MR. DELISIO: We could put a parenthetical.

MS. DICKSON: It might be necessary.

MR. DAVIDSON: If it's not necessary, I won't argue about it.

MR. COOPER: We can get it so wordy.

MR. GIBSON: I think prudent in a broad context is very well used here, because prudent means thought out and wise, but not necessarily big return. I think prudent is an excellent choice of words there to me.

MR. DELISIO: Maybe we should plainly say this is read

and that's what is intended.

MR. DAVIDSON: I don't know, I just pick out that more than the other.

The other thing, I am still concerned about Lee Gorsuch's comments about the economic rate and thinks some dollars are pretty important. But I think I am saying for the purposes of Alaska, which is it the goals of Alaska.

MR. DELISIO: Provided the project enhances the goals of Alaska.

MR. DAVIDSON: How are those defined. Are these the policies of the State government or a sort of general public concensus of what the goals are.

MR. DELISIO: Whoever enacts this concept into law is going to have to translate that into some meaningful specifics. The difficulty here is if we try to list what we mean by the goals, really what we are trying to do in this whole conference is to identify the goals and to ask the Legislature to implement those goals. The basic intent is, you know, the language is broad enough to incorporate Carolyn's idea last night that we want efficiency, we want alternative efficiency so we can enhance those goals. You were the one that brought up last night you don't want to see a project which is really anti-Alaska or frivolous or that works contrary to our desire to achieve certain things, and so you would like to eliminate those kinds of projects.

The scope is broad enough to mean anything that anybody wants to make it mean. But in acts of law, if this somebody wants to implement this, they are going to have to make it more specific. I don't know how to make it more specific at this time.

THE MODERATOR: I don't think you can.

MR. DAVIDSON: The kind of thing I was hoping we would come up with is real commitment to development of the renewable resources.

THE MODERATOR: I think they will probably come out in other groups, I really do.

MR. DELISIO: We sort of did that in energy, too. We've got this thing that will convert from nonrenewable to the renewable resources.

MR. DAVIDSON: I won't battle this any more.

MR. COOPER: We have almost ran out.

THE MODERATOR: We've got ten minutes to take on transportation.

MR. DAVIDSON: Can't have two minutes.

Basically we have refined the statement we started with last night and added some more specifics. It shall be the policy of the State that a transportation system be developed in a manner which serves the economic and social needs of all Alaskans in the areas in which they reside: An integrated system of transportation shall

include facilities necessary to accommodate the mode of transportation which best fits the particular needs of the area to be served. Regional representatives will participate in all stages of planning and implementation. And to help facilitate their involvement, there will be established regional advisory committees which whall have representation on a statewide advisory board that provides statewice transportation policy. Priorities of an integrated transportation system shall include the following, 1, transportation systems to be developed must have minimal adverse social, cultural and environmental impact -- did I say must have minimal adverse social environmental impact. 2, all transportaton facilities shall be upgraded to standards which assure traveler safety, optimal freight rates and minimal maintenance cost. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical, public safety, and service support.

Particular attention shall be paid to improving airport and port facilities and alternative transportation modes to accommodate critical economic needs, such the transportation of fishery products.

Number 4, when new transportation projects are proposed, full operation and maintenance costs shall be considered in the decision to implement the project.

Number 5, appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

Number 6, the State of Alaska shall assist in the immediate improvement and development of mass transit systems in the urban areas.

Number 7, as part of a regional planning process, the Department of Natural Resources shall undertake a thorough assessment of transportation needs in relation to development of Alaska's renewable and nonrenewable resources.

Number 8, the Department of Transportation shall explore innovative and alternative transportation modes that may result in lower freight and fare costs and avoid adverse social, cultural and environmental impact.

A criteria for evaluating new transportation systems in both rural and urban areas shall be energy efficiency.

Number 9, the Department of Transportation shall give immediate attention to the development of intraregional transportation systems which will not necessarily link to urban areas. That's it.

MR. ELLISIO: I just have one comment about subcategory number 1.

MR. DAVIDSON: Priorty number 1, okay.

MR. ELLISIO: Yeah. It says the transportation system to be developed must have minimal adverse social, cultural and environmental impact. If it has minimal adverse impact in one or more of those areas, it may not be possible, and yet it may be desireable, so maybe what we could say instead of minimal adverse, shall minimize adverse social. Th transportation systems to be developed shall minimize adverse.

MR. DAVIDSON: I am happy with that.

MR. GIBSON: That's a good point.

MR. FISON: On number 6, there was a word.

MR. FAIRBANKS: Read number 6.

MR. FISON: In transportation. Read that again.

MR. DAVIDSON: The State of Alaska shall assist in the immediate improvement and development of mass transport systems in urban Alaska.

MR. FISON: There is a difference between mass and rapid. But when you say mass transportation systems, does the word mass have already full meaning to everyone?

MR. DAVIDSON: To me, it implies moving large numbers of people through buses, trains, things like that.

MR. FISON: That could even mean also include rapid transportation if the group wanted it or if the area wanted it.

MR. COOPER: What is the difference between mass

transit and rapid transit?

MR. FISON: Usually rapid transit is like subways and elevated.

MR. COOPER: But what I mean is: we are then getting into a definition or a particular mode of mass transit.

MR. DELISIO: I think the idea of the masses is as opposed to the one driver to one automobile configuration that we currently have now, which is energy inefficient.

MR. FAIRBANKS: Urban mass transportation and alternative energy efficient modes of transportation must be developed.

MR. DELISIO: You've got the energy efficient thing in one of your other priorities.

MR. GIBSON: That's in all of them.

THE MODERATOR: We've got enough town downtown. Is there any real difficulty.

MS. FLEMING: I have a real difficulty after we are through discussing transportation.

MR. FAIRBANKS: One thing, do you think there should be a way to educate the people of the State about stressing energy efficiency and environmental considerations. I mean, people -- we've got to start educating people or they've got to start saving stuff. If we don't teach somebody something, they are still going to be buying forever.

MR. DILLON: Did we have anything in the education statement, because like you say, if we are going to be energy efficient, we better teach people how to do it.

MS. DICKSON: I think it shouldn't in the energy statement.

MR. COOPER: We have several programs now.

MR. FAIRBANKS: For instance, State educational polivy should stress efficiency and environmental considerations in transportation.

MR. PISOM: You are talking about in the schools and everywhere?

MR. FAIRBANKS: Everywhere.

MR. DILLON: Why shouldn't we be trying to educate the public in all respects, not just transportaion, heating your house, electricity?

MR. FAIRBANKS: Okay.

MS. FLEMING: I would like this off the record, both Pamela and Jay. Thank you.

(Proceedings Concluded)

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

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Anchorage, Alaska

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Juneau, Alaska 99811

Reported by: Louise Mizzota, CSR

DELTA GROUP PROCEEDINGS

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

Yukon Room

(Introduction of delegates.)

MR. ECKHOLM: The format is that the delegates who have been chosen here are the official delegates. When it comes to votes and everything, those will be the people who will vote. But in terms of discussion, I think it's important to keep it as open as possible. Whether you're from the public or anybody who is in here, I think, unless it gets out of hand, should be able to contribute to the discussions. And I'd like to reserve that right for the staff people, too. Many of the staff people, including myself, have an interest in what goes on and would like to participate, since often we're precluded from doing that.

Today, this morning, we have a survey that's been developed from the issue paper book that was written. It takes most of the papers, the concepts, and reduces them down into issues and answers. And they're going to come in and start on that at some point in time, and it will probably take us half an hour to do it. I see the value of that tool as being a way to focus the issues and give us a base to start talking from.

This afternoon our group is going to talk about

finances, at 2:00 o'clock. And that's a broad category. Tomorrow morning we're talking about resources; and tomorrow afternoon we're talking about Direct Services.

As those discussions go on and arise, we have some information, we have an information room where we have like short forms on the budget, little videotapes from all the paper authors. And there are people who are around here, and we'll go out and grab people and get what you want in developing recommendations.

How the recommendations are going to be and my primary job is try to bring the discussion, reduce it down to a recommendation sheet. I have blank forms here and it starts off with general area as the first heading, category as the second heading, specific recommendation as the third heading, major factors of considerations leading to the specific recommendation is the fourth heading; financial impact with two subheadings, FY81 and projected need for the next ten years is the next heading, and timing is the last one. I think it's important that the discussions do keep focused on specific recommendations. That's the only way you're going to see direct results from it.

And so, we'll try and keep that all filtering down into these recommendations which we can then base recommendations on.

As a group, it's your responsibility now to sort

of elect a moderator who will lead the discussion and work with me in hopefully making things an open forum for you to talk with.

MR. POMEROY: I have to suggest as a group leader Mr. Roderick. He knows the State statewide, sitting at my left.

MR. REAVES: I'll second the nomination.

MR. PERDUE: I move the nominations be closed.

MR. RODERICK: Why don't you tell me what that role is, because I'd like to know.

MR. ECKHOLM: This is your chance to talk. We're setting this up so you've got a form.

Michael, when do you want to come in and visit with us?

MR. KOWAN: Five minutes.

MR. ECKHOLM: What we want to do is keep the discussions focused. As a moderator and facilitator we want to work as a team as much as possible. And that's it. Let's sort of have a general talk right now about what your feelings are coming into it. Is anybody angry, did you get enough information, didn't you get enough information? Does anybody have any strong feelings about how this was set up and what's going on?

MR. REAVES: I think the information was good. I don't think we received it too far in advance. I received all of this yesterday. I just didn't have time to read it

all.

MR. POMEROY: There's lots of information. Can you give us some idea, or help? Jack, give us some idea as a most orderly progression of our discussion so we don't just jump from one thing to another to another. How can you help on that?

MR. ECKHOLM: We've got the days broken out into the broad topics. For example, our first real issue discussion begins this afternoon at 2:00 o'clock. It's finances. When we start off at 2:00 o'clock I've asked some people. Mr. Belden Daniels I hope will be here to give us some idea about the economy, and many of you people know about the economy. I think we ought to start talking about the economy, what you think, when you recommend. What should we do with the three billion dollars, and then start focusing those down into this recommendation sheet as issues develop and they become specific.

MR. POMEROY: For me as a delegate, that's very clear cut. How about this morning, Jack? And you, how do you suggest we start?

THE MODERATOR: Let's hear some more comments of people.

MR. PILLIFANT: You mentioned Direct Services, sometime we're going to discuss that? What are you talking about there?

MR. ECKHOLM: We have the issue paper that was developed as a base. And the instrument that Mike Kowan, the poll he's developed breaks those down into sort of questions about how do you feel about those things. We have Marylou Maden from the Department of Education who has been around who can help provide information. We've got a number of people here who are educators.

MR. PILLIFANT: I didn't see anything on health, particularly, but maybe I missed it. Because, like Jim, I didn't have enough time to read it. Was there anything on health?

MR. ECKHOLM: No, I don't think so. Dr. McGinnis did a lengthy report and unfortunately we were unable to reproduce it at the time. He's taken it and reduced it down to its component parts.

MR. PILLIFANT: I just wanted to comment, that is I was surprised that it was not a major topic because it was our number two priority in 1969. That wasn't mentioned. Of course, education, number one, health number two.

MR. ECKHOLM: Probably a staff fault, we didn't get it together. It's a 64-page paper, and it came in after we had gone to the press with the original book. So we're hoping that when we do discuss that that we'll be able to go at that time.

MS. PALMQUIST: Dr. McGinnis' report has been reduced

to four pages, which is the summary of the recommendations. And I would like to have that provided to all of the delegates here because it addresses what the previous speaker has been talking about. In the area of education, I am particularly concerned about the effectiveness of vocational education and I hope that we spend some time on the area of vocational education.

In the health area, possibly some consideration should be given to -- I know this is kind of a radical concept, but there might be some good things come out of separating health from social services.

MR. ECKHOLM: We'll have that paper duplicated and presented to you as soon as possible.

These white papers are not meant to be the start and the end of the discussion. They're just a base. They are people's opinions from around the State and ideas that we hope to use as a stimulus for discussion. We're not limited to those in any stretch of the imagination.

MR. SEIFERT: I need some orientation on that. I don't really have a wealth of information. I haven't seen the white papers. I have the two preliminary book overviews.

MR. ECKHOLM: Those are the white papers.

MR. SEIFERT: Someone had a loose-leaf. I thought there was other information available.

I would like to suggest that we kind of develop a strong focus area for basing our discussions. If we're going to be guided to a framework of financial institutions, it might be good to address those issues which we think are the most important to address in each framework.

MR. ECKHOLM: And then get into the specific discussions from there?

MR. SEIFERT: I have a specific issue which I think is integrated which I think would be best addressed as to how it would be best accomplished. I have a kind of a goal to suggest.

MR. ECKHOLM: I think that's the best way to get down to issues. When we get into finances, I think you ought to say --

MR. SEIFERT: Would it be appropriate to go into these areas between now and 12:00?

MR. ECKHOLM: I think --

MR. SEIFERT: I think you're misinterpreting what I'm saying. I think there are general goals that could be reflected in each of the framework issue areas. That may be a better approach to it all. I don't see that there are financial problems and then there are resource problems and there are -- I mean, these are all integrated. I think what you should do is address the goal that you want to see the State achieve, and then reflect each of those goals and

how it kind of fits into the framework of the issue areas you identify.

MR. MORGAN: Can I elaborate? What are we not satisfied with in the State; are we happy with everything as it is, are we not happy. If we make some overriding philosophical statements similar in nature to some of the statements that Mr. Merdes made earlier, and we will filter down to what happens in education, what happens in health. But the total human state, now, my own particular soapbox at the moment is I'm afraid we're not able to feed ourselves.

Ten years ago, I saw agriculture spelled out three times in this book. I normally saw it as an afterthought. We import, you know, an inordinate amount of the food we eat.

MR. ECKHOLM: May I make a suggestion?

MR. MORGAN: These kind of human predictions to me are precarious. I'm not plugging agriculture just now, but I'm using this as one example of some things, as a geographer, makes me nervous.

MR. ECKHOLM: If we could spend the time now, Mr. Rowan is here and has the survey. If we can do that and go through it and as soon as that's through, I suspect that will be 11:00 o'clock, we will take the time from 11:00 to noon for you guys to identify broad areas and discuss so we

have a focus. And go with that as a general sort of opening? Is that acceptable?

THE MODERATOR: Let's agree on some kind of starting point here. If that's one, the goals, or if it's the ones he's recommended. What do people think? Should we go on the sort of broad philosophical goals to begin with?

MR. ECKHOLM: Jack, I think we'll have time to do that before the survey.

THE MODERATOR: Mike can wait.

MR. ROWAN: Absolutely.

THE MODERATOR: I think it's more important. My recalling last ten years ago when I was here, Number 1, everybody is here because they want to say something. That you can be sure of. And so that the trafficking of these ideas is very important, you know. And I think that's what this is all about. Everybody has something to say, and we've got to agree that they're going to have time to say it.

This is going to be how do we say it.

Mike is a good one to start with on that.

MR. ECKHOLM: If we can just do this test here and then take an hour and try and get the broad statements and that out before we go into specifics, as per their suggestion, that might be the way to do it.

Michael?

MR. ROWAN: Well, this is basically the same idea, Jack. The notion here in the questionnaire was to get everybody to speak to every issue that was raised in all the papers. Could you start passing these out as I explain this to people?

Here is what this is: We have a questionnaire here that's been prepared for each delegate, okay? If you're not a delegate but an observer to the conference, I hope you would not fill this out. It's to be self-administered now with a pen or a pencil. It will take about 20 minutes for you to fill it out.

After completing the questionnaires, the data will be tabulated and we'll report back to you tomorrow on what you said. The questions were drawn on the ideas, the conclusions, the proposals put forth in the three dozen papers prepared for this conference. So basically we drew out the consents, proposals and ideas that were being laid out by all the writers that were commissioned by the legislative conference to come forth with different views on every agenda item that is in those goal papers you have, and others.

If you've not read all the papers, you may find it difficult to understand or to answer some of the questions. If that's the case, move right on and leave it blank and go on to the next question. You can go back to

that later.

From time to time, in the question, the name of the writer from whom the question is drawn is also mentioned. You can refer back to the goal book. Sometimes it actually has pages mentioned on it in case you're wondering what we're talking about.

If you can do something for me here to make it easy to data process, would you please circle the appropriate number for the question. It's a one, two, three, four, whatever. As you proceed through the questions, you'll find ranking priority. In every case, one is the lowest rank.

In question 25, the responses should be, one, cooperative; and, two, develop independent plan, not yes-no, as is printed in your question. Number one should be cooperative, number two develop independent plan. It has to do with management of lands.

MS. SMYTH: When you say one is lowest --

MR. ROWAN: One is lowest in all cases, all the ranking questions. One is always the lowest ranking and the highest number is always the highest ranking.

In question 72, we mean intercommunity roads. That's between Alaska communities, roads between Alaska communities.

And in question 74, we mean intracommunity roads,

that's inside the community, okay? So a question we get into it at the town meetings, which is always here.

And some questions here ask for open volunteered remarks. But please feel free to write in anything you want on any question at all.

MS. SMYTH: What was the change on 72 again?

MR. ROWAN: I'm just explaining that means roads between intercommunities and intra, 74, inside the communities. Someone raised that as a question before.

We're going to collect these questionnaires as soon as you've completed them. Are there any other questions?

Mc McGINNIS: Mike, not a question, but a request. I believe the ranking which you mentioned early on would well bear repeating. Because I think that could screw everything we're doing. The number one through ten.

MR. ROWAN: If people would turn to question 49, the questions are on the left-hand side. Questions 49 to 54 ask how would surplus revenues best be used in Alaska. Please rank the following. The lowest rank is one, and the highest rank is five. There are five choices. So, to offset the effects of eliminate the State personal income tax is going to be ranked one, two, three, four, five. Circle what rank you have out of the alternatives you have. If, say, you give that the lowest ranking, you'd circle

Number 1.

MS. SMYTH: Is that "of eliminating," or "by eliminating"? If you want to eliminate the personal income tax --

MS. SCHIRMER: That's right.

MR. ROWAN: That has to do with the vulnerability of the writer, ma'am.

MS. SCHIRMER: I believe that.

MR. ROWAN: I meant by, not of, I suppose.

MR. PILLIFANT: In other words, if that is your Number 1 priority, you would circle five.

MR. ROWAN: Correct. The highest priority is the highest number. The lowest priority is the lowest number. If we just keep it that way all the way through, it will be consistent. Is that understood?

Could we just -- yes. I hope everybody is just going to --

THE MODERATOR: When do we get the results of this back?

MR. ROWAN: I think we can have some for you today and some tomorrow. All for you tomorrow.

MS. STRASSBURG: Do you want us to put our names on the top?

MR. ROWAN: No, it's not necessary.

MS. SMYTH: Number 51, what does the HOC stand for?

MR. ROWAN: That's the Alaska general stock ownership corporation. The purchase of the 16 percent increase in the pipeline oil.

MR. ECKHOLM: There is coffee and hot water right ouside the front door.

As you get through, Kathryn is going to go around and pick up the questionnaires. How many people are not through yet?

Okay. Take your time. Don't worry about it. One thing to think about while you're writing it is it is based on a lot of the stuff in the white papers.

Would you be interested in taking the same questionnaire at the end of this two or three days? Would that be interesting to you?

MS. SMYTH: No.

MS. PALMQUIST: If you're going to have a questionnaire that means something, you're going to have to have more conclusions. You have nothing on agriculture.

MR. PILLIFANT: The questions are poorly stated. You can't answer them.

MR. MERDES: They suggest answers.

MR. PILLIFANT: I wouldn't want to take that again.

MS. PALMQUIST: There are a lot more options.

MR. ECKHOLM: Everybody who would like to take it again, assuming your answers change, would you like to take

it again? Would you raise your hand?

MR. McGINNIS: I think it's meaningless. Some of us have stated that the way the questions are stated are essentially meaningless.

MR. ROWAN: You know, it's difficult to State a questionnaire with complex thoughts, trying to divide them in such a way. In that case, I think an appropriate response is just that: The questionnaire is not meaningful.

MS. PALMQUIST: The questionnaire seems to have a slanting in itself.

MR. ROWAN: I think the questionnaire is derived directly from the writers. And so there might be a slant or a bias.

MS. PALMQUIST: I'll agree to that.

MR. ROWAN: Because I took the questions from the proposals and ideas that came forth --

MS. SCHIRMER: I think you should have tried the questionnaire out on a few more people before you presented it. I think you would have found the wording is bad.

MR. PILLIFANT: The biggest problem I saw, Mike, at the beginning a sentence would say, "Do you agree that so and so or," and then in the negative, it would come in and then it would say yes or no. You couldn't answer that yes or no because it had to be broken out somehow, you know.

MR. ROWAN: The questionnaire was a function of two

days of work talking with eight different people and then being reviewed by 16 others who also have their own views on it. And finally finishing it last night at 2:00 A.M.

MR. PILLIPANT: I would hope that the answers are not taken from that and used as our consensus of any sort from this conference.

MR. HARTLE: I agree.

MR. ROWAN: One of the other groups proposed what we ought to do with this is either apply it at the end again to see if there are areas that are meaningful. Also, we might find a consensus in that the whole series of questions make no sense, which is a conclusion. As a researcher, I'm interested in what you say; okay? If you're suggesting whole areas are meaningless to go into or that the way the thing is phrased meaningless, what you're saying is the context it was presented to you by one of the writers, the conference on present things here, makes no sense. And that's as reasonable conclusion to start with in your own discussions. To me it's a research document. If finding of the thing stimulates discussion, says this is the wrong context, let's start over, that's it's purpose.

MS. SPARCK: I would like top move that we go on to another agenda. There's a blank side of the questionnaire that people could put their questionnaires. I think we spent a lot of time on this. I think we ought to go on to

another agenda.

MR. ROWAN: Maybe we can collect it and use its value later.

MR. ECKHOLM: I think the value of it, like it or not, it is focused on the white papers. We can take it and chew it up and discuss it and run with it. Rosemary.

MS. PORTER: I'd like to request as one individual this not be published for public consumption. I don't think that conclusions drawn from this are going to be valid. And I would not like to see them published.

MS. SMYTH: Second.

MS. SPARCK: Question.

MR. ROWAN: Make any assumption you want. It's an internal communication what you're producing here. You're only answering questions and then you're all seeing what you're all answering. If you answer that question 36 makes no sense, that's your conclusion, ordering your own views toward yourself. That's the process as I understood it. That's why I was invited in to do it. I don't have any point of view on this.

MS. PORTER: I would not like to see them published. I don't see the answers are valid.

MR. ROWAN: How about the conclusion is that the question is not valid or not worded correctly? Is that a valid response?

MS. PORTER: That's valid if everyone answered that.

MR. ROWAN: Are you saying all 100 questions in the thing are completely ridiculous?

MS. PORTER: I think many of them are.

MR. ROWAN: How about the location thing. Are you interested in whether there are more men and women as delegates?

MS. PALMQUIST: No.

MS. PORTER: Not particularly.

MR. ECKHOLM: We'll discuss this later. There is a serious question about the questionnaire, and we'll deal with those before it happens. Rosemary, I suggest that you go talk to Senator Hohman about this too, because he'll be finally responsible for that, I think. But we can as a group vote to give a recommendation and then if everybody in the other groups are saying this, then that's your decision. I don't know what the timing is or the decision on how to use this was.

MR. PILLIFANT: I'd like to hear what our chairman has to say, Mr. Roderick, what recommendation he'd make.

THE MODERATOR: Well, it was a little offended in that I didn't have time to think, you know. It's too short. I'm not offend by the questions particularly. How about taking it on Saturday again at the end of the conference? Would that help?

MS. PALMQUIST: We're tired of it.

MR. ROWAN: That's what another group has already decided to do. Their discussion, incidentally, on the notion that this is too fast and so on, is that we ought to have our discussion and then answer some of these questions. And so they decided to take the survey after. We'll separate that group's response so they'll get their responses back and they'll be able to see the differences, if there are any.

MS. STRASSBURG: Mike, might I make a suggestion, please? You wasted practically a whole page on whether we were male or female, white, or new residents, old residents or over 45. And I don't really think this makes any difference. Because many five-year-old kids have good ideas and many who are 90 are totally incapable of anything. So I don't think these are germane to what we're looking at. We're looking at a future for the State, not who the people are who live here. We're all Alaskans, that's the main thing.

MR. ROWAN: Just as a researcher, I always collect topography as a matter of principle.

MR. POMEROY: I disagree with the previous speaker. I think it has some information and some value. With respect to the other speaker who questioned making our information available, I infer from that that there is a feeling that

perhaps there is considerable superficiality to it. There may be. Just the same, we are trying to go through a process that we're taking seriously. And I would certainly hope that out of it, whether it is on Saturday or sometime later, that we do complete these questionnaires and have them available for use.

MR. ROWAN: As you wish. It's just a tool, it seems to me, to find out how you're thinking about all the people who have written papers for you, what your opinion is of them. It's really to start your discussion, not to end it.

THE MODERATOR: Any further discussion on that?

MR. ROWAN: It seems we've done that.

THE MODERATOR: What's the general feeling of the group? Do you want to ask Mike to give it to us again at the end of this three-day conference?

MS. PALMQUIST: I would like to see another questionnaire more comprehensive that gives us more latitude in expressing our real feelings and views.

MR. ROWAN: Maybe there's your resolutions. Maybe the resolutions are your basic question.

MS. SERGYER: I have a problem with the question. It's been said a lot of the questions are slightly slanted. You couldn't answer some of the answers were half of one answer and half of the other, was what I would have answered.

MR. ECKHOLM: Let's take just a vote among us as to whether you think the poll, in your opinion, would be a valid or invalid partial record of where you guys are at at the time. And we'll record that and then we'll pass that along and it will be used as a decision.

MR. PADLOCK: Eric, I favor a significant response to the issues raised by the poll. I've been attempting to do that because we were advised that we could write in anything we wanted to. I've been trying to give this thing a significant response. I don't think that a yes or no response is worth a whale of a lot. And I don't think that a yes or no response after three days is going to be worth any more.

But I think if everybody responds with their feelings on these issues that are raised, maybe we'll be able to provide something of value.

MR. ROMAN: That's a completely legitimate way to do with the questionnaire, by the way, because we can code it in any way that you respond. If you don't like the question as written, that the value should be stated this way, then that's your response and that's the way that gets coded. That's an insight into what that issue is. And obviously, I mean, if I tried to sit down and answer this questionnaire - and by the way I haven't - I don't like the idea of things falling into one category or another either.

Most of these questions are not yes-no questions. But unless you frame them that way, you're never going to be able to talk about this them.

MR. HARTLE: I think one problem that is coming up is the priorities that we're to decide on in this questionnaire are not at all necessarily the priorities of this group. And this was the framework we were given to answer on. And that's what the problem is. And that's why I don't see it as valid whole of our thoughts. Because it doesn't have -- what questions would you ask?

MR. ROWAN: That was not the intention of this. The intention was to read the papers prepared for your discussion, and every one of those people, 33 or 40 of them, have points of view, there is not one objective person, and I'm one of them, right? And so they all have points of view, experiences, history and they all come from different professions and skills. So they came down with certain kinds of proposals, okay? One person assumes we should have, you know, a college that serves all the places that don' have a certified college. That comes out of 16 years professional experience that person had. Okay?

So I give it to you. He gave it to you in the paper. I give it to you as a question. Do you agree or disagree with him? That's it. That's how it all came down, and it's not your ideas we're testing on this. We are

beginning the conference by testing the ideas of the people who prepared papers for you to consider, that's all. And now you can take it and do anything you want with it, really.

MR. PILLIFANT: I just wondered if you took it, Mike?

MR. ROWAN: No, I didn't.

MR. ECKHOLM: All of those who have serious problems with the poll and would like to go on record that the poll is not valid and they do not want it to be part of the record raise their hands. Keep your hands up, please.

Okay, all those who think that it was all right and it has some value and that they would like to not squash it but have it considered for whatever its merit it, raise your hands. Have I framed that question right? Does anybody want to reframe the question for me?

MR. ROWAN: I think they would be in favor of both those things. It's an either or question.

MR. NASKE: It was poorly framed.

MR. ECKHOLM: We've got 16 people who have got problems with it. We'll report it.

MR. NASKE: Instead of writing a critique of each paper.

MR. ROWAN: Can I ask another question just as a research thing, because I'm a volunteer here and I'm interested in how you do things and how you think. How many people read the white papers?

MR. SELBEN: Could you please ask how many got them in time to read them?

MR. ROWAN: that's a different kind of measurement. I'm interested in that because that's a minority here. And so this questionnaire is much more difficult to deal with since it's drawn from those papers for other people.

MR. HARVEY SAMUELSON: I think a lot of people are like me. They were promised very faithfully the stuff would be shipped to me and I never got no information until 9:00 o'clock this morning.

THE MODERATOR: Let's table this for the time being.

MR. ROWAN: Put the postage system on the agenda.

THE MODERATOR: Eric and I have had a chance to talk about how this might go together, this discussion we're going to have now, for a couple of days. And I'm throwing it out to you to see what you think of it.

I would be the guy who recognizes speakers, and I would be the guy who probably indicates that somebody is talking to too much, you know; that kind of thing.

Eric would write down generally what he hears you say about what you think a recommendation should be, et cetera.

Then he will get back to you and say, "Is that really what the group thinks?"

Maybe we'll want to go to votes, I don't know,

formal votes, but maybe we don't.

But, at any rate, what we want is a general feeling after this discussion on a particular point; what it is you want me to say when I go back to the general assembly. And Eric will be that guy that will record that.

And then he'll be, of course, chiming in trying to get agreement from the group as to what they really want to say about any particular issue.

Does that sound okay?

I want you all to know, I was here ten years ago, and it's going to be difficult in that everybody wants to say something and everybody has the right to say it, and everybody is going to say it, which means that everybody has got to be careful on the time they take. And I'll guarantee emotions are going to rise and you're going to want to say what you want to say. We can stay here as long as you want. We can stay evenings. I guess the message I'm trying to tell you is you're going to say what you want to say.

This is a terribly unfortunate room, I think. Can you people hear way over here when somebody is talking here?

MS. JENNINGS: Not easily.

THE MODERATOR: People better be aware of that, too.

Any comments on what I just said?

MR. PILLIFANT: I would only comment that I suspect that we'll probably come down and have to take votes on things. Because that's what we did the first time. And it seems at least you have a definite priority set by the democratic system.

MS. SHROYER: I also think if the votes are close and it isn't a controversial issue, a minority type of report would also be advisable.

THE MODERATOR: I think Eric mentioned that.

MR. SEIFERT: I very apprehensively suggest you might consider the use of Robert's Rules to formalize the process. I know it's kind of an un-Alaskan approach to things, but it be a certain rule for order, you can rule people out of order, and whatever, on time. And it allows any questions raised if you keep it orderly.

THE MODERATOR: I did bring a copy of the State Uniform Rules and stuff like that.

MR. ECKHOLM: I think Jack can handle it. If it begins to be a problem, he can tighten down the screws. If not, he can loosen it up.

THE MODERATOR: You're right. I think the order of recognition is very important. If people can help me on that, you raise your hand and I say okay. We'll just work it that way.

MR. POMEROY: The matter of the minority report was

mentioned. I recall from ten years ago that we came up against that sort of a thing and we found that we had something that was unmanageable that was going to take too much time. And in our conclusions, we said this was not a unanimous report, or some simple little thing like that took place. And I don't think we dare get into a matter of going so far as to have two different reports.

MR. ECKHOLM: We could list on the recommendation areas of strong disagreement point by point.

MR. POMEROY: Yes. Just so that it's noted. But I suggest we keep that in control pretty carefully.

THE MODERATOR: Does that sound right so far?

One other rule they had ten years ago was that legislators could not speak. And I thought it was beautiful.

I think there will be some legislators drifting in and out. That is the rule and I will try to enforce that, particularly if they start talking a lot. I don't think they will.

MS. SHROYER: I was asking legislators on points of information instead of speaking opinions, just what are the facts, and maybe they can list those.

MR. ECKHOLM: Sort of like the children, don't speak unless spoken to.

THE MODERATOR: What do you think about voting, now?

I assume you're talking about delegates with badges on to vote, if we get that narrow, you know.

As far as people speaking, if they're not a delegate, I'm going to throw that out to you. If somebody wants to talk a lot, or talk, I'm going to ask you is it all right. Is that fair?

MR. SEIFERT: "You," meaning the delegates?

THE MODERATOR: "You," being the delegates. And I don't think it will come up, but it might. Somebody might want to take too much time. We want to let people talk, but, on the other hand --

MR. ECKHOLM: Please identify yourself when you're talking, for the court stenographer.

MS. RICHCREEK: I think somewhere in the book it says those could speak after everyone else finished, if there was time.

THE MODERATOR: Okay. Whatever. Thank you.

MS. JONES: I'm not a delegate, but I would like to bring to your attention one thing, that the newspaper solicited papers from citizens. And I took the time to prepare a paper and took a day off from my work to come down here. And I believe that there are people like myself who have prepared papers who we hope you will be able to consider, because we were not included in the manuscripts which you have reached. But they have printed four copies

and are in the four copies which you may receive.

But, as just a plain, ordinary citizen, I feel that because what I have to say I feel is important enough to write a paper about it, I would like to have the opportunity to at least rise to defend my paper.

MR. ECKHOLM: What area is your paper on?

MS. JONES: On the Alaska Bar Association.

THE MODERATOR: Thank you. Yes, sir.

MR. PEQUERO: As a member of the public, I agree to what you said. And I think that persons just should take at the most five minutes for their position on a topic, or three minutes. I think that a person can resume what they're going to say in three minutes, and then everybody will have enough time to approach what they want to approach and also how they want to approach. I also took a lot of my time to write a paper as a member of the public. And I don't see why I just should be left out if there is any time.

THE MODERATOR: Yes.

MR. PERDUE: Mr. Moderator, I think the people are entitled to -- I don't think that there's a question of whether the delegate should accept them or not, because the State did put out an advertisement for public opinion. And I think we owe them their right to three minutes or five minutes.

MR. JONES: You have a paper presented by Mr. Wagstaff, Mr. Gross, both who will be very favorable about the bar association in Alaska. And I have taken the time to say that I believe that the Bar Association has problems which should be addressed by this State. And they have their papers printed. You will be able to read them, unless you take the time to read mine, which I doubt you will time type, you'll have no idea except what Mr. Gross and Mr. Wagstaff says is the situation.

THE MODERATOR: Thank you.

MS. SCHIRMER: I feel very upset that the papers that had been presented by people who were not specifically commissioned have not been made available to us.

MR. ECKHOLM: They are trying to be made available. The supplement came out today. What we've got here, we've got these packages here of Xerox things that we got in just lately. We could only Xerox them. These are papers from a Marilyn Dudley Rowley, William Hunt, Claus Naske, Ronald Inouye, LaMar Gray, Thor Brant-Ericksen, J. B. Barry,. There's about 10 or 15 people, Joe Vogler, about a number of items. We have these papers here. I don't know what arrangements have been made. So I leave it up to the group to determine how to distribute these three copies that we've got around for your perusal.

MS. PALMQUIST: Well, in the brochures that were sent

out to us and the announcement that we were delegates, we were promised copies of those papers at the beginning of this conference.

MR. ECKHOLM: The white papers were the only ones that were brought in in time to be printed, typeset and printed. The supplement was finished at 10:30 this morning, which were the ones that came in after that. These papers didn't get in in time to be printed. And I've got Xerox copies here.

MS. PALMQUIST: Are there Xerox copies for each one of us that wants one?

MR. ECKHOLM: I've got a total of three copies. If there's time to print them up in a nice little booklet, or not, I don't know.

MS. PALMQUIST: Couldn't we get Xerox copies?

MR. ECKHOLM: There won't be enough to give one to everybody that wants one.

MS. RICHCREEK: I was going to ask, is it too big a thing to go down to a Xerox office and run them off?

MR. ECKHOLM: I'll try and see what I can do about it, yes, ma'am. I'll try. Printing them is better than Xeroxing. There's about 300 or 400 pages.

MS. PALMQUIST: All of the list of names which you listed submitted papers have quite a bit of background and knowledge. And they will be benefit to us.

MR. ECKHOLM: That was as many as they could do in the last couple of days. So there was an attempt to get what we could to you. After that, I'll try and get as many as I can Xeroxed. I've got these that we should be passing around looking at.

MS. PALMQUIST: I'd like to have one right now.

MR. POMEROY: You have a program. I think we're going to be short of time at best. It seems to me a fine thing if the managers of the program invited citizens to write in. But I think it has to be treated as citizens having written in and have that material taken into account in connection with the whole program before it's finished. But we would be here for two weeks if we tried to have a discussion of every presentation of every citizen that has written in.

MR. ECKHOLM: What I'll do is I'll keep ahold of one copy that I won't send out. And I'll get a Xerox of the titles. And if you have a specific desire on a title of paper and you want to read it, come and get one from me. Besides that I'll be circulating the other two for now. Ward has gone to see if we can get more copies made. I'll get titles made, and you can see what you want. And we'll do with what we've got for now.

MS. SIMONDS: I remember ten years ago, to take care of a similar situation, there were a lot of handouts on the tables that the delegates could pass by. And they took one

and they read them at their leisure during the conference to get information. So I think the information might come out in that kind of discussion rather than having everyone present a paper.

THE MODERATOR: There are some sources of information which Eric and the staff have accumulated that may help us. And I think if Eric would describe what they are, and we can decide how, if at all, we want to use them.

MR. ECKHOLM: When it's appropriate, if you want, we brought down, I've got some constitutions, I've got some short forms of the budget from last year just so we have general categories. We've got some short video tapes of the white paper authors summarizing their white papers. We have the Bluebook, did I mention that?

Besides that, I think more important we've got a lot of very experienced people around this conference. So if you can dispatch us to go find somebody to come talk to you, we'll do that as you request. Detailed resource information I think might just slow down the process if we get too specific. But if you need anything, we'll scramble and get it, to the best of our ability. Those are the basic resources we have.

And I'll try and get all those papers Xeroxed for you of all the citizens. We're trying to get them out in time and I promise you'll get a chance to look at them

before the end of the conference.

THE MODERATOR: I have a few minutes before 12:00. Is 12:00 when we break?

MR. ECKHOLM: Our schedule, according to the schedule here, we've got until 1:00 P.M., it says, for lunch. I don't think there is any scheduled luncheon or anything. So the way I read it, we've got the rest of this day as this group to get down to business and to discuss basically finances, what's on the agenda, if that's what you want to do. If you want to go into other things, that's fine, too.

We can break for lunch now, we can wait for an hour and get into it for an hour. I sort of would like to keep going and identify a philosophical statement, sort of like what's the biggest problem you feel that's facing the State today, or to come up with kind of a tone for our group, as per your suggestion.

MR. HARTLE: Could we take a five-minute break and come back for an hour? That's my suggestion.

THE MODERATOR: What's your pleasure, people?

MR. PERDUE: My stomach says it's hungry. Move that we take a break.

THE MODERATOR: For lunch?

MR. PERDUE: For lunch.

THE MODERATOR: Are you saying there's a lunch?

MR. REAVES: Yes, there is. That's what it says here.

MR. ECKHOLM: No arrangements. So it's up to us to decide. We can change that, if we want.

MS. PORTER: I'd like to consider maybe a five-minute break, but I'd like to return at 1:00 o'clock as scheduled.

MR. SEIFERT: Could I have a matter of clarification? Is there not a formal lunch?

MR. ECKHOLM: No, there is not a formal lunch.

MR. SEIFERT: That's certain.

THE MODERATOR: You've heard the motion to break for five or ten minutes and then come back and go to lunch. Is there discussion?

MR. SEIFERT: I'll second that.

THE MODERATOR: Any discussion?

MS. PALMQUIST: Some of us have commitments of program lunches that take place at 12:00 o'clock.

THE MODERATOR: I'm sorry, Rose. Program lunches?

MS. PALMQUIST: There are lunches around town by organizations that have a program of interest to us.

THE MODERATOR: Is there further discussion on the motion to break for five to ten minutes only?

MR. POMEROY: Unanimous consent.

THE MODERATOR: I have, but Rosie has just objected. So I'll just say is that generally what people want to do? Okay. Let's take a break for ten minutes, no more.

(The proceedings recessed at 12:03 P.M. and

reconvened at 12:25 P.M.)

THE MODERATOR: It's hard to tell if we're all here, but I don't know if we can wait for everyone.

MR. POMEROY: No. We got to go.

THE MODERATOR: We've got about a half an hour before our lunch break.

Perhaps we could start this way, just simply talking about what we see in terms of the goals or the problems. in other words, we're here to come up with recommendations as to what we want Alaska to be in the next 10 years, 20 years, 30 years. These gentlemen over here suggested that we talk about goals or the problems we now see in the State.

How does that sound? Start with that instead of trying to get to the solutions right away. Okay?

Who wants to start?

MR. SEIFERT: I have a recommendation for a policy goal that comes from several years of evolution that have recently been more clearly articulated by several events, particularly the recent first Alaska Alternative Energy Conference in Anchorage. And in conversations here, I've experienced further support for the idea that I'm going to present.

And that idea is -- perhaps it would be best if I just read what I have written down here.

THE MODERATOR: Would you give your name, first.

MR. SEIFERT: I'm sorry. My name is Mr. Richard Seifert.

It is recommended that a policy goal be established for the State of Alaska to achieve near complete self-sufficiency in energy, food production and other human needs. It is further recommended that this goal can be best accomplished through renewable energy and renewable natural resource development, education to develop our human resources and development of Alaska's local food production potential.

I submit that this has been of a grass-roots mandate that I've become aware of through my involvement in that conference I previously mentioned. And I think there are many other organizations and perceptions of this problem. They may not be articulated the same way, but I think the general common denominator of this approach, the idea of self-sufficiency is very, very keen on people's minds right now because of the vulnerabilities they see. Presently the way our system works, our 97-percent imported foods, our 75-percent imported fuels, even though we have natural active fuels here, we don't refine them here.

This whole process of undermining the economy of rural Alaska by fuel costs and transportation problems all integrate together to point to a further goal of

self-sufficiency as at least a partial and general solution of that problem. And coupled with that is a self-sufficiency in food.

I submit that as a goal to consider for this group.

THE MODERATOR: Harold?

MR. POMEROY: Self-sufficiency in energy and in food and in what else?

MR. SEIFERT: Food production. And I say other human needs. That's a very -- I've left that quite open and general. It may be articulated further in another goal statement and eliminated from this one. But I should say that I have lifted this goal statement from a another person's publication for the Alaska Council on Science and Technology. They are also very keenly interested in proposing this as a goal for their undertakings. And I am articulating that because that group is meeting today somewhere else and they can't have a representative here at the same time.

So I do concede that although this is fundamentally my own perception and statement, it is also the statement of someone else.

MR. REAVES: Do you also have recommendations for meeting this goal?

MR. SEIFERT: I could be considerably detailed in how

I would do that. I think that remains to be discussed.

MR. REAVES: Well, I think perhaps you should lead it off and give us some of your ideas.

THE MODERATOR: Excuse me, but maybe in the limited time we have, should we introduce more problem areas? I'm throwing that out. I don't mean to cut you off. What do I think?

MR. MORGAN: May I go back to something more general?

THE MODERATOR: Okay.

MR. MORGAN: This is one area. We all have, over and over over again here, an Alaskan life style, which is something we must defend at all costs.

What is going to ensure that your future is what you want it to be? And I think I would like to be more independent. I would like to be, as an Alaskan, more self-sufficient and self-reliant. I would like to be less dependent on the capriciousness of transportation systems, international incidents, and so forth.

In other words, I think maybe what we should be concerned with are what actions must occur, what recommendations can we make at this conference to ensure a much more stable -- in other words, the happy situation that we're in at this point is unique to all of us, none of the other 49 states have all the money they want to play with to solve their problems. Time is of the essence in

that we have a certain period of time to make these decisions as to the proper courses. And I think, regarding the statement that Mr. Seifert made, self-sufficiency in food, a close look at renewable resource use, these types of things.

THE MODERATOR: Would you tell her who you are again? Would everyone say their name again.

MR. MORGAN: I'm Morris Morgan.

THE MODERATOR: I hear both of you say self-sufficiency is the greatest need in the State of Alaska. Does everyone agree with that?

MR. NASKE: I certainly don't. I think in the 13 we colonies tried to create some sort of interdependence and a feeling of belonging together, a feeling that all of us were Americans. And yet what I hear is that we are somehow an island, independent island somehow, of trying to achieve that type of situation. And I think that's insanity. I mean, we are part of the United States. We are the 49th State. And there are many others. The system of this interdependence has developed over many years.

THE MODERATOR: I think you should respond to that.

MR. SEIFERT: I would definitely like to respond to that.

I think what I'm going to say bears really close scrutiny. And I think you are in some guises

misinterpreting what I'm saying. Self-reliance from a physical point of view is what I'm talking about. I think there are many, many people in the lower 48 states who would articulate this very same concern, that have the same vulnerabilities to fuel supplies. I mean, the United States imports 54 percent of its fuel. I'm not saying this is a uniquely Alaskan problem. There is no reason to assume that this is a decisive attempt. I certainly do not intend it to be a decisive attempt? It allows you to not be subject to the whims and - what's the word I'm looking for - intimidations of world political situations, of situations which we presently do not have control over.

I'm talking about individual control over individual lives. That doesn't have to be decisive. It allows you to be freer to express your individual needs, to express your individual interdependency from a more human point of view without being under duress to do so. I think it's closer to a more perfect union that we have now. I'm not talking about something in any way that is intended to be separate activity or isolationist.

MR. POMEROY: As to food, I think no one could quarrel with what the gentleman has said about achieving self-sufficiency if he is talking about doing whatever we can as a community to facilitate and assist and encourage those who want to live a subsistence life style or whatever

you call it, where they produce most of their food.

But I do find a great deal of trouble with the broad suggestion that we become independent with respect to food because you run into economic limitations we have and that we cannot overcome unless we simply want to subsidies ourselves. We have examples right here in Anchorage. There are two dairies that had to quit producing certain items here because it cost $28 an hour for labor to produce the products here, and they could be imported cheaper outside where the labor is $16 an hour.

And I use that feature of it to identify one of the greatest disadvantages we have in self-sufficiency, and that is we are the highest cost area for labor in the United States.

We have a, company that produces eggs, and they are good eggs. They are no better than the eggs that come in and are sold by Safeway. And they cost 57 cents a dozen more.

THE MODERATOR: That's all right. You will agree that it's a desirable thing for the State to be more self-reliant?

MR. POMEROY: For us to do what can be done consisting of your economic disadvantages because we should not attempt to subsidize ourselves with food. We shouldn't support a price of 57 cents a dozen so that somebody could

have the privilege of producing eggs here, is what I'm saying.

MR. MOREHOUSE: You assume prices are translated to the grocery shelves in the State. We will find that the competitiveness of things produced in the State of Alaska will take on a little better look.

MR. ECKHOLM: Are we talking about specifically food in terms of self-sufficiency? Would that be a recommendation?

MR. SEIFERT: I would like to say that I think one of the perceptions, and I reiterate what I said earlier, is there is a difference between self-sufficiency and independence. They are conceptually very different to me, and I think there's a confusion about what we're talking about. We're talking about self-sufficiency, not independent.

MR. ECKHOLM: You're not dealing with us and the relationship with the federal government.

MR. SEIFERT: Political reality is being independent, but I'm not talking about an effort to make Alaska independent per se in a political sense. I'm talking about a physical sense making it more self-reliant. I didn't say totally self-reliant. I said near complete self-sufficiency.

THE MODERATOR: This gentleman, and then Lois.

MR. PADLOCK: Back in January or February of 1973, I had the privilege of being associated with the legislature down there as a lobbyist and I enjoyed attending some of the briefings that the legislators see. There at that time I remember the legislature's consultants firm of Lipon & Leavy came in and spoke to the legislature and made some very fascinating predictions about what was going to take place in our country as a whole related to our consumption of energy from the oil producing nations of the far east. That was six years ago. Their predictions came through just letter for letter right down the line.

I saw Mr. Leavy in the hotel here yesterday and early this morning. And I'm wondering if perhaps his presence here was related to this get together. I was hoping that if it were perhaps we'd have an opportunity of hearing from him again because listening to what -- no. Mr. Lipton was here. Listening to what Mr. Leavy said back in 1973 was practically like reading from the gospel, I'll tell you. Because he told it like it is. And many of our concerns that we're articulating here today and are reflected in all these papers relate to events which we individually have little control over. But perhaps as a state, in view of our oil independence, we might have some future control over these events. And I think that anything we do is going to be related very highly to how

well we are informed. Are we going to be informed by him, by chance?

THE MODERATOR: He is in town, and he said he will be available.

MR. ECKHOLM: He is here specifically for this.

THE MODERATOR: is he scheduled to speak to the group?

MR. ECKHOLM: I talked to him yesterday and asked if he could be around for resources. I didn't give him a specific hour.

MR. McGINNIS: I understand, if I remember correctly, he will be addressing the World Council Affairs lunch tomorrow.

THE MODERATOR: We'll get him in and talk to us tomorrow.

MR. ECKHOLM: We'll try. We're scheduled for Resources Friday morning at 9:00 A.M., and we'll and get him then.

MR. PADDOCK: I would think everybody, not just this group, would certainly benefit by whatever he may have to say because these people spend all their time and a great amount of energy and effort into figuring futures, which is essentially what we're doing here.

THE MODERATOR: The future is big, I can assure you. The money, as Russ said, the surplus is upon us. And it's going to last at least another eight to ten years. Lois?

MR. PILLIFANT: I was just going to clarify. What Richard was saying, I think, was in view of what's happening right now in the world in energy and the rest of it, what happens to Alaskans if they can't feed themselves. And what's wrong with subsidizing agriculture like the barley project, for instance, at least so we could have the bare minimum of food at least. And maybe that's a gloomier doom type approach, but it's possible that this could happen to us.

When you say that we don't want to cut ourselves off from the rest of the 48, we don't. But up here we have a different problem than they do down there. If something happens to them, they can go out and throw some seeds out and grow a few carrots, but I don't think they can. When you're talking about self-sufficiency, you're talking about that sort of thing?

MR. SEIBERT: I think that's very much the case.

MS. STRASSBURG: I cannot see where we can be self-sufficient in Alaska until, or we cannot have a totally integrated economic, cultural and environmental situation without a better job climate. We must encourage jobs in the private sector. We can't have a viable economy if we have 90 percent of the people in our State who are government workers with Ph. D.'s. We need architects and designers to design our buildings, but we also need

qualified electricians, carpenters and plumbers who are proud of their ability to build those buildings.

We need to develop a method to use the knowledge and experience of our older citizens for pay. And we should set this up so that this does not influence anything that they now get as pensions. These people have hundreds and hundreds and hundreds of years of experience in this State. My own husband has 40 years of electrical experience in the State of Alaska. He is now retired and it's a shame that the State is losing his ability and his experience. This is a total waste of a resource that we ought to tap.

The people in these positions could be used in the context of the old WPA projects where experienced people were used to teach everything from learning how to play a guitar for your own enjoyment to learning how to preserve your food, how to raise a garden, how to start a business of your own.

A lot of you are old enough and some of you aren't to remember that these programs were very, very good. And we need the development of good technical schools. And we need them in other places besides sewer. We need maybe a small one in Nome, we need a large one in the valley. We need one in southeastern.

Along with this, what Mr. Merdes was saying, we

do also need to have our colleges come up with programs that will not only interest potential students, but will fulfill the needs that they will see in the future. I think these are important.

But we must have jobs.

In the valley right now, they're saying that the unemployment is 16 percent. That's a very false look at the employment in the valley. That is people who are registered in the employment office or are receiving unemployment payments. Those payments for many, many people have long ago run out. There are many people who haven't been able to receive unemployment benefits for over a year. This is a tragic situation. It's one of the reasons why we are having such a rash of crime and vandalism and burglaries also in the valley. These people have to eat and there is no place for them to go. So we must have jobs and we must have jobs that last more than six months at a time.

MS. PORTER: Rather than see a policy goal that says the State of Alaska should achieve self sufficiency, I think we should realize here that, whether we like it or not, we are local citizens. Whatever happens in Africa or the Middle East is going to affect us. The world has shrunk. There is no getting back to being isolated. We are not an island and we're going to have to live with it.

And we're going to have to be concerned about what happens in the nation and what happens in the world. And maybe that's going to be our only salvation. There are only a few of us and it's difficult to make our opinions felt outside, but we are global citizens and we're always going to have that situation here.

I am not opposed to subsidiary goals and seeing us increase food production or increase agriculture or the raising of animals, the making of oil deals that might cushion us from for a while when a real emergency does arise. I know the State can do that. There should be some kind of reserve for the State or perhaps some discount for Alaska residents. It's oil that's being refined elsewhere. The real freedom for Alaska is going to come in the form of economic freedom, when all of our people have jobs and can afford the goods and services that they need to survive.

MS. SHROYER: Going back to education, I believe that our educational and vocational trade schools should be upgraded and brought in so that we do have skilled Alaskans to work for our industries instead of having to bring in the skill from outside.

But although we will need some type of government subsidy to begin these things, I believe the private sector and private monies should be integrated so that we get out of dependence on government and government monies. I think

the private sector should be the ones in economic control.

MR. ECKHOLM: We're sort of getting off the initial discussion about physical self-sufficiency. Could we kind of go back and go over that and decide whether or not the group thinks that's a desirable goal or not?

MR. POMEROY: I think I can come right back to that. At least half of what Richard is suggesting, the self-sufficiency in energy, we have a great potential in hydroelectric power and we know that the cost of energy is going up the world over and we're not going to be immune from it here. And there probably is no better place that we could invest some of our oil earnings than in developing energy. And when we develop energy then, it will put us in a pretty good position with respect to some economic activities. And that, then, leads to the employment that the person on my left spoke of.

And I would have no trouble at all, Richard, in something in that direction. How about that?

THE MODERATOR: But let's talk about energy in this State and self-reliance.

Are we talking the same language here? Is the energy problem in Anchorage the same as in Bethel? I mean --

MS. JONES: No.

THE MODERATOR: Can we be self-reliant in Anchorage

and not in Bethel? I haven't heard anybody talk about the State other than sort of a very big blob.

MR. MORGAN: May I say something about the villagers. We are now in the process of producing foods locally in the villages. The villagers have asked for, and received, some help in village gardening to produce food locally. They're further at the end of the chain of supply and many stores there's a food scarcity. And in all cases there are insufficient nutrients in the villages.

The situation in the village might be reckoned or compared to the situation of the State. The villagers are interested in becoming more self-reliant and self-sufficient because they want to remain in the villages. They want to remain as much like they are as they can without making drastic changes and going to work in a factory 8:00 to 5:00 situation. This is one way they feel they can do this.

Regarding the total situation for the State and the fact that I feel nervous about our susceptibility to world events and so forth is a purely physical thing. I'm a glutton, so therefore I want to be sure I have food. Regarding the stance we are not an island, certainly we are a strategic outpost of the contiguous United States. We are strategically important. If we starved in a month's time, we are of no use to the United States. The only way

the Soviet Union civil defense exceeds us is in the fact that they've made provisions that their citizens won't starve as fast as our citizens. That's the secret that they hold over us probably exceeds in importance the nuclear missiles and so forth.

So I make a plea for not only Alaska to be more sufficient in food, I make a plea for the United States to be more sufficient in food.

I would make a plea for every human to make that adjustment, to try to be self-sufficient, because we are in line for some very real shocks.

I sound like a doomseer. I'm sorry. I reached the age where I can sound like that.

But from the standpoint of national defense, admitting, certainly, we are not an island. I want to survive more than the time that Safeway can feed me.

Thank you.

MR. HARVEY SAMUELSON: I'm Harvey Samuelson. I was President of Bristol Bay Corporation. What I would like to see on the energy deal on looking for oil is the State push for little topping plants so that they could be produced right there in the local areas.

Now, we have one trouble. No matter how much oil we find in Bristol Bay, we can't get over to deep water ports. All the deep water ports, President Carter, with a

stroke of a pen -- I'll get on the map here a little bit.

We got a lot of potential oil in this area. But we can't get to deep water ports down here. Bristol Bay is awful shallow. This is virtually all no man's land. With a stroke of a pen, President Carter made sure that we can't get through.

So we need some access all the way from up here down here. If we built this Western Corridor, there is no way to get to a deep water port.

THE MODERATOR: Is your idea of topping plants so you can use the fuel right there?

MR. HARVEY SAMUELSON: Yes.

THE MODERATOR: And of course employ people, I assume.

MR. HARVEY SAMUELSON: When I negotiated with oil companies, they told me that they can put up a plant that will come in a little askew and be pulled off with a tractor where they can produce 15,000 barrels a day with a little unit like that. It will be made and pulled to shore.

THE MODERATOR: Where would the oil --

MR. POMEROY: Where would the oil come from, Mr. Chairman? Where would the oil come from?

MR. HARVEY SAMUELSON: Up in here. Over here. There's oil never discovered. There's one discovered up at Nome they can put one in for Nome.

MR. POMEROY: Thoroughly practical.

MS. RICHCREEK: I would like to speak to the transportation. We would need transportation either by road or maybe even the railroad.

Whether it be for the use of energy, jobs, agriculture, communications, or whatever, we're going to need transportation.

THE MODERATOR: One of the questions on that Mike Rowan thing was do you favor any particular type of transportation.

MS. RICHCREEK: In the State of Alaska, I think it's impossible to have a specific.

MR. POMEROY: How about the major subject of Richard's?

MR. SEIFERT: I'd like to speak further on several things I think I could raise more clearly.

Energy self-sufficiency is so much more fundamental than a lot of other approaches you can take to a problem. It's been pointed out, Mr. Pomeroy pointed out something that I think should be restated. That is that, having energy of whatever source that is under your own control from within the State, be it renewable or nonrenewable, provides a common denominator of economics which allows you to have economic control over that. From this, as a common denominator substance, from my own personal perception, energy is more valuable than dollars, because you can do things with energy you can't do with

dollars. That's why I'm fundamentally religious about this whole prospect.

I think energy has much more significance to our economic system than most people are presently aware of. That is the reason I take this approach from the energy point of view. Because I think in fact our security rests more in the types and developments and control over energy than it does over control of economics. From the energy development will come the jobs. But if you look at the way our economy works, in essence, many more economists even are taking this approach, the idea of how energy and physical systems work to control economics. I State that for what it's worth. As another point in support of why I feel it's important to approach the idea from energy self-sufficiency because I think so many other things are tied to that directly, that it, being a prime force, would tend to drag us in that direction, if nothing else, but at least lead the way.

THE MODERATOR: Would you agree that Alaska is rich in fossil fuels, hydroelectric, coal? We've got them all. We're just abundant in energy.

MR. SEIFERT: I would more than agree. I would say we can provide for ourselves in any choice we make. I have personal preferences to that which Point Barrow advance to this argument.

The reason I think is important to keep in mind is we do have, I think, a larger cushion. The only thing we have this money situation is because we have the energy situation. The two are implicit in one another. We have the energy situation. I think it's important we have the wealth, both renewable and nonrenewable. We have a cushion. We can therefore decide from a much less emergency point of view which direction we choose to take.

I just think we have the cushion of nonrenewable. If we choose to go towards a renewable future, we have a lot more margin than other places.

MR. ECKHOLM: Would you say that's much more important than agriculture sufficiency?

MR. SEIFERT: No. I don't think it's more fundamental. Human energy requires food. The physics, whole process are implicit in food. We need those calories. We can't function without it. Without food, there's no use having hydroelectric dam if we all die.

MR. ECKHOLM: If we had a choice of what to spend our current oil-based money on, would you rather spend money to develop an agriculture base or to develop energy sources around the State other than oil?

MR. SEIFERT: I would choose not to separate those two.

MR. POMERCY: They are not mutually exclusive.

MR. SEIFERT: And should not be considered mutually

exclusive.

MR. ECKHOLM: If you had a dollar to spend on each of them, would you spend 50 cents on each?

MR. SEIFERT: I can't answer that.

MR. ECKHOLM: Somebody is going to have to answer that. The State legislature has so many billion dollars.

MR. SEIFERT: I don't propose to answer the question.

MR. SCHIRMER: I see, you know, a lot of things have been said that I'd like to kind of comment. One is I think when you're talking about making sure that people have a satisfactory economy, it doesn't necessarily mean job paid for service. It may be a job where -- it may be an economy based on their own activity that they sell to in the form of materials or something. But rather the economy is more than just a number of jobs.

And I think strongly that if we can develop our self-sufficiency in energy with hydroelectric or geothermal or whatever form, then we will be in a position where our cost to produce things are relatively lower in 15 years from now than people who were dependent on other forms of energy. So we will become much more likely to be able to do our own agriculture things, our agriculture products will begin to cost less compared to other people.

And I think, really, the energy thing is basic. And if somebody asked me the question you just asked, I'd

say sure, if you had a dollar to divide between energy and agriculture at the moment, I'd say 20 percent agriculture, 80 percent energy. Because I think the agriculture will come if we can get the energy, but not vice versa.

THE MODERATOR: It's about time, I think, to break for lunch.

You've all heard the self-sufficiency. I heard a word used twice, though, that I think is going to come up in the next three days, and that's subsidize. If we're talking priorities, are we going to end up talking some are going to be subsidized?

MR. PILLIFANT: Well, it's our money, we ought to be able to.

MR. HARTLE: As I understood the discussion that we are to have during this period was to more or less outline our goals and problems that we see rather than, at this point in the conference, come up with our recommendations for solutions. So that subsidize and so forth, those are questions that may come up later, and certainly will.

THE MODERATOR: You're absolutely right. I just thought I'd get my own personal word in there. Jerry?

MR. McCUTCHEN: If you're going discuss agriculture and you think it's an important thing for Alaska, then you better also discuss quality control because that's why we do not have a better agricultural base than we do. We lack

quality control. If you go down Anchorage, you look at potatoes that come from Matanuska Valley, you stand two-thirds of them spoiled, and people won't buy them. If you don't get quality control, there's no sense in putting money in agriculture.

Our big problems with fisheries are the lack of control. We've got a bumper grade of fish on the market. And we've been told so internationally. So until we decide to do a quality job, we better forget to do everything else. Stick to energy.

MS. PILLIFANT: The State is beginning to address that, the quality control, at least in the salmon industry. So they started to address that problem. And I was just going to mention fisheries a little while ago.

MR. McCUTCHEN: The quality control coming over of the Matanuska Valley. Is very poor. The military demands the quality to the military is different than others. The last bag I got was Nordic Farms.

THE MODERATOR: Don't get on agriculture. You'll have a crack at it later.

We have a choice after lunch. We can come back and finish this problem goals, problem attitude toward Alaska, or we can take this recommended finances this afternoon. What do you think?

MR. POMERCY: What is it?

THE MODERATOR: What do you have in mind in finance?

MR. ECKHOLM: The biggest question I see facing the State immediately is what we have now in a cash boom. We don't have an oil boom or energy boom. In the next ten to 30 years, the government is going to have hundreds of billions of dollars to invest. How that's invested and how that's used will make a profound difference on our future. And there are some very important choices that are going to have to be made this next year on how that money is used. Is it used to stimulate the current poor economy? Is it stuck away from Alaska so that we don't increase the population and we don't then have greater demands when the oils run out? Do we use it to stimulate housing, stimulate bottom fishing? Do we use it to build energy or do we decide that oil in the ground is a better investment than money in the hand and not develop any more oil? Those sorts of questions.

MR. POMEROY: Mr. Chairman, I suggest the sooner we see what can be brought to us about finance, about money, the better. Because we can hardly discuss any goal without in the background are you talking about subsidizing it, or are you talking about something else. So I'd suggest we go ahead with that and then come back to those others things.

MS. PORTER: I was going to suggest, if we had six days, we can spend three on goals and three on topics.

Since we only have three days, I for one would like to get on the topics. But the goal is fascinating.

THE MODERATOR: The you mean the only problem Alaska has is we have too much money?

MR. HASKE: I think as a parting shot I think is a sense of community I see lacking throughout the State. You know, you compared, for instance, during the 1950's when there was a cause that united people no matter where they lived. That hasn't been the case in the last 20 years. We've been all pulling in different directions. I think that is regrettable. I don't know what to do about it. But it is a fact of life.

MR. POMEROY: I was just going say finally, we should not write down Richard's and his associate's suggestions as being down to specific issues. They're big. I attended a conference on village gardens and it isn't village gardens, it's individuals learning to garden to improve their diet. And it's an enormously big thing having to do with quality of life on a whole lot of things.

So I would say that there's a subject we should not think of it as just some very specific issue.

THE MODERATOR: What's your feeling, then? When we come back, we talk about finance? Money?

MR. POMEROY: Let's get that out of the way.

THE MODERATOR: Do we need any help on that?

MR. ECKHOLM: I asked Belden Daniels, if he had the time, to please try and be here sometime this afternoon. He's a Harvard economist of extreme intelligence and has been working with the State developing things. He said he's real busy. He said 2:00 o'clock. I hope he is. If any of you know people who have expertise in the state's financial picture, please bring them or bring whatever resources you can use.

THE MODERATOR: When do we meet, now?

MR. ECKHOLM: I said Belden at 2:00. It's a quarter after 1:00. Is that all right?

MR. POMEROY: Sure.

(The proceedings adjourned at 1:15 P.M. for lunch and reconvened at 2:15 P.M.)

THE MODERATOR: Maybe we ought to start.

This is not preplanned, I assure you. But you people asked to talk about finance and I just happen to have three people who know as much about finance, I guess as anyone.

I haven't even told them this. I want them to limit themselves to maybe three or four minutes at most, and then have questions from you people about it, about finance in the State. And hopefully take as long as you want, but we don't want to consume our whole afternoon. I know they're busy, too.

Of course, Representative Russ Meekins is here, and he'll probably speak last of the three. He's the Chairman of the House Finance Committee and knows the finances of the State, obviously.

Belden Daniels is a professor at Harvard in finance. He represents both the executive branch and the State legislature on matters of finance and advising to them. He's had a long, very distinguished career in finance, so I'm sure you can ask him any kind of question.

And then Tom Williams, who was in charge of petroleum revenue for the State until recently, and now he's Commissioner of Revenue for the State. So he knows a great deal about it.

I see Tom Singer there from the governor's office, who is working on finance matters.

So we'll keep this informal. I'll first ask Tom Williams, and then Belden and then Russ.

Let me just say, if people have questions while you're speaking, let's do it that way.

Excuse me. I was going to say, Tom, you talk about the financial picture of the State, and Belden will talk about the world market and where we fit, and Russ could talk about the political implications, perhaps, of our picture.

MR. WILLIAMS: This has been sprung on me at the last

minute. It's all extemporaneous, so bear with me.

Our situation now is we have a lot of money for a little while, and then it's gone, unless we do something about it.

We have in the next 18 months probably something on the order of three billion dollars gross revenues coming in, versus, what is is it, Russ?

MR. MEEKINS: 1.3.

MR. WILLIAMS: 1.3 billion or so of expenditures for ongoing State governmental activities. The difference is a lot of money. The question is, really, what do we do with that money now, because, as you know, it comes from Prudhoe Bay. Right now our current budget, the income from sustainable sources rep-esents about 25 cents on the dollar. And we need to plan for the time when petroleum is not so plentiful, even though prices will be going up. Prudhoe Bay is so huge, when it starts to go down, it will take an awful lot of discovery to take up for the slack. In the 1990's, as the production goes down and the revenues go down with it, we will start dipping into the surpluses that we are enjoying piling up and piling up during the 1980's.

I believe that we need to broaden the base of our revenues so that, when that time comes, we're not caught short. That means a combination of two efforts. One is to hold back the growth of the State government to an almost

flat level in terms of the population, have it keep step with the population and inflation but not to increase at the historic groth rates; and at the same time that we use the money that we have available, not to subsidize uneconomic projects but to facilitate the development of economic projects up here.

There's a distinction between the two that's very important to grasp. It's not enough just to create losing jobs. That's activity that is illusory. We could do that by hiring more bureaucrats. In fact, that's the classic case, stick them in Juneau and Fairbanks and somewhere else. You can see it will not be a solution to the problem. When the petroleum money that's fueling the machine starts to dry up, the machine is not able to continue to function with those extra bureaucrats. The same thing is true if you have a subsidized program going on over that same period of time. Once the grease that forms the subsidy starts drying up from Prudhoe Bay, the machinery is going to come grinding to a halt. So it's important that we facilitate sound economic development up here. I think we have a tremendous opportunity at this time to do so, to use our money wisely, to bring in more money and to allow basically the marketplace it allocate where it's best to place it.

And that's just some general comments right now, but he asked me to keep it short.

MR. DANIELS: I want to echo a number of things Tom has said. I'd first like to go back to Russ' wonderful phrase this morning, that Alaska is facing insurmountable opportunities. It's a great phrase and one that I think during all these three days we ought to have very much before us.

I'd like to put it in Chinese, if I could for a moment. The Chinese symbol for challenge is a two-part symbol, as many Chinese symbols are. There's an upper symbol and a lower symbol. The Chinese symbol for challenge is danger on the top and opportunity on the bottom. And I think that's precisely the circumstance that you face right now.

I am working all over the world at the present time. I'm doing work in Europe, I'm doing work in Egypt, I'm doing work in Indonesia, in Massachusetts, and California, and a number of places in the Lower 48, and I can say absolutely and unequivocally that the single most exciting place, the most exciting political economy on the face of the earth today in terms of both danger and opportunity, in terms of the challenge from a public policy standpoint, is Alaska. If I had to give up everything else I'm doing in the world to be able to continue to play some small part in the working through of the issues in Alaska, I would do it.

But it is scary. It is very scary. I think I'm an optimistic person. This even at 8:00 o'clock you are going to hear from probably the most optimistic person in north America, Bucky Fuller. But I would also like to introduce a little caution for a moment.

And to hold it briefly, I was asked if I would comment on things around the world. Some of you have heard these ideas before, but I think they bear repeating.

There are three diseases which other nations in the world - and I think you should be referred to as a nation - there are three diseases that other nations around the world have caught almost fatally. And I hope and I pray that Alaska does not catch any of these three diseases. Let me very quickly and briefly describe them. And they relate to things that Tom said.

The first disease is the Dutch disease. What happened about 15 years ago in the Netherlands is that the Netherlands hit it rich big in natural gas just as you have at Prudhoe Bay. And what the Dutch did was what you may do, if you're not careful. And that is what governments almost invariably do when presented with this problem: Expenditures always rise to meet revenues. And what happened in the Netherlands is that just as with Prudhoe Bay after ten years or so, that huge natural gas deposit was gone from the ground, gone forever. And all that

Netherlands had managed to do was spend all of that money without investing it in ways that created a more vital economy. And they were left with this huge social overhead and no revenues to pay for it. Very dangerous problem, for which you have an opportunity to deal with.

I'd like to know, as Russ talked about this this morning in his I think very important opening comments, that that isn't to say there aren't some very important services, some very important opportunities that you have in terms of health care and transportation and so forth that you have to face to and that you now can deal with. But it's a balancing act.

Okay. That's number one, the Dutch disease.

Number two is the British disease. And the British disease is one that you also could catch. And that is a disease where you do as the British have done, as Tom warned about. And that is that you spend your very scarce resources, and I'll come back to that. Three billion dollars in a world in which we have commercial banks in the Lower 48 with assets of 100 billion dollars is not very much money in the world, not very much money.

It seems like a lot, but it goes awfully fast. The British have spent their wealth, including their new North Sea wealth, to try and bail out and hold up failing enterprises, or to invest in enterprises that should have

never started in the beginning. It takes two times as many people in Britain to build a Leyland car as it does to build any other car on the continent, and that is misallocating very scarce resources. It's the way of saying it's the Chrysler disease. And the shorthand of it is it could be the ALPETCO disease, or other diseases like that. It could be investing in things which really aren't sound underneath. And governments have a wonderful capacity for doing that.

Okay. The third disease is the newest disease of all. It's one I look forward to and Tom and I were just talking about. It's the Alberta disease. Alberta is Canada's Alaska. You and Alberta have a lot in common and you should talk a lot, as many Alaskans did at an interesting conference of the Alberta heritage savings trust fund about two months ago in Alberta. In fact, the largest number of people from the world that were at that conference that weren't Albertans were Alaskans, and that was very exciting.

The Alberta disease is this: The Alberta disease is keeping value in that money, in the three billion dollars, if you invest it.

The Alberta Heritage Savings Trust Fund is like your permanent fund. And it has grown in three years from zero to seven billion dollars. But in fact it is shrinking fast, very fast. Let me quickly take you through this.

There's no way that, once you take the oil and natural gas of Prudhoe Bay out of the ground, that it can retain the inflation-proof value that it has in the ground over the next 20 years. Your oil and natural gas in the ground is your most inflation-proof asset you've got.

When you take it out of the ground, it's going to begin losing value immediately.

Now, what value ought it maintain? The oil companies are making a 15 percent return on investment right now. We figured in Alberta that the Alberta trust fund should do half as good as that, seven and a half percent. Let me tell you in real terms in our inflation economy the Alberta fund right now is doing zero. Although I'd like to compare these figures with Tom, and he might argue with me a bit about that, my computation of your current rates of return in real terms this year for the permanent fund is minus two percent, and for the general funds is minus five and a half percent, in real terms.

Now, if you think about these three diseases, the first disease of the Dutch is the issue of consumption. The issue of spending some of that money now. There is an important function of spending it, but you got to do it very carefully.

The second disease, the British disease, is the disease of investment. And if you're going to do that, you

have to do it well.

The third disease is the disease of savings. That is, if you're not doing it right, you must do a better job with your savings.

Now, I'm tremendously optimistic. I think that you have a remarkably young and bright and energetic legislature. And I don't say that -- I mean, I deal with them all over the world, and I think I can speak for some real authority about this. And you've got an administration willing to think hard about it, and clearly you have a citizenry that's willing to think hard about it.

And to go back to our opening comments, you have a tremendous opportunity not to suffer from any of those diseases, but to take this remarkable wealth and invest it creatively not only for this particular generation, but for generations ahead in Alaska as well.

MR. MEEKINS: Let me try to stick to information and not give you a speech here. I know you don't want that, and it shouldn't be. But I have some disagreements with some of the things that have been said, although I'm glad that these people say what they do, because we need people like that.

But last year at this time the Department of Revenue was predicting a 65 million dollar shortfall, and now they're predicting for the same period a 900 million

dollar unanticipated revenue; 900 more than we will need. There's quite a difference there.

You all know the international circumstances that have led to that. They're currently predicting about three billion to 3.9 billion to the end of the fiscal year, which ends June 31, 1981. That's the money we're talking about. There is expected surpluses for the next five or ten years, depending on how you indicate even under the Commissioner of Revenue's projections.

The reason for the disparity is, although a lot of people who have projected they didn't know Iran was going to have a revolution. But something was going to happen somewhere. Our consultants told us it was a Iraq. Maybe Iran is going to be next month. We still know that oil prices are extremely likely to increase tremendously over the next 18 months. And that is really not being taken into consideration by these projections, and it shouldn't be.

We need to project based upon what we can realistically believe what is going to come in, we have some sort of proof or honest belief and not plan to spend money we really don't have yet. So it's not right for us to do anything except this sort of base case analysis and projections. But in terms of your thinking, I think it's important to know that the revenues may be much greater

than that and the problems that are being pointed out are minimized if those revenues are greater. It is true that we're wealthy for a time and that we're going to be broke eventually, possibly.

But it used to be that that was going to happen in 1987, and then it was moved to 1992, and now it looks like 1995 or 1994. In some scenarios it looks like 1995 before that cross-over point. Every time the oil prices increase and that price is transmitted to the State in its wellhead, that cross-over point gets farther away. So the crisis is put off, and it's possible for us to do something about it, to do exactly what the commission was talking about, getting into renewable resources, talk about diversifying economy, and broadening the economic base. We cannot survive forever on a finite resource. But if it's seven years away, we're in real trouble. If it's 25 years away, we got a little space. If it's 40 years away, we got more time than we really need. I think that makes a big difference.

The Beaufort sale, we're looking at 80 million dollars. Just talking to some of the experts around here in this place, I've heard the possibilities are much, much greater than that. Because of the windfall profits tax, the oil companies are likely to have to give that money to the federal government if they don't invest it in the

Beaufort sale.

So if the sale goes forward, there's a real chance there will be more than 800 million. And it might be double that, or two billion dollars, even though we got a sale put together that supposedly differs now downstream by the way the sale is put together. In fact, Milton Lipton told me that he wouldn't be surprised if some people would give 100 percent under the net profits, they would bid 100 percent of their profits to the State, if they could just get access to the oil. That will tremendously increase our revenues if there is any revenue at all in the Beaufort. You also got the wellhead price.

Taking over ALPETCO, they've got revenues of four billion dollars this year and a net profit of 350 million. So he knows something about it. His people are projecting that the wellhead price, which is now 13 dollars a barrel, will go by October of 1981 when it's fully decontrolled and the State will be receiving that figure, would go to $41 a barrel. That's the wellhead price from the 13. That's his actual projection that he's basing his investment policy on. And you know they've been pretty successful. So you can take that.

MS. PALMQUIST: The $41 per barrel is of which date?

MR. MEEKINS: October of 1981. I think it's 30 percent decontrolled in July and then four and a half percent a

month. And it ends up it's fully decontrolled by then. Some may or may not be transmitted. I'll get to that in a minute.

If we got all of that, that would be a pretty big jump. And we guess that the average for fiscal year 81 would be 28 dollars a barrel. So almost double what we're getting. Yes, more than double what we're getting right now. So the 1.8 billion we're looking at in terms of oil revenues would be 3.6. So it would be more money per year coming in. These things could change. It depends what happens even today as the Iyatollah is fighting the Khoumini.

The other thing is that some things that could really hurt us. The windfall profits tax can hurt us. Worse than that, I think, the fact that we're making out on the misery of the people in the Lower 48, all of our oil is being sold down there and they're likely to be going into a recession, and possibly a depression. The whole world may be going into one, according to the people that have been giving recommendations to the commissioner and myself. If that's the case, there is a real chance that they'd get upset by the blue-eyed Arabs and wipe the whole thing out.

The depression itself, depending upon how OPEC responds if there's a worldwide depression, and if it's serious and lengthy, that's what the prediction is now, from the people I hear and respect, OPEC has two choices:

They can let the price go up, or they can try to help out the depression by keeping the supplies stable and letting the price go down because of the depression. It could decrease oil consumption because of lack of activity. It depends on their response, whether or not our revenues go that high. We don't know what OPEC will be doing. Maybe the Saudis are very concerned and if they won out they would try not to maximize revenue and try to keep the supply stable. But who knows who's going to do what.

Two more points, quickly. We've got 3.5 billion dollars, according to this base case estimate for the next 18 months. I've got 8.5 billion dollars worth of requests on my desk right now and the legislature hasn't started and it's 18 months away before the end of that period. It's only about two months people have been thinking. I've got another four billion dollars in request for bonds. So there's 12 and a half billion dollars worth of requests, and three and a half coming in. That's an insatiable appetite. There's the Dutch disease, and definitely some people have it.

The sixth point is that, in my thinking - I can't resist saying this - it's really kind of cheating. When you make a list of priorities, the most important things are the cheapest. And the most questionable in terms of benefit to society, benefit to Alaskans, are the most expensive.

And I think that you can really maximize benefit to the State if you keep that in mind and don't suck in for those billion dollar deals that are whack, where all your money goes into two projects and you haven't addressed alcoholism and social problems. I think that's a good rule of thumb.

So thank you for listening. And if you have any questions, I'd be happy to answer them.

THE MODERATOR: Thank you very much, gentlemen. Now questions. Ed?

MR. MERDES: Go on, Harold.

MR. POMEROY: It's certainly most encouraging to hear you think how our revenues are going up. But as they go up, is not the great value of that what's modified a great deal by inflation and by much higher costs of doing everything in Alaska?

MR. MEEKINS: I don't think so. Certainly, but our commodity is going up faster than inflation. We were in a totally new era and I think people have to change identity. We're going to be in pretty good shape. We need to look at those opportunities and not screw up.

MR. POMEROY: You believe the world situation is so different as to the shortage of oil from the effect it will be on here we're the gainers?

MR. MEEKINS: We've got 2.5 billion dollars in the banks and financial institutions in the State. We have got

more than that revenue. You can infer from that we can affect our economy in a positive way, and the question is should we. But we certainly have the capacity to be immune from the outside effects.

MR. MERDES: The last figure was we've got 900 million. We heard the same thing from Wolvert, when he was commissioner. What happened, the conference made up its mind that they were going to address human values. They spent the 900 million.

But I think you ought to be more positive. As a member of this conference, what I'm thinking, I'm thinking probably Russ is more right than you are, not because he's optimistic, because he's a realist.

You hear all these predictions of doom. You economists. You give me three diseases. I'm not criticizing. You ought to say let's assume do we have a surplus of wealth. Let's assume Russ is right. What do we do positively so that we don't go into the tubes, instead of telling us we're going to have Dutch and British diseases. What if we get three billion and we've got so much money we don't know what to do with it?

MR. DANIELS: I'm an extremely optimistic person in everything that I'm doing. It's a warning from experience in other parts of the world. I happen to be very optimistic about your situation. And nothing Russ said do I

fundamentally disagree with. We've been working together too long.

MR. MEEKINS: Getting information from him.

MR. DANIELS: I think you have a tremendous opportunity, one, to invest a portion of this in human development. Because in fact in the end financial capital and physical capital and natural resources don't mean anything. It's people that really count. And that's where the consumption investment should be going, in my judgment.

Let me just go down the three quickly.

One, in terms of the Dutch disease, there are real investments that you need to be making in people. And that's where the consumption ought to be going. I think that's where a lot of these things are.

And we like to make one other observation: Next month I'm going to be working in a country of 100 million, now 150 million, in Indonesia, that has a span on the face of the earth that is about two-thirds the span of Alaska. The cost of interest structure investment here, the cost of communication, transportation is higher. And you have to pay of some of that. Frankly, when I see what has been done with the 900 million, I don't believe there is a waste. When you fly into Hoonah and that airport, it says right on it built in 1970, and that was part of the 900 million. That's one, on consumption.

Two, on investment: That is the British disease. The positive side of it. I just want to reemphasize what Russ said: Don't invest in billion dollar deals. I can tell you emphatically around the world that if it's a big deal, the private market can finance it. And don't you get sucked in unless you're going to make 31 percent return on the pipeline, the natural gas pipeline. Where the real need for investment in this State is, you do have a real capital shortage, a real capital shortage, and it has to do with small enterprise, and particularly small enterprise, which is rural enterprise in the bush.

And because of capital market problems in the Lower 48, there are foreclosures on mortgages and foreclosures on businesses that are taking place in Anchorage right now which are not because the underlying business is no good or because the family can't pay for it. It's because the banks don't have the money. You can deal with that money, and you've got some new mechanisms to deal with that.

Three, that is, the Alberta disease, you have an obligation which I think you can do to meet the standards of a world class institutional investor, which is what you are. You've got to play like the big boys. You want to get out of the short-term debt securities that you're in right now, develop a balanced portfolio in foreign equities as

well as in domestic equities.

So I'm very optimistic on all three counts, and I think we're working on all three of them.

MS. PALMQUIST: I have a question: Recently we loosened up 50 million dollars in State funds in order to encourage the homeowner mortgage situation. Would that be a good type of investment which would be not only property but also people oriented to increase that amount of money?

MR. DANIELS: Very specifically, at the time that that decision was made, Russ and the governor had no other alternative but to use the general surplus funds as a source of that. They were out of session and that was the only source they had. And it was a wise decision.

In my judgment, starting with the new session in January, there are better ways of using that 50 million. Because when you're putting that subsidized housing, when you're doing that with the general fund, you're not getting the value that you might get with alternative investments. But you can import capital for housing, and for the bottom fish development and for agricultural development and for small industry development through the expansion.

MS. PALMQUIST: You said import money. Isn't that one of our problems, is importation of money?

MR. DANIELS: No. You want to import money. You haven't been doing it, and you can do that. And there are

mechanisms for doing it that work with the banking system. I think very serious attention is being given to those by both the administration and the legislature.

MR. MEEKINS: That's right.

MS. PALMQUIST: There's quite a feeling among us taxpayers that we want the permanent fund invested in Alaska and not have other states where our money is outside get the benefit of the development potential from that investment.

And you said we should import the money. But at the same time, we're looking at, in the next 18 months, three and a half billion dollars. So why do we need to import it if we have excess?

MR. MEEKINS: Because you can make your money, do that much more and besides. If you wanted to make loans available, for instance, at nine and a half percent, you'd be losing four points. Four and a half, five points, okay, percentage points on doing that. Now, we just both did it, so we're all in favor of it in a crisis. But if you do it with State money, you lose that. If you want to go in and subsidize, you can actually appropriate a subsidy. You can borrow money at some sort of, hopefully, tax exempt, but at least taxable rate, bring it up at a somewhat lower rate than your opportunity cost, which is your investment rate you'd get. And you end up making more money that way.

Should you bond, or should you cash? The same thing. If you bond, you borrow the money at seven and a half, eight and a half, right now, and you can take the 100 million and you invest the 15. So you make money.

As long as the short-term rates are higher than the long-term rates, you should make cash. Right now it makes sense to import.

MR. DANIELS: Could I give one more illustration of that. Right now your direct loan programs in the State are the second biggest in the State. It's at nine and a half percent or less. Every one of those loans could be made by an expanded and improved Alaska industrial development authority, very similar in fact to Senator Hohman's SB 1 bill; very similar. They're wonderfully close ideas.

And a way which, generally speaking, would produce a lower rate than nine and a half percent of tax exempt revenue bonds from the Lower 48, importing all of that capital from the Lower 48, then putting the several million dollars back into the general fund surplus, going out and investing at the world market rate.

MR. POMEROY: Russ, you said State dispersements in 1992 or 1995 might catch up with the money available. Is there something we should pay attention to in that direction with respect to having money that is saved?

MR. MEEKINS: I think so.

MR. POMEROY: Or invested.

MR. MEEKINS: I think two things. We ought to have a sizable permanent fund. You can't invade the permanent fund without a constitutional amendment. You've got 25 percent going in there, or more. Then I think you ought to have a rainy-day account, six to twelve percent of the operating budget. Appropriate it now, keep pace with inflation by earning investments. It wouldn't be as sacrosanct as a permanent funds and you, couldn't do it on a whim. But it would be halfway between surplus money sitting there for the legislature to spend. And the permanent which the legislature can't get their hands on.

Somewhere in between, if the governor has a problem, break the bank if the pipeline busted, you have some sort of contingency fund, 99 percent of our revenues is coming out of the pipeline. The wind and the cold almost shut it down last year. We almost had the longest stick of Chap-Stick in the world. We need a contingency fund, as well as the bottom fish, all the things people are working on, and then keeping down the operating budget. There's the real key. Anything that is compounding to infinity.

MR. POMEROY: One final short one, if I may, please. What do you think about the idea of a constitutional amendment which the put an absolute lid on our growth, holding down population?

MR. MEEKINS: I'm against it.

MR. POMEROY: So am I.

MS. PALMQUIST: So am I.

THE MODERATOR: Rosemary, did you have a question?

MS. PORTER: I was going to ask what the cure was for the disease, but it's been answered.

MR. DANIELS: You're already moving in that direction. The resources corporation is one of the most exciting by any government. Taking that, investing it and diversifying the economy into renewable resources, very exciting commercial fishery, is a good start, with an excellent new board and a very strong management. These are the possibilities of some of the new institutions that we were talking about. And this is the year of decision on these things. And I'm very optimistic.

MS. PALMQUIST: Isn't there another fund called the renewable industries fund that comes out of the profit? What's the percentage on that?

MR. DANIELS: Five.

MR. ECKHOLM: I have a question for Belden. What do you think of this proposal that came out in the paper last night for Alaska to take care of the nation's energy needs by developing fast and pumping out four and a half or five million barrels of oil a day in the next seven or eight years?

MR. DANIELS: My strategy is stave that off until deregulation. American oil is subsidized right now at somewhere between a half and a third of the world market price. And if you talk about the spot market, it's even worse than that.

Every time you take it out, you're getting less value. Wait until you're up there. You really do have the one asset that beats inflation where you're getting a market price for it.

MR. MEEKINS: As Milton Lipton pointed out in his paper, in the last ten years, not one drop of oil or gas, the total reserves have not been increased in ten years, but the value of our resource has increased ten-fold. So we're sitting pretty, but they're in bad shape down there. The perception in the Lower 48 is that we're closing the tap down on them just like the OPEC nations are. So we've got a public relations problem that needs to be dealt with. Maximizing revenue and conservation of the field with the possibility the federal government may just get angry and nationalize your field. And they can do that.

MR. REAVES: How do you think we in Alaska can best foster and encourage outside investment within Alaska in order to help us sustain a long-term diversified economy? Such as taxing, say, land, so forth.

MR. DANIELS: Well, I could tell you categorically on

the basis of all kinds of analysis. That is incentives don't work. You've seen you can tax the oil companies at a high rate and they're sure interested in Beaufort sale, as far as I could see.

I think the sound management of your government and a willingness to deal much in the fashion as the Japanese do and really a vigorous direct dealing between government and business, that is, large government and business, and a lot of support, again optimism, a lot of the use of these resources to support large enterprise within the State, which I think you're really starting to do in a big way, all three of those.

MR. MEEKINS: There's been some research done for my committee that small business is more profitable for not only the State but for the people of the State in the long run. I think it would be much better to utilize our wealth for leverage in benefits to creation of small business opportunities for just the average person than it is to get these multinationals. Those people are going to come. Whether we encourage them or not. I think we ought to help out the smaller person that actually is living here, whether he's a fisherman or a grocery store owner.

MR. DANIELS: I support all of that 100 percent. Just to take a specific, take the bottom fish industry. The thing that scares me. It is going to develop. There's no

question about that, the issue is who is going to develop it. Is it going to be be a Japanese-based industry, a Seattle-based industry, or an Alaska-based industry, and the State can have a great deal of influence on that. It requires being very realistic about that. I see Albert Asterbach in the back of the room.

The State has to be very realistic about that. It is going to be a mixed development. It is going to be both offshore and onshore, both large scale and small scale.

That means creating the Alaska Renewable Resource Commission. It means creating an agriculture bank to finance boats and offshore facilities. It means the new proposal for an extended industrial development authority which can do that with the banking system. And then it means a very systematic development of infrastructure, not on a log rolling basis or a pork barrel basis but in terms of really where the State industry is going to go. The state has the role of being the manager in collaboration with the fishing industries.

THE MODERATOR: You ask for information on finance. I think you've got a lot. Do you want to stop here? These people are going to be around, except maybe Tom. You won't be around.

MR. POMEROY: One piece of information might be useful. I think we don't have as full an understanding as we should,

Russ, of the levels of revenue the State will get from the several ownerships of oil that may be developed. The big headlines have to do with develop on federal lands. Well, we have three ownerships on land and then one on the water. Could you just briefly indicate what levels of revenue we get from those three sources?

MR. MEEKINS: You mean Prudhoe and --

MR. POMEROY: No. I meant this: If it's ours, if it's our land, we get all the revenues, that is, all the taxes and the royalties, et cetera. If it's on federal land, we get less than that. If it's native, we get something different.

MR. MEEKINS: For potential developments? The only one we got, Prudhoe Bay is the one that we're talking about here.

MR. POMEROY: Yes.

MR. MEEKINS: The Beaufort is unknown. Who knows what we're going to get from the Beaufort. We got some State land there, some federal land and some joint. So the commissioner could tell you.

MR. NASKE: It's about 60 percent State, and the rest, the 40 percent there's some dispute between the federal and the State. And only ten percent federal.

MR. MEEKINS: We tried to pass a tax. I don't think we're going to win that one.

MS. PALMQUIST: Is there quite a potential from Lower Cook inland?

MR. MEEKINS: That's what they say. Also a potential from Matanuska Valley.

MR. NASKE: The federal government now for years has been drilling these big caverns in Louisiana or Texas and pumping oil into it. It has a fiasco from every standpoint. It might be well for Alaskn to say, "Here, we've got a field which is in place, leave it in and pay us for keeping it in the ground." Because, see, if all the construction costs and uncertainties of shipping, it is there for a rainy day.

MR. DANIELS: I'm one of those Lower 48'ers, right. It's funny. Everything I've been responding to as a Massachusetts person. I don't bleed for the Lower 48. I think they're bleeding themselves to death. With the subsidized energy policy, which encourages a misallocation. Get on a freeway in any American city down there and see all the single family people. Bill Spear had a great line in his paper here, where he was defending an alternative. He said what could be more ridiculous than moving a 40-pound child three blocks in a three-ton automobile.

I think we want to get the price of oil up for the benefit of the Lower 48 so they learn to conserve and live within their means and pay that price to you. And I

think we can afford that.

MR. MERDES: Before you leave, I was in the Senate when Governor Egan sent a bill down to take over the Alyeska Pipeline. I voted against it. I think it was ridiculous. I don't know if I would have now. We would have had so much money we wouldn't know what to do with it. Now it isn't as silly as it sounds. Because you have another point of another oil pipeline. You have the gas pipeline.

So the question I'd like to ask any three of you, you got to blow your mind and think big. Because learning from history, what would you guys recommend to the Governor and the legislature right now on whether or not the State should have a personal financial interest in the oil line and future oil pipelines? What's your answer, in light of history?

MR. DANIELS: I have a strong position on that.

MR. MERDES: Go ahead. I'm very interested in this. I think we made a mistake and should have taken an interest in the Alyeska. I don't know what your position is.

MR. MEEKINS: I like the net profits as a way of without taking the risk yourself and getting into what is private enterprise, which is I think is a controversy whether the State should get into this. Say you share in the net profits. If I have 50, 60, 70 percent, we're sitting pretty.

The gas pipeline, we should either not invest a penny in it or we should be just like Exxon and get ownership shares, management control and everything else that any other corporation would get and play the hard ball. And that's Belden's line. I couldn't agree more.

If we're going to go in 400, 500 million, we're not going to do that just because we want a pipeline. Do like the big boys do and get all the benefits. Because that could do a lot of other things. It's either nothing or we play the same hard ball that all the major corporations do and get all the benefits.

MR. MERDES: I'm interested in you, Tom, and Belden.

MR. DANIELS: I'm going to wait for Tom and take the third.

MR. WILLIAMS: I don't know whether we would say that would be a super investment. The federal government is regulating that. They changed the rules since 1941, and very suddenly they have changed the rules on the producers. And I think you would find that even though there may be substantial pipeline profits being made with a $6.20 tariff, the possibility of a dollar a barrel refund on the billion barrels that have moved through that pipeline is looming in the backs of the minds of a lot of corporate owners. You look at how the federal government has helped us so far and you ask you whether you want for plunk lots and lots of

money where you're at their tender mercy.

MR. DANIELS: First of all, Russ and I are very, very close on this. And Tom's comments I find very interesting.

Well, any time you can avoid dealing with the Feds, do it. That's a fundamental rule.

I have a couple of quick observations. One, I am really a net profit person in this business. I think that's the way the Beaufort sale should be done. I feel very strongly. I think there's a tremendous amount of wealth out there in the Beaufort sale that the oil companies are being very careful to keep under wraps because therefore they can sell the leases for much less. I took a cab the other day to the airport with a roughneck who had worked up there and said that one of the wells came in, one of the test wells came in at 40,000 barrels a day.

Now, I don't know whether that's true or not. But you don't have to worry about that if you're in a net profit position. Because you're going to get that. That is playing hard ball. There's a variation. The British disease, which is called lemon association, lemon, as in lemons, which means that everybody else gets the oranges, and we get the lemons.

That's the point with regard to the natural gas pipeline. Natural gas is regulated in a very different fashion from oil. And I don't know enough to say whether

the risks are less or greater than they are in the oil pipeline. But you do know that the equity investors in there on an after-tax basis by virtue of the regulated rate should be receiving a 31 percent return on investment. And what scares me to death is just what Russ said, which is the way the State would get into the natural gas pipeline, is a heads-you-win, tails-I-lose proposition, where you come in and you guarantee the loan. So if it's a loser, you pick up the pieces. And if you win, you lose the profits.

MR. WILLIAMS: I don't want to sound I'm in disagreement with that. I don't want the impression to linger.

I don't think that we bureaucrats are completely stupid all of the time. We can be completely stupid a good part of the time, but --

MR. MEEKINS: Law of average.

MR. WILLIAMS: Sooner or later we have to wake up. I think a deal where you get somebody who comes in and says, "I got a six billion dollar project. I want you to put in $500 million. I'm going to come up with one billion as equity and finance the other four and a half as debt, and I'm going to get a 100 percent tax credit, which is worth 600 million dollars," or says "I'm going to get 100 percent of the accelerated depreciation benefits, which is worth 300 million dollars in the first-year tax benefits," he

says, "I get the first year interest writeoff." He gets a deal like that, so in the first year, he gets a million dollars back. He has the unmitigated gall to say, "How would you like an equity position at nine percent?"

Dumb as we are, we recognize that as a bad deal.

MR. DANIELS: First of all, I don't accept that last remark. I do feel the state's approach to the northwest is quite crude.

I'd just like to quote to you the other day when Mr. McMillan was testifying before Representative Young on this issue in the house, he suggested that the State ought to put in one-eighth of the equity investment because that was what the royalty position was. And Representative Young turned to Mr. McMillan and said, "Well, does that mean that we share one-eighth in the profits?" And Mr. McMillan responded, and I quote, "I'm sure that's negotiable."

THE MODERATOR: Thank you. Thank you very much.

That was a lot of information.

MS. PALMQUIST: Right.

THE MODERATOR: But I do agree sort of we're talking about all this money we have and yet we're trying to attract more money from outside. I understand what they're saying. They're talking like bankers, and I think maybe that's one of the decisions Alaskans have to make. Basically they're saying be a bank, be a big lender, use

other people's money.

MR. REAVES: I think we should.

MS. PALMQUIST: Mr. Chairman, one thing that we did not address was the dangers involved in whatever type of controls we put on that permanent fund. Who controls the funds? What's the setup going to be? We didn't address that at all. How are you going to administer the fund? I use the word "control," but maybe "administer" would be better.

MR. POMEROY: That's all pending in the legislature, is it not?

MS. PALMQUIST: We didn't explore that with the finance people.

THE MODERATOR: Tom, can you answer?

MR. SINGER: There's a law on the books right now, which is referred to as an interim management law. It was passed when the constitutional amendment passed, an implementing law was passed by the legislature. And it has the Commissioner of Revenue manage the fund in the same way, virtually the same way as the state's general fund. So it's on the books in blue chip investments, and things like that.

One of the very big issues in that session is what should be a permanent management strategy. It's a completely open question.

MR. POMEROY: It's a holding action now.

MR. SINGER: The administration has the bill for the

past three legislatures. And the house and senate have been unable to agree for three sessions now, and there's hope this session they will be able to agree.

THE MODERATOR: Well, I think we've been told we have so much surplus money. We've got so much set aside in a permanent fund, like Alberta, and then we've got the following surplus. How are we going to spend it?

I think Harry gave me that idea. Is that basically what we're talking about?

MR. POMEROY: Not quite. It seems to me not quite how we're going to spend it. I listened very carefully to what Russ said. He didn't say it's how the 25 percent has to be handled, but it seems to me he indicated that we did need to build up a cushion there. And we didn't have a chance to explore that very much.

MS. PALMQUIST: Jack said what we're looking at now is the five percent permanent fund, the five percent renewable source, and three and a half billion would be the fund. You've got not one source of money, you've got several sources of money? I got that from what you said.

THE MODERATOR: That's right.

MR. POMEROY: It should be understood 25 percent isn't 25 percent of all of the income from the sale of the oil. It is 25 percent of about 50 percent. That is to say, it's the royalties and the rents and those things.

But the severance tax, which we put on, and the pipeline tax, that's related directly to the production of oil and whether it's this much or this much. So actually it's 12 and a half percent of the total of the monies that we're talking about. And that should be borne in mind whenever there is discussion as to whether we should save a lot, or less than a lot.

MS. PALMQUIST: Well, the 25 percent of the royalty; 25 percent of the royalty income.

MR. POMEROY: It's 25 percent of the royalty income and the rents, and certain other minor items.

MR. ECKHOLM: Could we kind of start to focus the discussion. We've heard a lot of information. We would like to start having recommendations from the group as to what you want to do with our money. It's our money. No matte. what the experts say, it ultimately rests on us on how to spend it. So could we make recommendations on it.

MS. SCHIRMER: Can I toss out as maybe one of the things we might be able to agree on is whether we would recommend, as Russ Meekins said, a rainy-day fund, an amount of money to try and be kept available not in the permanent fund but in case of disaster.

THE MODERATOR: I think he said a six-month rainy-day fund.

MS. SCHIRMER: Yes. A rainy-day fund equivalent to six

months of the cost of running the State.

MR. PILLIFANT: What would a rainy day fund be used for? What would a rainy day be?

MR. ECKHOLM: If the oil pipeline were shut down.

MS. SHROYER: Or maybe results like Wednesday from our last storm in the southwest.

MR. PILLIFANT: You get into a real -- somebody would have to decide what the rainy was, if it's just the pipeline or if it's the big wind like out in Parma.

MS. SPARCK: Mr. Chairman, I feel like I'm the only nonfinancier in this room. I'm hearing that the State has surplus money. What is to be done with it is the question, and how.

And from what they were talking, there are financiers, or whatever you call them, and then there are concerns from the state's citizens. These concerns I feel that we should talk about, and these concerns should guide the financiers, or whatever they're called.

THE MODERATOR: Go ahead.

MS. SPARCK: I feel that we should start talking about some concerns.

THE MODERATOR: What kind of concerns?

MS. SPARCK: Like education, is one; health is one.

THE MODERATOR: They were talking investments, weren't they? Get your money invested so you could make more money

or protect it so you don't lose it. You're talking about something else, maybe?

MS. SPARCK: Maybe I am.

THE MODERATOR: I think you are. Go ahead. I don't want to shut you off.

MS. SPARCK: That's what I'm concerned. Are we going to talk about how to spend it and how to set up the whole financial setup? Is that what we're talking about?

MR. ECKHOLM: As I understand it, there are choices that we have to make which are. We can increase government services if there is a perceived need. But what are the needs?

THE MODERATOR: Harriet, go ahead.

MS. SCHIRMER: I'd like to maybe -- you have trouble with finances, too. But I think when you're looking at your funds and I'm looking at mine, I have to be able to see what there is and then I have to be able to think now do I want to spend it out this year, or do I want to put some of it away into some kind of an investment next year, so I will have something that I can use in case next year I'm sick and unable to work.

And I think what I'm envisioning at this point is maybe thinking about that kind of division, and then when we decide how much we are going to have to spend on the things that we need, then we sit down.

MR. MOORE: My name is Martin more.

I'd like the idea of establishing a permanent fund with the funds that are received, that we are going to be receiving from the oil on other revenues that are coming to the State, provided that the permanent fund be what is called the permanent fund. Because the financial world at times loses monies, but if I am assured that certain funds that are put into the permanent fund are put in like, for instance, A-bonds, triple-A-bonds, and double-A-bonds and things that will be secured that the permanent will be a permanent fund.

Do you know what I'm saying?

So that the monies that are derived from the permanent fund would be sufficient enough to provide some of the needs as employment. I think that the monies that are derived should be used to create employment and employment will, when it rolls and rolls over again, will support the economy and whatever we're talking about, or within the State.

So my idea is to come up, this body come up with a recommendation to support the permanent fund. That's my recommendation.

THE MODERATOR: Support the permanent fund at the level it is now, the 25 percent of royalties? Or more?

MR. MOORE: Whatever the most appropriate formula

would be to satisfy some of the needs in education, employment, et cetera. But the idea of getting a permanent fund would, I think -- we have enough funds to establish the permanent fund and keep the fund there and the funds will keep making money to support the other programs.

THE MODERATOR: Rosemary?

MS. PORTER: Well, as I understood, then, we have already established the nest egg. We have the permanent fund. Now, that's going to live forever and hopefully it's going to be wisely invested and we're not going to be losing five percent on it. It should be earning 15 percent or more on it. And that will provide additional ongoing income that we can use.

Now, assuming that we've got the permanent fund with all this billion dollars in it sitting there growing every year, earning money, and assuming that we continue pumping oil for another 20 years, that's going to be growing. That's what we have. That's the nest egg for when we retire, in a manner of speaking, when the oil dries up and we don't have any more, that's what we've got left over. And it's earning money.

Then Russ was talking about a rainy-day fund. That's in case we have some kind of a disaster, the oil stops flowing and we need money to operate the government, the general fund for a year. That sounds totally reasonable

to me, so that we don't have to have an act of Congress to get into the fund. We've got a rainy-day fund so we're pretty much protected.

So it appears to me what we're looking at are the monies. The economist says the three things we should be investing in is human services, investing in people. To me that means jobs, training, whatever; public works. One of the economists talked about an airport in Hoonah. And he also mentioned small businesses that create additional revenues for the State are very good, they help the economy of the State, create jobs and all of that.

So it seems to me that those might be the areas we're looking at. We're looking at I don't know how many billions of dollars for the next ten years. So we might start looking at the kinds of things that we'd like to do with the surplus money.

We're already established our savings account. In fact, we're talking about maybe two savings accounts. So let's look at what we're going to do with the rest of that money.

Now, are we going to invest it, as one of the economists suggested, instead of using the money to put into bottom fishing and all of that? I honestly don't know. I'm not an economist. I'm not dealing in high finance. It sounded very reasonable to me. Borrowing money here for a

lower price and investing our money and making 15 percent sounds totally reasonable.

So we're left with the couple of billion dollars to put into the State, into the people. It seems to me that we ought to begin looking at those kinds of things. Where would we put a couple billion dollars?

And if we're going to do that, everyone says you're going to be left with a white elephant. When the money dries up, you create huge institutions, huge expensive educational systems. Are we going to be able to afford them when we don't have the billions of dollars anymore?

MS. SIMONDS: Some of our money should be spent in trying to develop things that will finance us after this decade when the oil revenues might be a lot less. So we should think in terms of things that will bring financial security beyond the future.

One part of the money should stand for that.

MR. SEIFERT: I want to reason this out and get something straight which is not straight in my mind about the permanent fund. I think it's clear we've been asked to recommend whether the permanent fund remain the same or be more. From my point of view, it's kind of exclusive from other revenues.

Because if you look at what the permanent fund

does, it takes money, invests it at at high percentage rate of interest, but that rate of interest is very, very close to the present rate of inflation. Even if it's 15 percent, it's still very close. And the net gain on the permanent fund isn't going to be a hell of a lot. It's just going to get sort of put in there and kind of idle along. And there will be maybe one or two percent accumulation on an annual basis if we retain the present rate of inflation, which it seems we're destined to do.

So I think the question becomes one of do you just simply set that money aside and it just kind of idles there, and what percentage that should be. And exclusive from that, there is a large additional amount of money which you have the option to invest, I think, more wisely, to be perfectly frank.

I think this lady's suggestion is the total nature of the focus we have to get on. What are we going to do when it's all gone?

I suggest we -- personally I would move that we maintain the permanent fund at the present level, since it seems as though it is not going to be any more than a simple stashing away of funds which we have presently no better use for.

MS. SHROYER: I keep hearing people say what are we going to do when the money is all gone. What I think wet

ought to do right now is to ensure that we have all that money 10, 15 20 years from now. We've got $3.5 billion. We can invest it. Surely there are expenditures that need it. When we have more expenditures 20 years from now, we have another $3.5 billion as we do now that came from the original money we have now.

MS. PORTER: One thing that has always bothered me about the permanent fund -- it's been a sore point in my life. Is that it appears to me that sometimes the State is kind of like a family, where you say to your children, "No, dearest, we're not going to eat this year. We're going to save that money for next year." Well, next year we're all going to be dead.

There are programs -- I'm serious. There are programs in this State that go unfunded. In Anchorage, you have one of the worst social problems with battered and abused children in a whole area that is just almost totally not funded. You've got 350 -- I don't know how many cases your social workers are working with now.

No place to put up the kids. We're losing all of those children. We're losing a valuable resource. But we're saving a lot of money. We've got a lot of money in the bank, but we're losing kids. We're wasting a lot of people away on alcoholism and drug abuse, but we got a lot of money in the bank. We may not have education, but we've got a lot of

the money in the bank. What the hell are we going to do with it?

If we keep the permanent fund, I say fine, maybe it's not going to hurt me. But I say let's put it back where we need it. We have not begun to address those problems in this state. I mean, all you have to do is walk out on the street here and you see a lot of those problems. And I think we ought to be looking at some of those areas and correcting. They may not be ongoing problems. We're always going to have the social problems. But if we put a lot of energy in and some bucks into it now, we might be able to save some of the children. We might not have to have such big jails in 10 or 20 years.

MR. PILLIFANT: I guess all I wanted to say is by having to have a permanent fund, it kind of shows we don't have much faith in our abilities to invest our money, because we apparently expect everything to go down the drain if we have to put something back and save it. I mean, it's as though we're saying that we can't invest it and get any money back. So we expect for all that money to just go down the tube. Well, it will if we invest in social programs only.

This lady down here I think is talking about investing in Alaskans: Alaskan businesses, getting back our money from those investments.

And I think that's where it's at, whether we invest or keep that 25 percent or 50 percent or whatever. But I think a minimal amount, because I think we're smarter than that. I mean, I hope we are. And that's what we're about here, I think, are we not?

MR. NASKE: Isn't it basically so that we have to create different economies based on renewable resources? because if oil is a one-shot deal, I mean, Prudhoe Bay, and there is no other field of comparable sizes come along. It's nice to spend it all on education and social programs and so on.

But basically right now it's something like maybe 60, 70 percent of revenues that derive from oil, one single source that will be gone within 30 years or so, at best.

So we have to look at renewable resources, build a different economy than the one we have right now. You know, we have to look at -- we have to invest in fisheries in a big scale, on a large scale, and we have to invest in timber, perhaps, and perhaps in agriculture as well. But we have to invest in renewable resources because the oil and the minerals, they will be gone within the foreseeable future.

And then, even with the permanent fund, that money would be sucked up very quickly, with just paying for ongoing programs. And the interest that we earn on that is

so negligible, really, that the interest alone would pay for very little. We would have to dip into the substance of it.

So we have to think of building an alternate economic system from the one that we have now.

MR. PADDOCK: I'm inclined to agree with Rosie. I think Alaska finds itself in very much the same position as Alie did in Wonderland where she was in that place where you have to run just as fast as you can to stay where you were. That's like our society today. Some of our problems that are public, health, social are accelerating. I agree they can't be ignored.

In response to those who want to save the total amount, I sort of feel like they must be firm believers in the approach that anticipation is far better than realization. They might not be so wrong always, but I this it's time that we realized a few things, instead of put things away totally in anticipation of how much better things might be some other day.

MS. RAY: I'm Joan Ray. And I would never go along with that idea, like saving the total amount. But I did like Russ' rainy-day concept, and I believe it would be a very prudent thing for us to consider in that, the way I understood, it would be a fund that would be there in case something were to happen to the state's money, that it

stopped coming in, some sort of national disaster. Any of the State disasters are taken care of by another disaster fund. But something where our money flow would actually stop, that there would be money there for us to continue on with the functions of the State government while we got our act together in getting going again.

But I would see the savings, the rainy-day fund, as quite a prudent first step. And I don't know what the percentage would be, what amount. That would be the kind of money that we're talking about that we have to spend. But to consider that as a first step and then go from there in looking at the other three areas which Mr. Daniels broke out.

THE MODERATOR: What rainy days do you have in mind?

MS. RAY: The way I understood Russ' concept was that if something were to happen to the funds coming into the State, something happening with the resource lines, with the money, the income that we have, and whether or not that would be some sort of disaster or a drying up of the resources. Something like that.

MR. POMEROY: Jack, I think it would be better if we didn't talk about a rainy-day fund, because it isn't a rain we have to worry about, it's a drought we have to worry about. Implicit in all we've heard about financing is that sooner or later the level of oil production is going down.

It's going down to the point where we won't be able with our normal taxes to meet our outgo.

I have no quarrel whatever with those who talk about unmet needs. I think that we are so fortunate, by courtesy of the Arab nations, to be in a situation that's beyond just keeping up with inflation. And Russ referred to that here.

So, where we have some leeway to do something we should do with our money toward a time of drought, and still do some of these other things -- and from all of the discussions that I've had as a member of the growth policy council with people around the State I find people do want to see improvement in services to people and some of the things that are talking about helping the villagers get along with their individual independent living. All of the things that we talk about.

But we must face the fact that it would be a worse gamble than going to Nevada and making a bet there to assume that, when Prudhoe Bay is finished, we're going to have enough more from our land to equal that and cover our budget. We started in 1969 spending the money, the 900 million we got. And we got up to spending twice as much dollars in real money - not inflated money, real money - as we spent, - we've gotten up to spending twice as much per capita as we spent before we got the 900 million. I don't

doubt we will spend some more than that.

But the situation that exists now - may I finish, please - the situation that exists now is that a billion dollar budget -- now I'm talking, you've got to be careful about what dollars you use, because you talk about a larger figure and you're talking about federal money. But our money, State money, we're spending a little over 250 million dollars a year, and oil is spending the rest of it, 750 million of a 50 billion dollar budget. And that's what we get from the sale of oil.

I don't think it makes a difference to us as to whether it's the permanent fund or just money, except the permanent fund by constitution can't be dissipated. It can be loaned out at one percent interest. There's nothing that says you have to get the very highest or do the very best. It seems what we're faced with here is try to take at look at what it would be prudent for us to do in trying to damp down a little bit the rate at which we're increasing our spending in the State. It's almost ten percent a year now, which means that instead of being a 1,200,000,000, in eight years or so at ten percent, what is it? It's 2,400,000,000; something like that.

At the same time we look at dealing with some of the needs we have, and then see what we think we should shoot at as money that we do retain, and think of the

dollar as being a medium of exchange.

We have been told by our experts that that isn't value, that isn't assets. We can use it, we can invest it here, we can invest it in anything we want to invest it in, but retain enough so that, when the flow of revenue does go down, that we'll have enough revenue from all of these assets so that we won't face disastrous increases in taxes.

THE MODERATOR: Marty?

MR. MOORE: I'm not a financial expert or anything of that sort, but I'd like to talk in the terms of my experience. I know that we received the 900 million dollars for the State of Alaska, and I know the native people received some money.

I was one of the committee investment members for my corporation, and we received in one day 24 million dollars. Well, our task was to protect that money from being spent. Our task was to get that money to earn money. That was our appointment.

So we did it. And we made nine percent here, we made eight and a half percent here, we made six percent there. But the average return was seven percent for the 24 million dollars when we finally invested the whole dollars in.

Well, as an experience, I was happy that we had that 24 million, and I know that we were making money. We

were not losing any money.

But, you know, as soon as you put it into the hands of the political people, one being myself, board member, the money just went down the tube. Everybody just wanted to spend it. Now the 24 million dollars is gone. Instead of having profits, you know what we're having? We're having deficits; deficits. Every year, deficit.

That's the reason why I like to protect that permanent fund in there so that we could live off its interest and perhaps help some of the business people make their money. I think we will make a big mistake if we don't put a control.

If we don't have a control in that money, the legislature will spend it. Or anybody with political thing, they don't have to have any reason to spend it, just have enough political pressure, and there you go. I want to get re elected, so I'm going to have to spend money here. We have to have control over that money and that permanent fund will support us.

That's just my statement.

MS. PORTER: I'm afraid we're going to have to get the economists back here to talk to them about the loan programs that they were talking about. Getting outside money to fund things like the bottom fish industry, or fishing industry anywhere, herring, salmon, or bottom fish,

to develop that industry. And use surplus money. They're talking about setting up some kind of fishing committee.

MR. ECKHOLM: There are a number of existing programs. I think I've heard Mr. Daniels speak of before, like the Alaska Industrial Development Authority. There's a fishing farm bank that was set up for specifically fisheries and agricultural development. I think that they're not talking about creating new institutions but sticking enough money in those institutions so that they're able to invest in money coming back in.

MS. PORTER: So assuming that that area is taken care of, I don't know whether people would grab it, just take the bucks and put it into developing onshore processes which are desperately needed if we're going to be into the bottom fish industry, whether they want to put a couple million dollars into several hundred people who want to go into bottom fishing in the State, so that we can control that wealth. That wealth is going to make the State wealthy even when the oil runs out; the bottom fish are still going be there. That is a tremendous, tremendous resource that I guess is going to be addressed properly. I certainly hope it is going to be addressed properly.

But if that's the case, if there is a way of funding that industry without using the surplus money and the agriculture industry without using the surplus money,

what are we going to do with the surplus money if we have set aside a permanent fund. We've got the loan organizations that are going help do the bottom fish thing. Then what are we going to do with that surplus money?

MR. PILLIFANT: I guess I just don't understand why should we invest it outside and get our interest come back here, invest in our own people? Why can't we take the money and invest it in people and let them pay the money back so we can build industry up here? I don't understand the difference.

In other words, it kind of sounded like they were saying we'd make more money by investing outside, taking the money that we got off of our investments outside, and then investing in business inside the State. Right?

But if we loan our money, what we have over to the fishermen or to the small businessman or to whoever needs a loan, we have young people in this State who are wanting to go into business, for instance. There's no money for them to borrow. Can't we trust our people, loan them the money, charge them interest on it, put the money back in? We have our own fund statewide going. I personally would like to see that happen. And I think our economy would boom, our own people would be getting the money, and it would be just revolving here within the State.

Unless they think that maybe getting it outside

it would help the south too.

MR. NASKE: They didn't say that. You misunderstood.

MR. PILLIFANT: Explain to me exactly what they mean.

MR. NASKE: What he said is the monies, the oil monies that are coming in, or some of them, at least, are to be used as leverage, that they're invested on a worldwide scale and that then would become a major banking institution, as it were, and that the money that is here will attract outside monies, that outside people would lend us the money, which then can be invested in Alaskan affairs. All this would double --

MR. PILLIFANT: Why do we need it lent to us, if we have it?

MR. NASKE: Because we're making more on the international money markets. We're multiplying the money we have, and attracting investors into Alaska.

MR. PILLIFANT: You don't think if we start growing with our own money people aren't going to invest?

MR. NASKE: We would grow on that schedule that Belden proposed.

MR. PILLIFANT: But we won't grow if we loan ourselves our own money?

MR. NASKE: No, not anywhere near, as I understand him.

MR. ECKHOLM: It's sort of like buying a house for cash or putting down $10,000, instead of using $50,000 of

the bank's money.

MR. PILLIFANT: Normally I would have some of the money back that I would be able to use for other things. In other words, if I had $20,000, I invested 10,000 in the house, borrowed the rest from the bank, I'd still have 10,000 that I'd be using for something else. And I could see that benefit. But otherwise --

MS. SHROYER: It's the same idea.

MR. PEQUERO: I don't see how can we think in the idea of making more money by investing outside when the greatest unemployment rate is right here in Alaska. And when all the social problems that we try to resolve with money are created exactly because of the unemployment rate.

Then it really don't make sense. Here we are pumping the money in social programs which are not going to be solved with that money, and then over there trying to take other money and put it outside, while the problem is over here, on whether the working population is happy.

The project I came here, I was more interested in the extension of the Alaska railroad from Alaska to Canada to the contiguous Lower 48. I think that it's the best project that we can buy.

First, because it's a project that it will pay itself; second, because it will bring down the cost of living in Alaska, which is mainly transportation, higher

than in the Lower 48; third, there is no use to open up the land if there is not a means to mine it, to make what you are going to mine outside.

Then the whole question that we should be dealing here, if we want to have money forever is to open up the land. And in opening up the land, you have to create railroad. And I think we should be dealing here more with projects that will create a permanent work force and not in how we are going to invest the money just to make more money. That's the function of a bank.

But the function of government, it is not the function of a bank. It is not the function of a business person.

Therefore, I think that the project that we -- the money should be invested in projects. And I propose that we endorse the extension of the railroad from here to Canada, to the contiguous Lower 48 as one of this group.

MS. SIMONDS: There's an article by David Rose, a long term investment and funds leveraging in our white papers. And I think that will help, if you read that will help a little more of what they're talking about.

Now, as far as getting -- we do need capital. Sure we'll have three and a half billion dollars but to extend a railroad could well cost several billion.

MR. PEQUERO: No.

MS. SIMONDS: Anyway, I'm sorry, it could cost a lot. And then if we want to have transportation developed over the State, that would cost a lot of money. If we go into hydroelectric, it's going to cost a lot more than the billions that we have.

So, part of that has to be to secure loans and to deal with the getting capital from outside.

And I think that's all part of this leveraging and why we are involved with even talking about outsiders because the capital to do those things will have to come outside to help us along as we're developing.

MS. RAY: I would like to just bring forth a concrete example of something in the fisheries area and where I believe that we could well spend some of this money.

And I've been spending the past year on a sea food processing plant for a native corporation who wants it built in their village. In the Alaska Industrial Development Board, we were able to use that board as a window in which to obtain some bonding money and we are also able to get up to a maximum of 500,000 per project, is what their particular guidelines are. So we're going to get 500,000 from the State on an approximately seven million dollar job.

But our problem is we're having a lot of trouble getting the financing for this within the banking community.

There isn't the money available. And it is very, very difficult and we are being forced to look at Japanese markets for getting this plant going, and the village is most desirous of it happening.

But it's just up to the 500,000 that we were able to get from the State. And I wish that, if we did have the excess money that we're talking about, that there could be more areas for this kind of development.

MS. PORTER: Obviously, with the surplus monies that we have, not just one thing should be considered. As the economists said, there are several areas. We're looking at shoestring, whether they're business incentives or out and out loans, some enhancement to keep small businesses and increase small businesses in the State.

Another area is the whole area of public works, where the bucks are not wasted. It does create jobs. They're not jobs forever.

But there are several areas that I think we should be looking at. Maybe I'm living under a misapprehension that we have to look at just one thing.

I think we can look at many areas. We do have a lot of money to work with. There should be areas that we should look at, not just simply one area. We do need to create industry that is going to continue to produce revenue that will support the State in the event the oil

ever does dry up.

And, as far as the $500,000 loans, that's a very unfortunate thing that the State is thinking so small when we're looking at the fishing industry, because we're going to lose it by thinking that small. We have to begin thinking in millions of dollars, instead of hundreds of thousands. That might be another thing that we might want to address, pump more money into something like that.

THE MODERATOR: Are we ready for a coffee break? About ten minutes.

(A recess was taken.)

THE MODERATOR: What we thought we'd try to do is maybe Eric can try to summarize what he's heard and what kind of issues have been raised and give some back to you what maybe we've heard and then see where we want to go from there.

What I've heard is that we got money; we want to go from nonrenewable to renewable; we want to put some of that money into social services, schools, et cetera, but with a heavy emphasis on we want to invest it and get it returned to us at a later date for future generations. In other words, loan it.

I hear you people talking about a State being a bank.

Does anyone have any problems about elected or

appointed officials making loan decisions with your money?

MR. MERDES: I do now, with the Commerce Department and Veteran Affairs, and the federal government does with FHA and SBA.

MS. RAY: We're talking about government departments, whether it's renewable resources fund or whatever would be actually handling the money. It wouldn't be like a political football that we go through every session, necessarily.

MR. ECKHOLM: The fact is we already are a bank, too.

MS. RAY: Pardon me?

MR. ECKHOLM: The fact is the loan programs, we already are a bank, the second biggest bank in the State.

MS. SCHIRMER: Do people have confidence in our getting the right people to manage these large amounts of money?

MS. SHROYER: I, for one, have a lot of confidence in Alaska and putting that money into investments that would become the best thing for Alaska. I have a lot of confidence, yes.

MR. SEIFERT: I'd like to speak to that, too. I went to a hearing on permanent fund administration. Another gentleman got up and he said, "I really like the fact," he made the analogy that financial experts and economists are like analygous to a mechanic for your car. They're sort of an mechanic for your bank. He says, "I really like having

that mechanic around, because when I have a problem that requires special tools and special needs, I can go to him and I can count on it. But I don't ask him where I should drive my car. He's a mechanic, and he helps me for my needs."

But there is no analogy that says a fisherman or a farmer doesn't make a good analyst. I think people have an inherent sense, cross evidence of what's here, inherent sense of what's going to make it and what isn't. I don't think that's something to worry about it. I have a lot of confidence in this.

MR. ECKHOLM: Let's sort of go around the room and have you tell us where you want to drive the car, specific recommendations of where you think the money ought to be spent in terms of just one recommendation apiece. Martin?

MR. MOORE: Let some of the fund go into fishing industry, or even bottom fishing industry, because much of our renewable resources has supported the State for such a long time, and we really don't have a control over the market. And I think one of the wisest investments that could benefit and have a little bit more control over our renewable resources would be fishing industry.

And that would be one that I would suggest that would be one of the areas of investment.

MR. ECKHOLM: Thank you.

MR. HARTLE: I think what we're doing now is

converting the energy that we own, the oil, into dollars. And the value, as we all know, of the dollars is dropping, inflation is whatever it is, tremendous. And the value of the energy is increasing. So that I think that one thing we can do with our money, energy converted into dollars, to reconvert it into energy, because that's something that will retain its value. And I think that we need to look for that.

MR. ECKHOLM: You're talking about hydroelectric, wind?

MR. HARTLE: Sources that are not oil and that will last beyond the oil years and that will not harm the environment. I'm sure we're all concerned with that. And I think that would be among the best investments for our money.

MS. STRASSBURG: I think we should make this money available to our local banking houses because certainly they know the problems inherent in a locality, and they know the people personally that they're going to be dealing with, which is something that, much as we appreciate our State loan programs, most of the time I think the local banks can handle them better and they have a little bit better handle on what people are going to do with it.

Now, the money would be deposited from the State to the banks and the banks would then go by the rules and regulations set up by the people in the Capitol, in the

legislature.

But I do think that the local people need to disperse it, per se. I think they have a better knowledge of the people involved.

MR. ECKHOLM: Thank you.

MS. RAY: Money now available for housing out in rural areas at a low percentage rate, the beginnings of a really good program there. But the housing, the loans that are available for the urban house fires, I think we're in a very difficult situation.

And I think that some involvement there is appropriate.

MS. SIMONDS: Housing?

MS. RAY: Yes.

MR ECKHOLM: Has Rosie disappeared? Rosie, where are you?

MS. PORTER: I've got a long list. Do you want me to just say one thing?

MR. ECKHOLM: I wasn't soliciting.

MS. PORTER: One thing? I have 15.

MR. ECKHOLM: I think we should kind of limit ourselves. Could you put all of your 15 into a broad category?

MS. PORTER: No.

MR. PADDOCK: I've got a brought category. I agree

wholeheartedly with what Mrs. Strassburg said. I'm a retired employee of the State of Alaska. As such, having been a government watcher for the last 25 years, I think what the State can do private enterprise can do better.

I agree that the thing that Alaska needs is to further her own economy. I think that the big business generally comes from little business growing up. And I would like to see the opportunity for small businesses in Alaska to grow up. And I like the idea of putting the money into programs that are not necessarily administered by the State, but the State program says that this money is going to be utilized by local banks, local lending institutions.

These people know the risks of the individuals applied to them better than any State program can. They know the needs of their area. And I think if we're going to have more fish processors, the logical way to do it is to assist the local fisherman who may have aspired to be entrepreneurs, to develop into that. I'd much prefer to see that than to make it possible for some big outside corporation to move in big overnight. They have problems when they do that, because they don't know the local problems like some of our leading people in the industry, whether it's fishing, logging, farming, whatever it is.

I like your suggestion very, very much, Mrs. Strassburg.

MR. ECKHOLM: Are you saying what Belden said, stay away from big programs and go for small ones?

MR. PADDOCK: Yes. I agree with that. I think that by starting small the process of survival of the fittest will determine who is going to come out big.

I have nothing against small business turning into big business; absolutely nothing against it. But I hate to see the State backing big business because one reason that I'm opposed to that is because it means, I think, just by the law of supply, that there are a lot of little people who are thereby precluded from ever growing up into that big business.

I hate to see the State get into a program that's in competition with private enterprise, especially small private enterprise.

MR. ECKHOLM: Mr. Pomeroy?

MR. POMEROY: May I ask a question of what he means by I hate to see the State get into competition with private enterprise? What did you mean by that?

MR. PADDOCK: This may be a little uncomfortable, and I'll apologize if it steps on anybody who is present. But on the flight up from Juneau, for instance, I sat by a friend of mine who has a little tour boat, he invested a lot of money in it in Ketchikan. I don't know the details on this, but he tells me that he's hurting because somebody

in the State made the decision that the State ferry system is going to run the State ferries into the area in which he operates and he feels that this has deprived him of much of his local market.

In fact, it reduced the price of the commodity, the price that he can charge for his commodity, because the State set a level for tickets on the State ferry on this tour trip that is at a level substantially below what he feels he needs to charge.

I think this is an instance of the State being in competition with private enterprise. I'm sure that there are a number of excellent reasons for the State doing this, but still, I wonder if those excellent reasons are really adequate in a situation of this sort where --

MR. ECKHOLM: Excuse me, Mr. Paddock. Could you make that into a recommendation, or could we move on, because we are sort of short on time.

MR. PADDOCK: Did I respond, sir, to your question?

MR. POMEROY: Pretty well, yes, you did. And I can pick it up from there.

MR. ECKHOLM: I'm sorry if I cut you off on that.

MR. PADDOCK: No. No. No. I don't feel like I was cut off. But I was just trying to explain to make up for loose ends, that perhaps you, sir, or Mrs. Strassburg would like to assist in wording a recommendation.

MR. POMEROY: Well, are we not sort of in this kind of a situation of there being an apprehension that in our eagerness to promote enterprise, to make jobs, that we may unnecessarily get into business that we need not get into. And my own personal view is that, wherever it is avoidable and we can further a good purpose of development or service and use our private enterprise structure, that we should do so rather than directly take jurisdiction ourselves. And that is very close to the matter of who handles money.

We have an infrastructure, a financial infrastructure that can perform the services of handling money. I don't deny that there might be some special condition that involved something otherwise because I'm not knowledgeable enough to know about how we handle our money that we get that's tax free. I don't know what limitations there are. But in general, I concur with what has been said here and what has been said here, and then I would extend my remarks only this much to say that, with respect to the money we have, it's a medium of exchange. These dollars that we get, whether we will it or not, we're getting a hell of a lot more than would be to our best advantage.

And so our purpose is to think as broadly as we can as to how we may be able to farm that money and convert it into investments of whatever will do best without a concern about whether we have a business here in Alaska

that employs the unemployed.

Now, that may seem like a harsh thing to say, Mr. Chairman, but it's not a harsh thing to say, because if the requisite conditions are healed economically for a business to live, it's going to live one way or another. That is, to say, and it may be that we have money that comes in and becomes an investment one way and another. But to sharpen up the point, I would say that we're going to be money managers that in the long run will give us the best return for all of our people.

We have businesses that -- well, we have a buesiness that's going to cost a billion dollars and it will only employ 60 people.

And would we want one that employed 6,000 people and cost us in the treasury $2,000 apiece.

So I mean simply to emphasize that our concern has got to be good hard managers, because that's going to be the best way to get the best return for the people. And we use the infrastructure we have rather than trying to replace it.

MS. SIMONDS: Belden said that. I agree that the banks might be more competent to decide who should have those, because the fatality of small business is fantastic. And everyone thinks he's capable of running the business. Not only that, the retail stores in Anchorage, they get loans.

They're all using borrowed money. Builders use borrowed money.

I do think it should be done through the banks, because the competency is very important to protect the taxpayers' money.

MR. ECKHOLM: I don't think we should have too much discussion about recommendations right now. I think we should go through and make recommendations and then go back and have discussions.

MR. MURDES: It bothers me what you say about big, because that's a tough term to define. What constitutes big and small.

I happen to have a little banking background. If we're going to be putting millions of dollars in State banks, there should be some strings attached. I agree they administer better than the State does. But the point is, for example, historically, we've been paying more interest than anybody in the State. Our cost of living is higher. The people of Alaska ought to be just like they benefitted before this bonanza came up. We ought to attach low interest rates on these loans and long term. Because if you let the banks have the money, they're going to give it to you at relatively short term, and at the market interest rates. And they're going to get all the prof.ts. They should get a reasonable profit, but not the profit the

market is calling for right now, 14, 16 percent.

And, secondly, if you're going to give them the money, I think you ought to also beef up some of your State program. Like, for example, I am opposed to the State veteran's program. I think that's a disgrace. We ought to take a strong position on the reinstatement.

MR. ECKHOLM: Is that a recommendation?

MR. MERDES: You talk about small business, you can't rent a farm for less than a million dollars. Now, is that a small business or a big business? You got to be careful what's small business and large business.

How about it, Jack?

MR. ECKHOLM: Excuse me. Would you recommend that we reinstate the veterans loan?

MR. MERDES: I move it right now. Don't you agree?

MR. NASKE: I have two recommendations. One is that we invest in an integrated transportation system in the State. Take a hard look; is it really worthwhile to build more roads, which are very expensive to keep up and so on. Perhaps we might think of going back to barges and the interior and various things.

And, secondly, that we invest more money than we previously have done in the resource management. I think in the areas of scientific research enforcement, the whole spectrum of resource management I think has been really

starved in the past.

MS. SHROYER: I have two questions before I want to think about a recommendation, and I'd like local bank control of our loan programs, but I don't really understand the banking system.

We have the federal reserve, which controls our local banks and we have the FDIC corporation. Now, would the federal people with that kind of control have control over how we distribute the monies? Okay? I don't know. No, they won't? Is that the answer?

MR. MERDES: The federal reserve supplies the money to the federal bank system. They don't supply any money to the State bank system in terms of control of it.

MR. REAVES: You disagree with Ed, he said that the State gives money to banks. The State is prudent enough not to give money to the banks. As a matter of course, the banks bid for the money from the State.

MR. MURDES: We're talking about the future, now.

MR. REAVES: This is history.

MR. ECKHOLM: Excuse me. I think I would like to try to get a list of recommendations and then we'll go back and talk about them point by point and decide. Because there are some things, like the State already does involve the bank and money of the loan programs. But I'd like recommendations first so we can get those all and go back.

Is that all right with the group, that we don't discuss them point by point now?

MR. PADDOCK: You asked for a recommendation from me. Did you get a recommendation out of this three-way conversation that we had here?

If not, I would like to recommend that we consider a program in the future whereby State monies are made available to Alaskan banks under a program which will ensure special benefits to Alaskan businesses. And I would appreciate some help from Ed in putting some bones on that skeleton to define Alaskan businesses.

I agree, a million dollar business is not a big business anymore. When I say big business, I think in terms of the fishing industry, largely. And Alaskan processors, some of them just graduated out of the fish boat into a small processing business. Maybe they've got a million dollars, maybe it's two million, maybe it's three million, but they are small businesses when you compare them with the large Japanese trading companies or even the large Japanese fishing companies. They are infinitessimal. That's what I think of when I think of big businesses, or some American businesses, Council & Cook, New England Fish Company, a subsidiary of British Columbia Company, one of the largest in the world.

Those are tremendous businesses, and they are

good and legitimate, and I would hope some day we would have Alaskan-based businesses of similar size. But you've got to start small.

MR. ECKHOLM: I'm passing out a paper from Mrs. Aleck, who is here. Some of you have it already.

MS. RAY: I recommend that we establish a rainy-day insurance fund.

MS. PORTER: I've narrowed it down to one.

MR. ECKHOLM: Rosie?

MS. PORTER: I would suggest that we pour some bucks into public works, which would include alternate energy development. That's like waters and harbors, hydroelectric, waste, heat, airports, intercommunity roads; that kind of thing.

MR. HARVEY SAMUELSON: I'd like to recommend that lump sum liquidation of the amount due to the native fund be paid by the State.

MR. ECKHOLM: Could you explain that a little bit for us?

MR. HARVEY SAMUELSON: The royalty to be paid to the Alaskan natives. And this way it would help the Alaska economy inject quite a bit of money into the private sector.

MR. POMEROY: How much will you discount?

MR. HARVEY SAMUELSON: Pardon me?

MR. POMEROY: I said how much will you discount?

MR. HARVEY SAMUELSON: Nothing. I got the back-up material.

MR. ECKHOLM: How much money are you talking about?

MR. HARVEY SAMUELSON: 400 million dollars.

MR. NASKE: There were two sources where the money came from, the 962.5 million all together and 500 came from a two percent overriding royalty from mineral leasing. And this came out of State funds, you know. And the 462 have been paid already or in the process over a certain number of years. I don't know how it was handled. But it comes from two sources: State participation for 500 million and 462.5 came out of the federal treasury.

MR. ECKHOLM: So it's a debt the State owes, and you're succeeding the State accelerate its payment on that debt?

MR. HARVEY SAMUELSON: Yes. I got material on the whole works here.

MS. ALECK: From what period of time does that cover?

MR. NASKE: Until it's paid off.

MS. ALECK: From what period of time frame is it covering, the accumulated amount now?

MR. HARVEY SAMUELSON: Until 85.

MS. ALECK: Beginning when?

MR. NASKE: 71.

MR. HARVEY SAMUELSON: This past year. State's share.

MS. SIMONDS: I'd like to recommend that the State from an improved communications system to draw us all closer together.

MR. POMEROY: Mr. Chairman, without a money man here from the State to answer questions, I certainly wouldn't feel qualified to vote on a thing like that. That's a lot of money.

MR. ECKHOLM: That's maybe asking if we go back and discuss it, if you do want to consider it, we'll talk about it more this morning or this evening --

MR. POMEROY: I'm not expressing opposition, you understand. I want to know.

MR. ECKHOLM: Yes, sir.

MR. HARTLE: I'd like to recommend that the State invest in higher education and research. And that that can pay its own way in a few years. There is a certain amount of lead time until the pay back, but I'm sure it will, training people to work in the State, basically.

MS. SHROYER: Vocational and trade schools.

MR. ECKHOLM: There has been a concept around for a number of years that the State take the money and pass it back to the citizens in some sort of form. The income tax, all of those ideas seem to have a lot of play among the government type people.

Is there anybody here who has any thinking along

those lines?

MS. SIMONDS: I protest that --

MR. ECKHOLM: Go ahead.

MS. SIMONDS: I protest AGSOG, because there's no insurance that if the money is lost we will have to pay the debt. If it was all profit, it would be fine. But we might be liable for a debt.

MR. POMEROY: AGSOG is different. He's not speaking of AGSOG.

MR. ECKHOLM: There are a number of different schemes to distribute well.

MR. POMEROY: AGSOG is not our money. AGSOG is a special type of corporation which I suggest be given quite different treatment.

MS. PORTER: It would be just like General Motors.

MS. SIMONDS: If the money is tax money that goes into it. Mr. Nordstrum.

MR. NORDSTRUM: I'd like to recommend a tax credit for the Alaskan homeowner of perhaps $200 a year.

MR. MERDES: That's revenue sharing.

THE MODERATOR: Can I speak up, there? That's my kind of bag, you know, going through revenue sharing, though. I don't think it ought to go to the State back to the people. I think it ought to go to the communities. They're the ones that need real estate tax act.

MR. NORDSTRUM: As a homeowner, you bear all the expenses of the community. You're the salt of the earth. You'll probably have one or two cars. We can't hit it at the pumps, except our lag time, but we still pay a pump price. We're producing perhaps one-fifth of the oil, fuel, consumed a day. So I think that if we can go a tax credit, it's a direct return to Alaskans, rather than --

MR. ECKHOLM: Tax credit based on what? Energy use? Personal property?

MR. NORDSTRUM: Energy use, whether it be electricity, natural gas, oil, heat, coal.

MR. MERDES: There was something brought up along that line. The idea of when people improve their home, you know what the burrough does, don't you? I think just the opposite. When people improve their home, they should get their taxes reduced through revenue sharing. We thought about that the last time, but nobody picked up on it. But that's an incentive to beautify your community. And I recommend that strongly.

MR. ECKHOLM: Do you want to put that into a recommendation?

THE MODERATOR: He mentioned homeowners. That's what triggered me. That would apply all over Alaska.

MR. NORDSTRUM: Year round. Throughout Alaska, a home in Susitna, everywhere. But this is a direct return to

Alaskans.

MR. POMEROY: That's to help him in what way?

MR. NORDSTRUM: Well, energy tax credit that he gets a direct --

MR. POMEROY: Suppose he's a renter?

MR. NORDSTRUM: Well, it could be at a scale, you know. It's just like similar to paying the Alaskans having one home exempt.

MR. POMEROY: But if he rents his home, you still would give him a credit?

MR. NORDSTRUM: You could, but it would be scaled down to a third of that to the homeowner. That is a proposal.

MR. ECKHOLM: Do we have any other areas? Jerry.

MR. McCUTCHEN: I'd like to see a direct distribution of the funds.

MR. ECKHOLM: How much of the funds? What funds?

MR. McCUTCHEN: How much? How much have you got? Does that answer your question? They tried to ask in a town meeting, and Daniel Shore won't let him, and he tried to probe the question out there in the audience, how much do you want distributed. We can meet those programs and a number of others fairly easily. So how much more did you want?

MR. ECKHOLM: How much are you suggesting?

MR. McCUTCHEN: I don't know. Maybe $4,000 or $5,000 at

the upper limit.

MR. ECKHOLM: Per person?

MR. McCUTCHEN: Per person. You can do it any way you want to. I'll sit down and write it out between now and tomorrow, if you like. I think the upper limit of $4,000 or $5,000. I'm not much for giving the municipality money. Because I think the municipality taxes ought to be there. The saddest thing is the revenue sharing that's going on now, because it's made our local governments inefficient. One day we will have to come to grips with that. That's going to be one great load. The money will have to go to the citizen. If he feels like giving it to the municipality, that's fine. That's up to him.

MR. POMEROY: On that point, I have no trouble with the concept of that. And I would like to suggest that we all think in these terms when we come to something like this.

We're talking about a social purpose, actually. We are the highest cost place in the United States for living. And we pick at some of these problems, we pick at these problems by conning Uncle Sam in selling some bonds tax exempt and a few people get a few houses with a little better interest rate, and this and this and this and this.

And whether you're distributing money or whether you're trying to do something to help people have the cost

of houses less, and I'm not making a recommendation on that, I'm simply pointing out that we're talking about a social purpose that we're trying to serve for all the people as equitably as possible.

MR. ECKHOLM: Are you making a recommendation? Are you reaffirming?

MR. POMEROY: I'm saying that I concur in the principle.

MR. HARTLE: I'd like to recommend against distributing the state's wealth, excess revenues, whatever, by a means of, for instance, repealing the income tax. Because I think that that particular method is inequitable in that it returns the most benefit to those who least need the benefit, those who pay the most tax. And secondly, the biggest windfall is the federal government, since they would get the most money.

MR. PADDOCK: I'm glad that that subject was brought up. I didn't want to bring it up myself because I've already put in more than my two bits worth. But I think this group ought to address themselves to the question that's very, very current now in our society, about are we going to do away with the State income tax.

And I don't think that the federal government is the biggest recipient, because the biggest recipient would be the nonresident who comes to Alaska and extracts money

from Alaska and would leave no money in Alaska if the individual income tax were done away with.

I do think that this group could well go on record in favor of some sort of tax credit system for resident Alaskans and I think that might meet the objections that you had and it might fall in very well with what you're saying.

MR. HARTLE: It wouldn't meet the objection that it would give the most benefit to the richest people who pay the most taxes.

MR. ECKHOLM: Excuse me. Could we go on?

MS. SIMONDS: I'd like to see money and planning put into rehabilitation of people in our correctional system so that they aren't constantly recidivists.

MR. PADDOCK: That's a losing proposition.

MS. ALECK: We have one continually expanding resource and that happens to be the growth of our State government.

MR. POMEROY: Resource or a liability?

MS. ALECK: I would like to see that $100,000, which is a very, very minor figure, invested in the capitol site planning commission to provide an alternate plan based on the mini-capitol concept, or just the necessary central State government to be relocated from the present site in Juneau to the site selected by the voters, mainly because we are currently leasing one-third of many office spaces in

Juneau. The other one-third is being leased from OSHA, and the State actually owns something less than a third. There is no additional State-owned land in Juneau to expand. And we are expanding at a tremendous rate.

I have listed some current capital expenditure figures at the bottom, which this last fiscal year was over 17 million in State travel and per diem, the telephone bill has increased now to 6.6 million for this last fiscal year, and it is presently under an 87 percent interest rate increase.

And with the additional square footage facilities that will be required in the near future and the fact that most of our leases are currently expiring, it is necessary to implement.

MR. ECKHOLM: So what would be your specific recommendation?

MS. ALECK: Well, my specific recommendation would be to go ahead and allow at least the $100,000 in order for the capitol site planning committee to come up with an intelligent, reasonable plan, which is what the people wanted in the first place.

MR. POMEROY: Couldn't we have a list to read and take this up tomorrow?

MR. ECKHOLM: We may be duplicating some of our discussions when we get into resources and direct services.

We'll be coming up with these points and more specific and better recommendations.

MS. SHROYER: I would just like to say one thing to counter the last recommendation. I would rather see monies put into ways of bringing our government down to a smaller size, having services taking care of through maybe a private sector and doing with what we have instead of spending outrageous amount of money to move the capitol.

MS. ALECK: Well, if you can read the comparative cost studies of capitol buildings remaining in Juneau, again, the big factor is we're leasing private space. And if there's any further construction, private land has to be purchased before the construction can begin.

Okay. You retain the regional offices in Juneau, you retain the regional offices in Fairbanks, as well as Anchorage. The administrative cost that will be saved, we're talking about big millions per annually, which five years down the road you're going to be at least doubling, will be more than enough to offset any bonding requirement. And also don't forget the offset of the sale of land at the site. We're talking about a gain rather than a loss in financial expenditures.

MR. POMEROY: I haven't had a chance to read it. I recommend if we could save time and do it tomorrow.

MR. ECKHOLM: Are there some people here who haven't

made recommendations that would like to make recommendations?

MS. RICHCREEK: I would like to recommend tourism be expanded such as in the way of advertising, et cetera.

MR. ECKHOLM: Advertising outside Alaska?

MR. PEQUERO: Outside.

MR. REAVES: I would like to make a recommendation that -- I'm not very familiar with this industry, but I think it should be supported. From what I understand, it could be the largest industry we have in the State, and this is the timber industry.

MS. SCHIRMER: I'd like to second that. We shouldn't forget the timber and the agriculture business, the farming.

MR. ECKHOLM: You know, what you are all saying right now is that, except for a little bit on education, there have been no recommendations to increase government services any. The bulk of the recommendations that you people are saying to do with the money is to invest it in the economy. Does that mean that you think we have enough government services now, that the government is providing the needs that government is supposed to provide and that it's enough?

MS. STRASSBURG: If you invest in capital expenditures, you have employment, you have less need for services.

MS. SIMONDS: Regional government is services. And

public works.

MR. ECKHOLM: Go ahead.

MR. MERDES: There's something that came up, in 1972, when they gave the State oil to Sohio, unconditionally. They are paying less for the gas and less for the heating oil, anywhere except Alaska. When they sell royalty oil to anybody, people of Alaska, because it's their oil, they ought to at least get lower price for heating oil, not necessarily gasoline. If there is royalty given to anybody, there are conditions that the people of Alaska get that cheaper.

MR. PORTER: I just really wonder if we did this exactly backwards. We have to go through yet a lot of the issues that we've touched upon today. And one of them is Direct Services.

MR. ECKHOLM: Right.

MR. PORTER: I do have a list of a number of things here. But I really don't feel they're appropriate now. I think after we go through all those other, transportation, communications, direct services, energy, then I think our recommendations are going to be how to spend the bucks; honed down. So this might be kind of a practice run. We might want to do it very quickly after we go through all those other topics.

MR. ECKHOLM: We may not go back and finalize

these as recommendations, but I'll have it maybe drafted up and typed up for things for you to work on and then towards the end when we're working on Friday or Saturday, we'll go back over things and have a lot more information.

MR. PORTER: Would you like the rest of my list?

MR. ECKHOLM: Let's do it, then.

MR. POMEROY: I have a specific recommendation. Reference was made to the income tax. I recommend that we oppose the repeal or reduction of the income tax. It's an established --

MR. ECKHOLM: We have that one already.

MR. POMEROY: You've got it?

MR. ECKHOLM: Yes. Mr. Hartle recommended that.

MR. McCUTCHEN: The gentleman here who proposed the reduction, I'd like to tack something on that opposition to tax reduction. Senator Stevens has recommended we don't do it at this time because of what's occurring on the national scene. I think we ought to pay attention to what's happening here. They're eyeballing everything we do here. You can call it whatever you want to; anything.

But as long as the tax law is on the books, there, if you were to distribute, say, $5,000, you'd wipe out most of the tax for most of the people and accomplish the same thing. And if you don't go the other way in making a distribution, you're going to find yourselves in a position

making a distribution based on social services. If not this time, that's certainly going to be coming out of something to subsidize the villagers, for pioneers and this kind of thing. For those who are in the pioneer home, make a distribution. They just turn around and put it back in the same pocket now.

MR. PORTER: Are you talking about just a one-shot deal, or for every year?

MR. McCUTCHEN: Every year, just like stock dividends from the year. If you made it a one-shot operation, you couldn't put length of residence involved.

MR. POMEROY: To the recorder, I should have said I actually wanted to add something to the matter of the income tax, that it would seem strange indeed for us to reduce at all the approximately 25 percent we are paying, as long as it seems to be woven through all of our discussions, the need to save money for the future. Something of that sort, I should like to see, if it's consistent.

MR. ECKHOLM: In terms of timing and investment and stuff, would you like to see investments made in businesses? Say that if Alaskan businesses were allowed to borrow as much money as they needed to, and as long as it was reasonably sound, and that would then stimulate a strong economic climate in that the State would attract probably a

fairly sharp population rise. Because jobs, people almost directly follow jobs up to the State.

Would you want to go ahead with such a program even though it would mean a probably significant population increase?

MR. McCUTCHEN: Leaving what's reasonable and sound in the definition of some politician's hand depends on how much money transpires in campaign contributions. If you're going to make a distribution of money or make money available, make it for a target area that you want to do something in, rather than bulk.

MR. ECKHOLM: So you're not just saying blanket drop a whole bunch of money on problem areas. Which problem areas are you talking about?

MR. McCUTCHEN: Oh, I would say bottom fishing is one.

MR. PADDOCK: Mr. Chairman, I think that the previous discussion when we talked about following this through the local bank pretty well adequately takes care of that. Because most of our experience with bankers has been that they're not in it for charity. And they're not going to loan money to something that will not fly. If it will fill a given felt need in the community, then the bankers will look at it.

MR. ECKHOLM: Should the banks have to put some risk into it themselves?

MR. PADDOCK: I'd defer to Ed Merdes on that. But I agree with him wholeheartedly and with Mr. McCutchen, that you should target on areas, that there's a broad basis of agreement, that these areas need assistance.

MR. ECKHOLM: Then to focus this discussion, I've heard bottom fish. Are there any other critical --

MR. McCUTCHEN: As you go through the resources, like shouldn't those occur as we go along, in tourism?

MR. ECKHOLM: Are there areas that you think are overbuilt or overstimulated that shouldn't have money poured into them at this time?

MR. PADDOCK: The bankers will tell us that.

MR. McCUTCHEN: Right now, housing.

MR. PADDOCK: In certain areas.

MR. McCUTCHEN: Like Anchorage. At this juncture, I would just set loans up to bail the people out, but I wouldn't go for any construction, because you can't sell what you've got.

MS. SIMONDS: There are too many restaurants around Anchorage.

MR. POMEROY: I wouldn't bail them out. It was a bad deal.

MR. McCUTCHEN: It was something that was known ahead of time. Without getting into politics, it's something the Hammond administration should have planned on and did not.

I'll drop it with that. I think you're going off saying where you want to go with your money, rather than where you don't want to go with your money.

MR. ECKHOLM: Would you want to weight it? Mr. Daniels in his recommendation said weight the loans in rural areas. Would you like to see preferences given to loans if they were in rural rather than urban areas?

MS. SCHIRMER: What do you call rural and urban?

MR. ECKHOLM: What do I call it personally?

MS. SCHIRMER: A city of 5,000, is that rural or urban?

MR. ECKHOLM: In my mind, that's rural. That's my personal opinion.

MR. PADDOCK: I think the federal government has defined guidelines. It seems to me that Fairbanks just a certain point here a year or two ago matured to the point where it was urban.

THE MODERATOR: Below 50,000 is rural.

MR. ECKHOLM: Is anybody interested in making that a recommendation, or not?

MR. PADDOCK: I'd like to debate on that.

MR. POMEROY: Unless we have a very specific idea of the social purpose that we want to serve, I should say it should be on the basis of economic feasibility and what it contributes to the community.

MR. ECKHOLM: That might be very difficult to decide.

because if you're talking about economic feasiblity, that would count out a lot of businesses because of the higher cost of everything.

MR. PORTER: You mean the limit would have to be more?

MR. ECKHOLM: It's more economic to do anything in a central area.

Let's move on.

MR. PADDOCK: Mr. Chairman, I think there should be some thought given to that because I remember a few years ago you could not get money in rural areas because the banks had more potential to service, in this case, specifically the Anchorage area than they could handle. So a rural development was just totally out of the question.

I think these guidelines that Ed Merdes spoke of would address that and say, "All right, for this period of time, we want these monies spent to such a such and a percent in rural, and you can spend X percent in urban areas."

This is subject to change from time to time. You're not going to have a healthy infrastructure in urban areas unless you have a healthy support system based in the urban centers.

MS. SCHIRMER: If you're going to get development of ongoing economy in the rural areas, you're going to have to kind of say to the banks, "Now, look, we'll give you this

but you've got to see to it that a fair share of it is used outside of the rail belt." Or they will do what's natural for them, which is to lend it in the rail belt.

MR. POMEROY: I need a question answered. We're talking about investing money, we're talking about aiding development. Is it implicit in that that we are either for or against subsidies, that businesses must pay their way? What about that?

MR. ECKHOLM: That's, I think, a very good question. There are some figures that Belden Daniels -- we'll discuss this later. Go ahead.

MR. MOORE: I think that there should be some special policies how the money should be put in the rural villages. For example, we have a co-op in Yucon Delta, where I am from. And it took five years to develop a program to even convince the federal government to at least give us a loan to start the co-op. It took about $671,000 to finally convince them.

But the bank would never even give us that chance.

I wish this group of people here would at least know that there's an opportunity, give us a little bit more chance to develop the fishing industry that is probably now in the Bering Sea area where there is nonemployment in existence. I think that it would be a benefit for the whole State if we could be able to borrow some money and make the

money turn a little bit more in the communities.

For example, we have five fishing fleets that come in from Seattle. They take the money, and they take the money back out. If we had a better opportunity, we would probably have more companies or more employment right in the local village there and the money would stay. That's why I would strongly suggest that in this loaning programs that these villages be given the opportunity to have loans which are not available at the moment.

Many people even now cannot borrow any money even to build their homes because we still have the problem of whether you have title to your land or you have enough property there. They're still in a working system. And I don't know when we're going to get the final title to the land in order to qualify for some of these small business loans that are not available to us.

MR. PORTER: Martin has brought up an interesting subject that we may want to talk about later, and that is coordination of services, specifically loans. When you're looking at rural development, loans for small business sounds good, let's dump a bunch of money into the bush. But without a small boat operator, as an example, the herring industry is beginning to take off. We got a billion-dollar industry. Almost half the boats were wrecked there a couple of weeks ago. We need ports, we need docks, we need energy,

whether it's hydroelectric or whatever.

There needs to be a whole coordination, a whole look at the economy and not just say, "Well, let's give them some loans." But there needs to be some coordination.

MR. NASKE: There is a recommendation in the transportation system, an integrated transportation system.

MR. ECKHOLM: You realize what we're doing here. We almost spent seven billion out of the eight point five that is sitting on Russ' desk right now. I think it's good, but in order to be real about this thing, we're going to have to start judiciously saying when and how much. I don't think we should do it today, but I think we should start thinking about it. And maybe focus everything and say, okay, the three and a half billion dollars we've heard about we're going to have next year once we get all the recommendations, how much, maybe we'll divvie that up and say how much goes to where and what, so we put some reality into our recommendations.

THE MODERATOR: Let me add something here. I read my notes from ten years ago last night by chance. And so much of that ten years ago was devoted to shall we invest in rural Alaska or in the cities. Incredible. That ran through the whole thing.

Now, Marty and you have sort of begun to discuss that. Do you give a preference, not a preference,

necessarily, but do you get money out into the bush and rural development. I'm just wondering, is that no longer an issue in the State?

MR. PORTER: Can I give you a classic? There are two million fish in Bristol Bay that couldn't be sold because they couldn't get it out. The runway is too short at Dillingham. The planes cannot carry a full payload. They can't get off the ground. There is no way to get the fish out. Just wonderful fishing season, couldn't sell the fish. We're going to experience that problem over and over again. So it's not a matter of giving fisherman loans, giving them boats, but it's the total picture in the rural area.

MR. MOORE: May I finish that story about the co-op? At the moment, a couple of years ago, the fish didn't come and it was a financial handicap for the co-op and the co-op couldn't again borrow money to keep that going. We went to Seattle, tried to convince the bank owners and they wouldn't even look at it. It was fortunate that the Nenana Corporation had $250,000 that they loaned a regular commercial interest rate and they survived. People are hired there and it survived.

Without our aid, it would have gone bankrupt long ago. That's why I think it's important to give us an opportunity to give us commercial loans in that area.

MR. McCUTCHEN: Can I go in that thing? I keep sticking

my hand up and every time you nod to me, he answers.

Jack, I've got a question. In your operation out there, what is it you can do in the rural areas having those hot spots like Dutch Harbor where they need houses, and there is no money for it? Can you do anything at all?

THE MODERATOR: We can make loans to low- and moderate-income people. A person in Alaska has to have an income of $23,400 or less to get one of our houses. That's his Farmer's Home Administration. We put about 30 million dollars into rural Alaska last year in housing. The problem is you get out into the bush in Alaska, or Nenana, they've got to have public sewer and water, you see. You've got to put a person in there that can afford the mortgage for a $70,000 home plus pay his taxes, insurance, get title insurance on his land that he says he doesn't have title to. So, in effect, fireman's home is not in Nenana.

MR. McCUTCHEN: You can't be effective. I think this is one area, get a hot spot that's going, divert some funds, and I agree with the lady there, that you have to look at the whole system.

Here's what happened in Valdez. After the earthquake, they built them a new town and they laid the whole thing out, water, sewer, paved streets, buried power lines, gave them a city hall, post office, grade school building, high school building. And this was all paid for.

This is great.

So the thing was going to be fishing in Valdez, and so the SBA came on along. I've gotten million dollars out there so far. This is just the groundwork, okay. And they go out and they get an SBA loan and they build a brand new modern plant really built right. It gets down to the last $80,000 to put the equipment in to make the plant blow and the SBA cuts the money off and says no way. And the plant was finally used as a warehouse and burned up.

But this is the typical thing. It got shut off because the reason is they lost that extra amount of money for the equipment. The equipment was already aboard railroad cars to be sent to Valdez. The reason is they didn't have any operating capital, the corporation which was going to be given to the City of Valdez. They couldn't get anywhere.

Later on in Valdez, when the pipeline was under way and they were tangled up in the court system, now you have sewer, water, title, and everything you want to have, through there was no housing money because the banks wouldn't look because the thing wasn't under way. When the time came for the housing in Valdez, then came the housing and you had to do two things at one time. This is where the State capital can go into and do ahead of time. When you realize something is going to happen, you can go ahead and

prepare for it and do it. It should be an area where a bank can't get into or some other kind of lending institution can't get into, so it solves some kind of personal need.

MR. ECKHOLM: Let's wrap this thing up.

MS. RICHCREEK: I would like to add one other thing, and that is the State come up with some lands for sale where the people can buy the land to build a house. The reason I'm saying this, out in the Glenn Allen Copper Basin area it's owned by the University or the State of Alaska. People wonder why it's one mile wide and ten miles long, and that's the reason, because it belongs to one or the other.

MS. ALECK: I wanted to add something on this bank acting as a loaning agent for the State funds for personal or business and so forth.

That if the State deposited funds in various banks throughout the State, then they should also set down the criteria as to how these loans should be handled, perhaps even the interest rate. So, in other words, the whole thing isn't up to the bank and they turn around and say, "Oh, yeah, if you need our criteria, we'll loan it to you at 14 percent," or who knows what. You are trying to get the money into people's hands who need it halfway reasonably. Acting more as an agent.

MS. SCHIRMER: I think it's more consent.

MR. ECKHOLM: You realize that by the State taking money and loaning it out at eight percent, if the going rate is 18 percent, if that is money that is, say, permanent fund money or other money, that you're losing that money eventually, you're spending it. It won't be returned to you. It's drawing down. So what you're spending it for, you're not going to replenish the fund. What you're spending it for is going to have to replenish the fund.

MS. ALECK: I'm not saying eight percent per se. Some kind of a fair rate. This is enabling business and construction all over the State.

MR. POMEROY: You said something earlier about we might already have added up an awful lot of money than we have to spend. I am assuming, personal assumption, that we're talking about the kind of investments that are cost effective, whether they're for private business or whether they're for an infrastructure in a harbor. And my position is going to be consistent. It's got to be cost effective. It's got to be able to pay its own way, showing as well as you can show with an investment.

MR. PORTER: One more thing, Mr. Chairman. Also to keep in mind we're talking about the next ten years. We're not talking about tomorrow or the next ten months.

MS. SIMONDS: There may be duplications on the list that are in the office, too. Probably a lot of people are

asking for the same time type of things. So you can compare them and cross off the list and have the same.

MR. PADDOCK: I was going to second Rosie's statement that I think we're doing this wrong.

Will we be going back over this list again before we get through this thing?

MR. ECKHOLM: I'm starting to feel now that we just kind of started to warm up. We're starting to get to know each other, we're getting at areas that are of broad general concern. That are consistencies, and I don't think there is time enough that we have information to go ahead and specify things.

What do you want to do from here? Essentially what we've got is we've got all day tomorrow, and that's about it. And Saturday, they go in the general group and this is what we decide on.

MR. PADDOCK: I think before we finish we ought to go through this shopping list and do some prioritization. But it might be a good idea to trot this list out now.

But certainly I think there should be some reference back to it before we conclude because this lady over here mentioned rehabilitation. I think we sort of sailed by that, subject to Direct Services. Right at this point, without having discussed it, I think we're all looking at other things. We're looking at Christmas gifts

instead of the groceries. And certainly we don't want to give this business of rehabilitation a short shrift. However, I would hope that everybody will take in this -- is it tomorrow morning that George Hohman said we're scheduled for this "Outward Bound"?

MR. ECKHOLM: What I'd like to do is what you're saying: We don't come up with recommendations, and instead of spending the day on one thing, try to compress into two or three hours tomorrow at the end on recommendations, and decide upon all of the recommendations at that time as a group and we don't decide on anything right now until after we've gone over the areas that we have looked at.

MR. POMEROY: Pardon me. But in connection with that, we've certainly got to relate all we've said about what we think about endowing ourselves to think of the future when oil begins going down. Whatever we think about it, we've got to say something about it.

THE MODERATOR: After our breakfast, we have Milton Lipton coming in at 9:00. So we'll start off in the morning with him.

We meet at 8:30?

MR. ECKHOLM: You have 8:30 a.m. It's an assembly.

(The's proceedings recessed at 6:00 P.M.)

SCOMM

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Juneau, Alaska 99811

Reported by: Louise K. Mizota CSR

DELTA GROUP PROCEEDINGS

(December 7, 1979, 9:50 a.m.)

THE MODERATOR: I wasn't able to hear Mr. Fuller last night. Can somebody tell me what they heard from him?

MR. HARTLE: I'm sure that everybody heard different things. He spoke a long time and he was very impressive, to me a very impressive speech, and I really enjoyed it.

And to me he said there's much to do; it can work out great; be brave. That sums it up in three phrases for me, anyway.

And don't take any assumptions that you haven't investigated thoroughly first.

And he really had a way of just looking at things totally logically and re-examining assumptions that we've been making for years and years. And I found it very impressive for that reason.

MS. STRASSBURG: Jack, to me, what his consensus was is that whether you're an individual, a community, a state or a nation, you can do anything you want to do, if you want to do it bad enough. There's no limit to what we can do regardless, and that all the resources are here, all over the world, not just in Alaska.

But also he felt that Alaska is the keystone of the entire world. It's the thing where everything meets. I

thought it was very -- like him, I think it was terrific. I wouldn't have missed it for anything in the world. It's just a great experience.

THE MODERATOR: Harold?

MR. POMEROY: This preliminary recommendations, I take this to mean these are suggested recommendations. They are not things that we preliminarily agreed upon as a group.

THE MODERATOR: Right. Those are just sort of the wish list we did yesterday. You know, there's been no action taken on them. I think they will be helpful to refer to. Some of you will want to expand, some of you will want to delete. Obviously there's an opportunity to add new ones.

MR. ECKHOLM: We didn't make them to give to anybody else. It's just an in-house group.

THE MODERATOR: Following along on our procedure, yesterday it was finance. This morning I gather it's going to be natural resources, and this afternoon services. Is that your understanding?

MR. ECKHOLM: Yes.

THE MODERATOR: We couldn't have picked a better man to help us with resources, and Milton Lipton has been involved with the State for at least ten years. He and Walter Levi have been advising the Governor and the Legislature about our resources, primarily oil and gas. They're international authorities on oil and gas. He knows

as much as anyone in the State about oil and gas, so I've asked Milton to speak for three to five minutes and then open himself up to questions.

It's a pleasure to introduce him. He's a world-wide authority, and he knows Alaska. Milton?

MR. LIPTON: Ladies and gentlemen, it's a pleasure to be with you. You've got a limited amount of time to do an awful lot of things. And the ideas that he recommendations are going to have to be your ideas, not mine. But I did accept from the Legislative Council, who were sponsoring this conference, the invitation to write a paper. And I believe that it's probably been reproduced and is in all of your hands, although I doubt very much that many of you, under the pressure of time and circumstances, have had a chance to read it.

So what I would like to do for three to five minutes and no more than that is to try to identify for you, say, four selected issues of oil and gas policy.

I've selected these for your possible discussion and consideration because they're the kind of issues, while they matter very much to the State, more important than that, they involve inevitably conflicting values among the people and citizens of Alaska. That is to say, there's no easy answer to the kind of questions I'm going to mention.

There are four of them, I said. The first one is

an obvious and straightforward one. And that has to do with how intensively and how fast is the State of Alaska going to push the exploration of State lands.

There's no question but that from outside in a world where oil supplies are in imbalance, where the nation is heavily dependent on imported oil and energy, where the cost of energy is going up very, very rapidly, that there will be great pressure upon you because of your resource potential.

To develop and facilitate the exploration of your resources as rapidly as possible, this will be the pressure that comes from outside.

But I think that, from the standpoint of your own internal circumstances, these may be conducive to a more deliberate evaluation of competing interests among the citizens of the State.

First of all, as the price of oil goes up, surely it becomes more and more economical to explore even the difficult areas of Alaska.

Secondly, since you're concerned not only with finding and developing your resources but the effect upon the environment, this margin of decision, the choice you make between "do we develop our resources or do we protect our environment," the margin of decision there has probably become a more realistic one. That is to say, every barrel

of oil that you may chose to find and produce is worth so much more that you could afford to spend a lot more on environmental protection you might have been able to ten years ago.

And, third, all of the environmental concomitants of exploration and development of the coastal land management, current versus deferred revenues, all of these things that are troublesome and you're going to have to debate, at least in the world ahead, the ten years in front of you as compared to the ten years behind you, the debate and the decision ought to be able to be carried on in a far less pressurized atmosphere than heretofore, simply again because of the increase in the value of your resources and therefore the wider range of decisions that you have.

Now, the second area, the area of State revenues from leasing and from taxation.

If you go back, look back over the past ten years, decision after decision that had to be taken by the administration in terms of recommendations, and decision after decision that was taken by the legislature in terms of leasing and tax policy, we're almost inevitably constrained and almost inevitably dictated by budgetary needs. That is to say, three years ago there was a consideration "should there be a Beaufort lease sale" when the State was facing a 500 million dollar budgetary deficit.

There's only one way you could have leased. Front end bonuses to have a Beaufort lease sale; you needed the money in a hurry.

Now you can time your leasing. Consider other forms of leasing policy, ranging from bonuses, from variable royalties, down to a share of net profits.

In all aspects of leasing and taxation, where finances are involved, the State has a wider range of choices over the next ten years ahead than it's ever had before.

Third: This whole question about resource-based development, that is to say, will you have investment in the State based upon the availability of the state's natural resources? The commitment of royalty oil or royalty gas is a means of getting downstream investment.

You know, when royalty oil was first held out as a fulcrum for downstream investment, it had virtually no leverage, it took a long time and finally the State was offered four projects, some energy refineries and a couple of petro-chemical facilities. They were thrown into the hopper. And a comparative evaluation among these four was based upon the most tenuous and uncertain comparisons. What came out of it finally was the ALPETCO contract, frought with conflicting opinions and interpretations.

What I'm saying here is again whether it's a

review of a restructured ALPETCO project, whether it's LNG availability, whether it's a natural gas pipeline, or whatever, Alaska's position is strengthened for the ten years ahead as contrasted with the ten years past by the sheer importance of physical access to petroleum supplies and investment decisions.

The availability of oil and gas in Alaska becomes a much more important factor than it has been in the past because availability everywhere else in the world is suspect, is uncertain for political as well as for economic reasons.

What's happened in the world outside has moved Alaska ahead ten years.

And, finally, a point, an issue that is apt to affect, I think, Alaskans more intimately and more directly than these broad policy issues.

Petroleum is more needed in Alaska than other areas in the United States for heating and transportation. Put very simply, a lot of oil or gas has to be used in the home, be it in the city or the village. Whether on the ground or in the air, it takes a lot of oil to move Alaska's ten miles of traffic, be it movement of goods or movement of people. In the past, because Alaska is remote from where the petroleum products were refined, transportation added very, very heavily to the cost of oil for Alaska's

consumers.

In the present, because Alaska is remote from where its crude oil is refined, transportation costs subtract substantially from the value of Alaska's oil and gas.

To what extent should your State as a matter of policy seek to achieve a better balance between the costs of the oil and gas that are produced here and the prices of the oil and gas which are consumed by Alaskans here?

Given the rising trend in real oil prices in the next ten years ahead and the relatively heavy weight of energy consumption in Alaska's households and in its economy, the impact of rising costs on the future costs of living and on the costs of doing business in Alaska could be very substantial. State policy in this area could make a tremendous difference to the future of Alaska, issues, I think, that are of interest to you. I'm not sure.

THE MODERATOR: Questions.

MR. ECKHOLM: When you were suggesting an aggressive exploration of State lands, how do you suggest going about that? Do you mean we actually go and lease the lands for exploration, explore them ourselves? What do you mean?

MR. LIPTON: Eric, I did not suggest an aggressive exploration of State lands.

I think the world as it exists creates a

tremendous incentive and economic possibility for aggressive exploration of State lands. But at the same time, there are many different issues which you as Alaskans confront. The very aggressive exploration of State lands carries a high plus here in Alaska.

What I'm saying is the balance between exploration and all the other things that you value, protection of other resources which may be in danger by exploration, whether you want the income now or you want the income later because the oil will always be there in the ground, what the effect is going to be on the environment. This is an issue.

But what I'm saying is, in whatever direction you go, the decisions ought to be easier and the debate ought to be a more relaxed debate over the next ten years than in the past, because your oil and your gas is worth so much more.

THE MODERATOR: Ed?

MR. MERDES: Are you suggesting, Bill, that there's a possible policy that the State could take, for instance, in the future sale of its royalty oil? Are you saying that it could be a State policy that the State, for example, would, say, the North Pole refinery were Tesoro, gentlemen, we'll sell you this oil below market value, or whatever, provided that you sell it to Alaska residents at such and such or

such and such a cost?

As I see it, that's the only way that the people of Alaska can benefit from lower fuel prices in the bush and in the urban areas.

MR. LIPTON: There's never only one way.

MR. MERDES: That away, though?

MR. LIPTON: Surely. If the state wants to have lower-priced petroleum products in Alaska, one way in a sense is to make it available on the condition that the prices will be reduced. But there are other ways. That's a direct subsidy. There are other ways. And one way is to induce maximum competition among potential suppliers to supply the State market here in Alaska.

For example, if companies want royalty oil, how much royalty oil they get for whatever purposes may be conditioned upon how much they sell in the Alaskan market. So you have three, four, five, potential suppliers, all of whom have now a vested interest in capturing a share or an increasing share of the Alaskan market. Competition may do it without subsidy.

I think there are many different ways.

But, for heavens sake, my purpose here -- I wouldn't presume for a moment to try to suggest to you the way in which you're going to answer these questions. Because these decisions have to be based upon your own

values. I doubt very much if you could get a consensus of opinion among the delegates sitting around the table here on the question of exploration versus protection of the environment. There will be differences of opinions.

What I'm saying is it ought to be easier to debate and find the compromise among them in the ten years ahead than in the past. And the same thing on the question of how you get reasonable prices for oil and gas for the consumers within the State. There are many different ways of doing it. And some people will like subsidy, and other people will like competition.

THE MODERATOR: But as an economist, Ed, which is the next question. We've got the oil, we own it, or at least we own 12 and a half percent of the existing oil. Is it better to take it off at Fairbanks, subsidize it at that point, refine it so it gets out of the bush at a subsidized price?

As an economist, is that good?

MR. MERDES: He came up with alternate suggestions, see, which I like. And that's where his skill would be.

MR. LIPTON: Can I ask one thing? There's no good, bad; there is no right, wrong; there's no justice in there. What it requires is that you focus on what the purpose and objectives of Alaska ought to be in terms of developing and utilizing its resources. What is it you want to achieve? It's not a matter of right or wrong, it's a matter of how

you feel, whether you want to take advantage of the potential resources that are here.

MR. POMEROY: It seems to me, Mr. Lipton, that's a very simple, straightforward proposition.

Do we want to benefit the people of Alaska by a subsidy; that is to say, by providing fuel cheaper than they otherwise would get it.

It comes up in a good many ways, in housing, for example. And that comes to the matter, it seems to me, and I'd like to you to comment, that is a social purpose. Do we say that because costs are so high for living in Alaska, that we should subsidize ourselves? You don't have any observation on that, do you, I suppose?

MR. LIPTON: No, but let me call something, very, very forcibly to your attention.

The cost of producing oil and gas in Alaska is largely imposed upon you by nature. Nature has created the oil and gas. Nature tells you how hard it is to find. You've got a hostile environment in which to operate. Some of the costs are imposed by the economy because of inflation, but basically the costs are imposed by nature.

But the prices are not determined by nature. The prices of gasoline, the prices of heating oil, the prices of fuel while it's used to generate electricity, these are determined by a whole host of circumstances that man makes,

and most of them outside of Alaska.

The fact that your oil now in Prudhoe Bay commands a value of 13 and a half dollars a barrel, this didn't come out of nowhere. This was not preordained. This has got to do with decisions that man is making economic and political decisions in world economies distant and remote from you. But does that mean that number two oil, to heat a home in Fairbanks, shall always cost the family in Fairbanks a price which is determined by the value of Alaskan crude oil, which is determined by what OPEC does in Caracus, Venezuela on December 18th, 1979?

No answers.

You make those choices. The oil has that value, and you can get the value of that oil and you can use those dollars in a thousand different ways.

Or you can say these are the costs that nature imposes, and we choose to use our resources in a different way.

MR. MERDES: Jack, here's always been the problem in the past conferences. You hit the nail on the head. We start to talk about methods and technical ways to accomplish a policy and everybody gets hung up. I agree with Milton. I think this group ought to make a decision as a matter of policy, should the people of Alaska, should they benefit more than any other state in the country,

because we have the oil and gas, and let the State figure out how we benefit from it?

MR. LIPTON: I'm not urging this upon Alaska.

MR. MERDES: But the method, subsidy or competition, is something that you can advise us on.

MR. LIPTON: Look, the name of the conference is Future Frontiers.

THE MODERATOR: But Ed, wait a minute. Subsidy or competition, if you go competition, then you're going to get the highest market value for your oil.

MR. MERDES: No. He's saying just the opposite.

MR. LIPTON: Competition can drive prices down or up.

MR. MERDES: I think I know where he's coming from. We ought to vote eventually. For example, if you're in Texas and you were getting gasoline at 68 cents or 57; we were paying 99 up here. Why? Because they had infrastructure and a competitive marketing system they didn't subsidize. That's the point. I think we ought to decide whether the people of Alaska are going to benefit or pay the world price. I say we can benefit and let the State figure it out. That's my point.

MS. STRASSBURG: Jack, why is it we have a refinery at North Pole and at Kenai now, and you start from here and drive on every single road that's within the web of this little highway system we have.

The highest price that you pay for gasoline in your tank is at a gas station very close to the refinery in either North Pole or Kenai. Why is the gas higher than it is here if transportation is so vital to the cost of gasoline?

THE MODERATOR: Milton?

MS. STRASSBURG: I did this this summer. I bought gas at North Pole and I bought it at Kenai. And I paid a dollar and 39 cents a gallon.

MR. LIPTON: You address your impressions to someone else.

MR. MERDES: Milt, we want your answer.

MR. POMEROY: That's retail pricing practices. They don't divide it up into zones by every ten miles.

MR. MERDES: There's no competition in North Pole and Kenai, that's why.

MS. PORTER: A gentleman here said they're producing number two oil here. They're not producing gasoline.

MR. MERDES: That's right. They're producing Number 1 oil.

MR. PADDOCK: A few minutes ago, Mr. Lipton, you mentioned what happens in the outside world has moved Alaska ahead ten years. I think we can understand that.

But I'd personally appreciate it very much if you would care to put a little meat on those bones and cite

specific things and give us a little background around that.

MR. LIPTON: Well, what's happened in the world outside, it's happened abruptly for political reasons. The crisis in Iran, the interference with the flow of oil supplies and the uncertainty even about the continued flow which now exists, all of these things have brought forcibly to the fore a basic fact. That is to say the world today and for the foreseeable future faces inevitably a shortage of oil. It's a shortage of oil. Never mind whether OPEC is responsible for higher prices, whether the U.S. government has had a good policy or bad policy, about whether the oil companies have created an artificial crisis through conspiracy. You can argue this all day long.

The reality is that we face today and for the foreseeable future a shortage of oil, a very precise sense. The major countries of the world that consume oil would like to consume more oil at lower prices than the major countries of the world that produce it at those prices. It means the price is going to go up. Sometime there is going to be a serious depression. Sometimes there's going to be an acute crisis and the shortage becomes an acute crisis. Come hell or high water, whatever we do with substitutes, whatever we do with alternative exploration, we are facing a continuing shortage of oil, as I define it.

This changes entirely the circumstances of Alaska.

That is to say, your past was already intimately affected by the major discoveries of oil and gas here. Alaska today is a different state than it would have been if there hadn't been a Cook Inlet at Prudhoe Bay. You're a different state already. But as compared to the next ten years, the last ten years are as nothing. Because the next ten years, whatever you do is creating for you such continuing appreciation, increases in the value of your potential resources. The outside world is doing it for you.

As I look back over the last ten years of close association with Alaska on all of these issues, two things stands out.

Number one, literally not a barrel of oil, not an MCF of gas has been added to the known reserves of Alaska in ten years.

But, at the same time, the value of Alaska's oil at refineries in the Lower 48 states has increased already ten times over.

What's been done in Alaska has been very little. What the world outside has done for you has increased the value of your potential resources tremendously. What I'm saying, if I'm reading the future correctly, what happened in the last ten years to the value of resources is nothing as compared to what will happen in the next 10, 12, 15 years. That's what I mean by the changing circumstances.

You'll be living, you'll be making your decisions for the State, for the industry and for your family in a vastly different world. Your Future Frontiers is going to look very different. That's what I'm saying.

MR. POMEROY: It seems to me the most important point you're making is, because of these internal influences that are applicable, shortages growing, it gives us much more elbow room, many more choices for what we wish to do.

MR. LIPTON: No question. But two things about that: I like your much more elbow room for making your choices. For every choice you make will cut far more deeply than in the past. If you opt to be conversationist in the development of your resources, this cuts very deeply upon the rest of the country. You've got to strike that balance. But it matters tremendously to the country outside, also.

So more elbow room to make decisions, but every decision probably is going to be a lot more important in the future than the decisions you made in the past.

MS. RICHCREEK: I feel that exploration could definitely be opened up and and I think it should be done immediately and I'll say it for this reason: That if we don't do it right away and find out where things are at and get them more or less ready, when the South 48 really gets behind, they're going to come in on us and they're going to come in in a bad way. And we need to be ready and waiting

for them. And if we don't go ahead and open it up, I don't think if it was Beaufort, sea or someplace else, I see in the paper, if they offer to okay the exploration now, it will be at least 1982 before we get in there.

THE MODERATOR: Let me say that most of the oil potential in Alaska is offshore. So we've got to consider the impact on our fisheries and on the coastal communities.

Now, I think they're one of the keys. Would you agree with that, Milton, or Ed?

MR. LIPTON: I don't know the answer to that question, Jack. You got tremendous potential here also, both in native lands and the State lands, as well as offshore. But apropos of what you were saying, I think in a way it's a mistake to draw a line between us and them. Alaska, and them, the Lower 48 states.

You know, the "us" up here in Alaska - and forgive me if I make an Alaskan out of myself, I feel that way - us in Alaska have conservation and development, they down in the Lower 48 are also bifurcated. There's An awful lot of people that want to speed up development, especially if it's not in their back yard, but there's lot of people that want to tie up Alaska. I don't think it's a matter of us and them. I think it's a matter of the way people seize upon values. To some people, the undestroyed environment is a real, very appreciated value. It becomes more important

than anything else.

To fishermen to protect against real threats or imagined threats, to protect the protein, the source of protein is a very, very closely-held value. It's a meaningful thing. There's a group of people who went down to Washington and talked about the resources of Alaska being greater than Saudi Arabia, and let's speed it up. These are values. Nobody is right or wrong in this.

This is your big problem here in this conference. How do you choose up sides among all of these conflicting values?

MS. RICHCREEK: What I'm primarily saying is go and explore it. I'm not saying necessarily develop it. But explore it, examine, know where it's at and be ready so it doesn't get torn up as a last-minute thing to rush in and get it.

MR. ECKHOLM: Would you say that we should explore before we start to develop any more? Should we explore the State lands before we go ahead and lease them all out as a policy, or shall we lease it first?

MR. MERDES: I'd like to try to answer that question. The Governor's Blue Ribbon Committee on D-2 legislation considered this. The question she raises is the absolute gut issue. Nobody here wants to see Alaska torn up by a bunch of rapacious oil developers, the Alcan Highway,

without any considerations. That's what she's talking about. But the D-2 Committee, on this question, the legislation is passed. The Arctic wildlife plateau that goes out to the Beaufort sea, nobody wants to rip that up and nobody knows what's there.

The Arctic Slope Regional Corporation - and I've been closely associated with it - spent over 21 million dollars before they selected an acre of land with seismic information to determine whether or not they were going to select that land. They were smart. I think the State of Alaska, we ought to know what's there before we tie it up into a single use. We owe it to the country, to the State. We may never want to develop it. But it's insane to tie up all the land until you know what's under it. Seismic information will give you that, and develop it now in five years or 20 years.

THE MODERATOR: Seismic information will give you some of the knowledge. It won't tell you where the oil is, but it will tell you something.

MR. MERDES: That's right.

MR. ECKHOLM: Are you suggesting, then, Mr. Merdes, that we actually act a State drilling corporation?

MR. MERDES: No. The seismic information is not drilling. They will you if it's not there.

MR. ECKHOLM: Would you think the State should go one

step further and drill exploratory wells?

MR. MERDES: I would leave that up to experts. If they run a seismic, if there's nothing there, turn it into a national park. But why should you turn it into a national park if there's other Prudhoe Bay.

MR. ECKHOLM: Has the State done this?

MR. MERDES: No. The State hasn't the information. The Arctic Slope Regional Corporation has.

MS. SHROYER: I agree, as this can cost hundreds of dollars, into the many millions of dollars, and the State can't afford to put that much money into wasteful exploration. I think with the technology that we are bringing upon, we can find better ways to explore costs a lot less. We have the time and we have the money to move a lot slower and find better ways of doing it.

We don't have to destroy our environment through exploration or through development. And I think we have to keep that in mind, that we have the time to go slow.

MR. MOORE: In my region, we've had a contract with Shell Oil Company to explore the Yukon coast, coastal areas of our region. There's 57 villages. We stopped the contract, at least Shell Oil Company didn't explore any more because the people, the village people says we don't want the terrain, the country to be spoiled.

I guess they had a little occasion one time when

a little slough was damaged the little fishes that were living there and sort of damaged the environment. And at that point in time we stopped exploration.

But we have another contract now to continue exploration more precautiously. But as a director of the corporation, I feel that we explore and find what's there and know when we need it. And that's exactly what we're doing at the moment, except that we have an agreement with each village. If a village says we don't want exploration, we don't; we honor that. We only have certain contracts with each village in order to complete exploration.

Because the village people value just what they have.

But my own opinion is to explore and find out what we have.

THE MODERATOR: I'd be interested in Mr. Samuelson's reaction to that. Is that sort of Bristol Bay's corporation, where you encourage exploration but you adapt it to your particular villager's concerns?

MR. HARVEY SAMUELSON: We went and talked to them first. We had no objections from none of the villagers, so we went right ahead and explored.

Our land down there is somewhat different than the land up in the Chulista region, where Martin is talking about. They have permafrost up there where we don't have

permafrost. So it's easier.

THE MODERATOR: Again that OCS thing, is that a big concern to you, in fact they'll drill offshore and impact you onshore?

MR. HARVEY SAMUELSON: No. It's no big deal with us.

MR. PADDOCK: Jack, I'd like to ask Mr. Lipton. I'm not sure that the one responded to this or not, whether it's out of his field. I'm not sure this is a fair question.

But I'm wondering, sir, if in your mind you feel that exploration is enimical to so-called conservation values. Has the technology of oil exploration advances to the point where exploration can take place without without being destructive of these intangibles?

MR. LIPTON: If there were a single answer to that question, I would answer it. I don't think there really is.

I suspect that -- well, see, the way you phrase the question, "Is exploration consistent with protection of the environment?"

Well, one has to know how much protection of the environment. What part of the environment do you want to protect? It's a very difficult thing.

I would think, in general, one, because we have had enough experience, for example, you talk about Beaufort Sea. The Canadians have gone drilling in Beaufort See for three years now, in the Canadian side of Beaufort. A, our

technology has advanced. B, out of sheer self-protection, oil companies have to be cautious today the way they would not have been ten years ago. I mean, just out of sheer self-protection. Because the first time there is an avoidable accident, you know, the heavens split aside and all hell breaks loose for them.

Third, as I said before, you can afford to spend more money now on environmental protection than you ever could before. So I would think in general with the advanced State of the arts, the fact that the oil industry is driven self perpetually as careful as they can be, and third because we can he can afford to spend more money, the odds are that it is more compatible with environmental concerns. But that's not to say that all risks are gone and therefore one doesn't think about it or in designing an exploration program, you don't do, as they do in Chulista, progressively try to establish as many safeguards as is possible.

MR. PADDOCK: Well, I think I hear you saying that we've come a long way since Santa Barbara.

Would you care to comment on the type of technology, the carefulness for the environment that may or may not have been utilized by drilling down in the Gulf of Mexico?

MR. LIPTON: The Mexicans? I have no comment to make.

I have no idea whether that was sheer carelessness or whether it could have been avoided or anything else.

I mean, basically, if you're going to be honest with ourselves, we've got to say, with all of the protection in the world, A, there's a chance of accident, and, two, man is a falable creature. It can happen.

THE MODERATOR: Even oil men.

MR. MORGAN: I'd like to comment on the shoreline archeologic sites along the Arctic Coast, just publicize the fact that I have some concern that they will not be somehow taken care of.

The dew line stations were implanted on top of archaeological sites; roadways have been built over villages. I would make a plea that whatever does go on up there, it's imperative that these sites be somehow investigated by professionals and all that needs to be learned about them be learned before they may certainly some are being eroded into the sea now.

Our mapping of these sites is fairly incomplete. Because this is one of the measures that the natives understandably feels very strong about.

THE MODERATOR: Tom?

MR. SINGER: Just a slight change in focus, but I see a certain segmentation of issues. Yesterday we were discussing the state's fiscal situation. And I was

wondering if Mr. Lipton can give us insights into the linkage between physical policy. Specifically, we were talking about investing our oil royalty. Given your worldwide perspective since the 30's, Texas' boom or bust since the turn of the century, or something like that. And they certainly have diversified.

Do you see, should the policy debate on use of the surplus be concerned about a boom-bust phenomena, given this optimistic future, or are we all right?

MR. LIPTON: Obviously, one, you want to be concerned about the continent, about revenues and how you use it. There's an important distinction between Alaska and the other major oil-producing states in the United States. If you take the three largest producing oil states in the Lower 48 states, Louisiana, Texas, California, they have several other industries, but they've got fantastically important industrial industries and all three of them are important agriculture states. So it's a mixture of resource development, industrialization and agriculture in all three states.

In Alaska, if you look back over the last ten years, the dominant economic impact upon the State has been the discovery and development of oil. But we've never had this same kind of diversification, nor are you likely, because of the circumstances of the State, to have it in

terms of industrialization on the scale that you have in Louisiana, Texas and California or the agricultural industries that these have. So they have much greater diversification. And the impact of what they could do in terms of oil doesn't have nearly the consequences they have in those states, even though they're the most important states south of Alaska.

So you must be concerned not only about the continuity of your oil revenues, but also the short-term uses and the long-term impact on the life of your citizens of how you utilize these oil revenues much more than these other states.

THE MODERATOR: We had Belden Daniels talk to us yesterday and Russ Meekins and Tom Williams. They were talking about investing dollars, buying a part of the pipeline; would we have bought the pipeline if we had a choice now.

Do you have any comments on hard investments, equities?

MR. LIPTON: It seems to me -- think about your State for a moment and oil and gas in these issues. The State starts out as a landlord. It's inevitable. Most of the land that's prospected onshore is owned by the State. So you start out as a landlord. And as a landlord, you've got certain interests in finding out the value of your property

and getting high rent for your property.

Whatever the State chooses to do, you will end up as an investor. The State will end up as an investor why? Because of the timing and ac consumation of oil revenue. Its inevitable. You're going to have to invest it. So as an investor, you want security of investment, you want a high rate of return on your investment. And, in between, you're a sovereign government that regulates the taxes that it spends. So the State appears many different guises.

And if you're contemplating investment, you can look at it just as an investor would. Yes, you want to worry about security, yes, you want to worry about the rate of interest or dividends that you get out of it. But you also happen to be a State with broader interests than just a bank that says I want security. Your investment has to be purposeful. So you ask yourself, well, why am I investing. If I invested in natural gas pipeline, is it because without it the pipeline won't be built or is it because I want to accomplish something besides just getting an interest rate on my money.

I would suggest that when you look at problems of investment in this State, the first question you ask is what am I trying to effect, what am I trying to achieve by that investment, whether it's in ALPETCO.

Look, if you commit royalty oil, that's an

investment. The State has made an investment. If you commit money to build a conditioning plant to service the natural gas pipeline, that's going to be a hell of a big investment. A billion dollars. Why. What are the purposes, not just security of investment and interest rates. Yes, you worry about that. Why am I doing these things? How is this going to contribute to what Alaska is going to look 10, 15, 20 years from now.

MR. REEVES: Why do you think Alaska does not have the opportunity to industrialize to some extent along the lines of Texas and Louisiana?

MR. LIPTON: To some extent, yes. What I'm saying is it can't be of the proportions in those. The reason is very, very simple.

A, relatively high costs here; and, two, relatively far from big markets. Industry depends upon extensive markets. And Louisiana and Texas and California are proximate to tremendous population centers. Sure, you can industrialize here, and you can even use your resources to speed industrialization, if that's what you want. But you're not going to be a Southern California or a Texas or a Louisiana. You're too far from where the people are, unless you want to build Alaska into a big population center. You build a population of 10, 15 million people here in Alaska and you'll have industrialization.

MR. ECKHOLM: What is your personal opinion of the commonwealth north proposal to come out as rapidly as possible to help our energy problem and be pumping out four and a half million barrels?

MR. LIPTON: I haven't seen anything other than a newspaper headline. I wouldn't want to comment.

MR. POMEROY: Mr. Chairman, this is the concept of growth, getting development, getting development by industrialization and here's getting development by simply getting more and more going.

I know and work with these people quite a good deal, and I should like to make a further comment about our production up here.

Mr. Lipton commented partly on cost. It's just simply basically economics. If we have an oil refinery up here or a petro-chemical company, we can produce basic products that can be sent out bulk. But we can't produce sewing machine oil or products that inquire the necessity to ship in the metal to make the cans and the containers to put them in and send it back out to the market unless we subsidize heavily. That has been an issue pretty much up to now. I don't know whether it will come into any comment here or not.

THE MODERATOR: Thank you.

Any further questions of Milton?

MS. PALMQUIST: I have a question. And that is this: Is it not in the interests of the oil companies to assist the environmentalists in keeping the State closed or slowed up in order to reap the higher prices that will obviously come later on?

MR. LIPTON: I don't think that the oil companies are capable of such long-range planning. Look, they have to survive today. And today there's not an oil company in the world, including the very, very large international major oil companies.

Look, it's overtime. No matter what they do in Alaska, they're not going to have a heck of a lot of oil produced out of today's exploration, the length of time it takes to explore, to develop. They've got to do it for today, for tomorrow.

So I don't think Alaska has to be worried about the self-interest of oil companies, as such. I think their self-interest is to protect the environment, too, because Heaven will fall on their heads if they make a mistake here. I think they will tend to be protective.

I think also competition among them will probably conduce to relatively rapid development. They may like more rapid development than the State is prepared to do. I don't know. But I don't think by itself that they are fearsome creatures for Alaska today.

MS. PALMQUIST: I do want to expand on what was discussed around the table, and that is protecting the environment.

I come from an area which is the second largest borough in the State next to the North Slope Borough, which is the Matanuska-Susitna Borough. There has been extensive exploration in that area north and west of the Anchorage and Cook Inlet area.

Those trails that were built, if there was any damage at all, it's not observable to the naked eye. What it has done is the same as the homesteaders that cleared off your 10 or 20 acres and got their homestead, had a crop, got their homestead. What's happening to those homesteads now, if they're not being farmed, they're going up in moose feed. As a matter of fact, the moose can't keep up with the brush that's growing up in there. So pretty soon it will be back in forests.

We see no damage from the oil exploration, and of course that borough was extremely hopeful that they would strike something there, which they did not.

It would have been very helpful to the tax base of that borough, just as the North Slope situation is very good for the tax base of the North Slope Borough.

So I'm not concerned about that. But I do want to elaborate on what the lady across the way said. It is

important in whatever you do to know the full extent of what it is you're operating with. And it's important for the State to know where its resources are. And at the present time private industry itself has not completed the exploration that is necessary for determining where we have large amounts of whatever it is. In this case, oil, or gas.

And I certainly favor the State entering into a cooperative arrangement with the oil companies where the State also knows where the resources are and not just the oil companies for the first two years when everything is secret.

MS. SCHIRMER: I agree.

MR. ECKHOLM: Given the state's short-term capital wealth, would you recommend as a wise policy for the State to develop, not to explore, but develop our resources rapidly, or over the long term?

MR. LIPTON: I am neither so foolish nor so heroic that I'm going to answer that question. That's why you're here, to establish the values and guidelines.

MR. ECKHOLM: You've called yourself an Alaskan. What would you say as an Alaskan?

MR. LIPTON: I don't think I ought to presume to give you a personal opinion on that. I mean, it would just be completely off base for me.

MR. MERDES: I think he's right.

MR. LIPTON: You've got a whole cross-section of the State here. And you're struggling with these questions. I wouldn't be so presumptious to try to advise you. It's got nothing to do with my experience. It has to do with what you want.

THE MODERATOR: He's got lots of opinions, but he's very clever.

MR. HARVEY SAMUELSON: How close to the truth were the headlines last night on all the oil we have in Alaska?

MR. LIPTON: I don't know. Look, there are people to whom the truth has been revealing. It has not been to me. It has not been to me.

MS. SCHIRMER: It seems to me that the ideas of exploration without sudden exploitation is excellent. And if we can do that, then we can develop a plan so we won't have the boom and bust business so much. And I think that's what we need to aim at.

THE MODERATOR: You know, I see where this conversation is going. The oil industry is very competitive, and they go out and get this information for themselves in order to compete. They keep it all. And the state's job is to get as much as they need, I think. And on the geophysical stuff, they get nothing.

The oil industry is very sensitive and very jealous of this information. And so what we do is we don't

have anything, and we put it out on a contract to lease. That's a contract. You have ten years to explore. So we put it out on a contract before we have any information. Now, the alternative, and the reason the industry resists is if the State gets all this information in advance, what will keep them from going out and exploring on their own? Why put it out on contract when you have all the information? This is the sort of philosophical struggle you keep going through. Do you allow the industry to get a contract, take the risks and find the oil, or do you get the information yourself, once having all the information, just like an oil company, why not go drill it?

Go ahead, Ed.

MR. MERDES: Again, I do in this context have some experience in this field.

The State of Alaska, for instance, could say to the oil companies, "Before we lease this land, we want to find out seismically whether it is sensible to lease it."

To give you a comparison, the corporation went to Chevron, Mobil, said, "Look, we're at arm's length now. You spend the 20 million dollars and share the seismic information with us," which the contract provided, then they decided what land. They said okay, if there's royalty information there, we'll lease it to you.

THE MODERATOR: They're acting like a private

landowner.

MR. MERDES: The State ought to spend State money and say, look, we'll hire a seismic crew and find out if there's any oil. Then you get ten times as much money as you normally get.

I want to ask a question before he leaves. We met you ten years ago when you first came. Personally as an Alaskan and legislator, I want to thank you and Walter, because you've done a real service. I'm not trying to build you up. But I want a question answered in terms of issues.

Based upon your experience and Walter's experience up here, and you've got more than anybody, knowing how we feel, what issues, what can we do, Milton, using your experience in terms that 10 years down the road or 15 years down the road, what issues should we address ourselves here, besides the one we talked about, for example, whether or not we should use State royalty oil to benefit Alaskans? Is there anything from your experience that you could warn us or we should talk about down the road here? Not the answers, I agree with you.

MR. LIPTON: The ones that I passed over quickly at the beginning. Certainly I think the question of the way in which your natural resources are utilized to serve the interests of the people of Alaska is one.

The second one is a whole question of investment.

I define investment a lot of different ways. If you commit royalty oil and gas, you're investing a lot of money, or if you directly invest surplus funds. The whole question of investment, and what the purpose of the investment is, quite a apart from security and investments rates.

The third, I think, is the whole question of the pace of exploration and development and how you balance that against all the other things that as individual Alaskans you're worried about, whether it's coastal zone management or whether it's environment and so on. And the third, I think, has to do this whole subject of leasing policy and taxation. I remember the debates in the legislature, is the State getting a fair share of the value of the oil industry, or it is taxing so heavily that you're going to drive the oil industry out of the State of Alaska?

Well, the questions are going to be the same the next ten years as they were in the last ten years, but the answers don't have to be the same. Because with the increase in the value of the oil and gas, you can do all sorts of things.

I just want to say I think the direction of your discussions here as it dealt with how much the State knows about its resources before the pace of development, I think this is a fruitful area to explore. Because the way in which the oil industry operated in the past doesn't have to

be the way it's going to operate in the future.

The oil industry in the Lower 48 states, each company, hired oil scouts and they went out and they tried to tie up acreage. They did all of their exploration, their geophysical studies in deep and dark secrets. They come up to Alaska and you're going to have a lease sale in the difficult area. When they went into the Gulf of Alaska, they put groups together to do it. Can the State of Alaska be a partner to this kind of preliminary exploration to learn things?

What I'm saying is the world is changing enough so that the forms and the practices and the associations can be in a sense pioneered here to suit your interests. And I don't think one has to worry too much about this is the way the oil companies always did it. They're adapting like mad to a changing worlds, and you can adapt as fast as they can.

I appreciate very much the opportunity of being with you, but I'm committed to run. So again, thanks you. You've indulged me very much, and I enjoyed being with you. Thanks a lot.

THE MODERATOR: What is your pleasure?

MS. RICHCREEK: I would have one more question. Can somebody tell me, does the State own the subsurface rights to all the land in the State before it is bought back?

A VOICE: No.

MS. RICHCREEK: Who does own it?

THE MODERATOR: Under State land, it's owned by the State. Under federal land, by the feds.

MS. RICHCREEK: Who owns the subsurface under private?

MS. SIMONDS: The federal government, if it's got any minerals that it knows about.

THE MODERATOR: It depends on the age. The older ones, the guy owns it all, to the center of the earth.

MS. PALMQUIST: After 1957, it changed.

MS. RICHCREEK: I cannot agree with it, and I'll tell you why. About 71, a man was drilling for water in Glennallen. And a little over 100 feet they hit gas. He was a native, he had given up his mineral rights in order to get his patent.

THE MODERATOR: That's right.

MS. RICHCREEK: So the State then had his mineral rights, so they ended up having to come in and cap that gas well.

THE MODERATOR: Right.

MS. RICHCREEK: We're told out there that we don't own our subsurface rights.

THE MODERATOR: It depends. You probably don't. The Federal or State government reserve those rights when they gave you the patent.

MS. SIMONDS: It would be in your deed.

THE MODERATOR: Right.

MS. PALMQUIST: It's in your patent. I got my homestead patent before 1957. Therefore, I own all the mineral rights, which includes gas and oil. Those that got their patents after a certain month, I think it's July, 1957, do not own their subsurface rights..

MS. SIMONDS: In 1948, they knew there was coal under some of the land. So therefore if you find it, you would have to pay the federal government to take the coal off. So they own the coal because they knew it was there. But they didn't know oil and gas was there.

MR. MORGAN: That was only where they knew there was coal.

MS. SIMONDS: That's right.

MS. RICHCREEK: Well, then, the individual does not own the subsurface rights, necessarily.

MR. MORGAN: In some cases.

MS. RICHCREEK: In some, but not all.

MR. ECKHOLM: Could we hold the conversations down a little bit? She's getting a little confused.

If we're going to talk about other resources in oil and gas, we're going to have to move on. Before we move on, should we have a recommendation session and take a short break and then come back and talk about fisheries?

MR. PADDOCK: I wanted to touch on one issue and perhaps lay it to rest a little bit before we move off of oil.

We talked about exploration. Somehow or other I got the feeling that there was sort of a latent feeling in some quarters that oil exploration was inherently, or could be, at least, inherently destructive of certain values. And I personally feel like perhaps we're providing a straw man here perhaps that doesn't exist in view of the present state of the art in seismic exploration. I'm glad Harvey Samuelson walked back into the room.

It was my privilege to be associated with certain seismic activities out this Bristol Bay as a biologist. These have been required to be done from helicopters. When the work was done, I defy almost anyone to go out there today and find out where seismic exploration was carried on. The exploration took place and I'm a conservationist, but I defy anyone to go find the results of that late work.

Now, the early work, certainly, you can still see the paths in tundra. But it's ancient history. As Mr. Lipton told us, we can do things differently today.

And I think that, Heaven help us, in some cases, subsistence, hunting from snowmobiles is far more damaging to tundra than state-of-the-art oil exploration.

MR. ECKHOLM: I've heard two recommendations that I'll

just lay out before the group and then if there's more let's talk about them.

The major recommendation that I heard many of you talking about was to explore the state's oil and gas potentials so that planned development can occur, and specifically to develop seismic information before the State commits its resources.

The second one I heard was to investigate the archaeological sites long the Arctic coast to insure their protection as development occurs.

MR. POMEROY: Mr. Chairman, I'd like to ask that first one, about learning better what we have, final action to that be held until we get a recommendation that Naushaf, after an all-day panel discussion in May on oil potential wrote concerning what I considered a feasible program. I've telephoned him to see if we can get it, and it may be here. I suggest you hold final action to that, see if you find anything that's useful.

MR. MERDES: I'd like to recommend -- I took notes on what Milt said. I think we ought to vote on these four issues.

Number one, should our oil and gas resources be used to benefit Alaskans. Let the technical way of how to do that be taken care of, but we should vote on that issue.

Secondly, the question of investments. Should we

recommend that factors other than safety and rate of return be considered when the State makes investments. Yes or no?

THE MODERATOR: Security?

MR. MERDES: Security. I'm sorry. You're right. Security and rate of return.

Thirdly, what should the pace of exploration and development of oil and gas and other resources be. I would personally elect that it be determined by the legislature. In other words, should it be slow, fast, medium, whatever.

Fourth, the leasing policy and taxation, in other words, the State be a partner in oil and gas explorations due to changing conditions in the world in the oil industry.

I'm not suggesting answers, but I think we should vote on this.

THE MODERATOR: A partner, you say.

MR. MERDES: A partner, or whatever. Should the State be a partner or some way participate in oil and gas exploration due to changing conditions in the world.

THE MODERATOR: Is that a motion?

MR. MERDES: I would recommend that we vote on those sometime before we leave.

MR. MOORE: Is that a motion?

MR. HARVEY SAMUELSON: I second it.

MR. HARTLE: I'd like to comment briefly on the first one. Could you read your first?

MR. MERDES: Should oil and gas resources be used to benefit Alaskans.

MR. HARTLE: Okay. I think that, as stated, we would probably all agree. But unfortunately the situation is it's not that simple. If it comes to should we subsidize oil companies with State dollars so that it's cheaper for Alaskans, that's a very different question than should we find other mechanisms, such as the one you picked up on, competition.

I think that I would like, before we vote on something like that, would you clarify it a little bit in terms of what it would cost to the State in terms of State dollars rather than oil company dollars. Do you understand what I mean?

MR. MERDES: Yes. I think you're correct. I think I'd like to add to that and let the technical method of this being carried out be left up to the legislature.

MR. HARTLE: Could we add further, in doing so, the technical method that the legislature choose be directed to be that which is least expensive for the State in achieving the same ends?

MR. MERDES: I think you're going into too much detail.

MS. PALMQUIST: I do too, because we may want to invest in human interests, something which will advance, our, for instance, education. And that has no immediate

dollar return. So of benefit to Alaskans. I'd like to leave it right there.

MR. MERDES: That's right. I move those four.

MR. ECKHOLM: That brings us up to six, more or less, recommendations to vote on. These four we won't really know what the recommendation is until we vote.

MS. SIMONDS: Besides, why can't we take an inventory of all our mineral resources and not just limit it to oil and gas to find out where everything is to know what we can depend on the future. Financially, also to know in the future where to put our harbors and roads and what have you. So without an inventory of our mineral all mineral resources, meaning coal, it would bein complete; just oil and gas inventory wouldn't be enough. I think a complete inventory, as much as possible.

You know, they can fly over and see by the color of foliage, what certain things are.

MR. ECKHOLM: What's the state's action in developing information?

THE MODERATOR: Well, I'm not an expert on it. I think that there has been a general reconnaissance, and probably flown magnometers and things like that.

But my impression is that in order for us to really inventory what we really have in hard rock minerals, for instance, there's no substitute in getting on the land.

It's going to take years.

MS. SIMONDS: Coal? I mean, we shouldn't put all our eggs in the oil and gas basket.

THE MODERATOR: We know what the coal is, but we don't know the specifics.

It's been inventoried, but I think there's a lot more to be done, or have to be done to really know what we have.

THE MODERATOR: I'm not answering your question?

MS. SIMONDS: No. But I think it would be advisable to do it, if at all possible.

MR. MERDES: You want that voted on, don't you?

MS. SIMONDS: Yes.

MS. PORTER: There is a federal study that was completed a year and a half ago. They did reconnaissance flying over the entire State so they have the entire State mapped out minerally, and that report is available to anybody. Just write to the feds and they'll give you a copy of it. That doesn't specifically give us the value today or in 20 years of what's there. We just generally know what are on the mineral areas and what kinds of minerals are in the State.

But we do have to separate exploration from development. I think it would benefit the State greatly to do oil and gas exploration specifically, or to deal with an

oil company to have it done so that we know. Right now we're all saying well, the oil money may dry up, we may run out of this, run out of that. It would be very great to know what our potential is. We don't have to develop it. We can sit on it.

MR. ECKHOLM: That goes in the first question.

MS. PORTER: But it would certainly help us to know what we may have.

MR. ECKHOLM: That's the first recommendation that we have. So we'll vote on that first. Are there any other recommendations?

MS. SNOYER. I would just like to add to the recommendation of the inventory of our mineral resources that that inventory should be looked at before public facilities such as docks, and new towns and roads and other avenues such as that be built, that all of those be taken into consideration.

MR. MERDES: Makes sense.

MR. HARVEY SAMUELSON: I noticed the State has a fishery policy. They have a policy for this and that. Do they have a policy for minerals?

THE MODERATOR: We have 140 million acres. They selected 35 million.

MR. MERDES: They've been conveyed.

THE MODERATOR: That was a heavy. So their policy was,

under the Egan Administration, to select as much of the mineral land as possible.

MR. MERDES: And agriculture.

MR. ECKHOLM: Are there any other recommendations along oil and gas?

MR. MORGAN: It has to do with the mineral exploration. I think we should strengthen several departments at the University of Alaska, would be my recommendation, history and geographic ares. If we had had strong history and geography departments, we would know a heck of a lot more about our state.

What I would recommend, in short, is let us strengthen the remote sensing that the university could do, whatever department they want to put it under.

MR. MERDES: Can we include oceanography, fisheries, forestry and other departments that the university strengthen them, and agriculture?

MR. ECKHOLM: That goes back to Mr. Lipton's third point, was a resource based development. So something like develop the University of Alaska as a resource --

MR. MERDES: Think tank.

MS. PALMQUIST: But that should be a separate motion, should it not?

I'd like to know when we get to human concerns. Would that be this afternoon?

MR. ECKHOLM: Any other oil and gas specific recommendations?

A VOICE: I wonder whether, when we talk about lowering the cost of gas for Alaskans, that should be the primary concern, or the primary concern should be protecting primary energy uses in Alaska, the development of alternative energy.

MR. ECKHOLM: Is that a recommendation?

A VOICE: Yes, it's a recommendation, or a suggestion. Just an idea, maybe.

MR. MERDES: To be part of the debate.

MS. SCHIRMER: I don't think you have to choose one or the other. I think you have to work on both.

A VOICE: Then I think there should be something included in the statement.

MR. ECKHOLM: So you would recommend that we develop alternate energy resources other than oil and gas?

A VOICE: Right. Encourage the development.

MS. PORTER: I think yesterday we touched on that subject by using some of our oil monies to develop other methods of supplying energy to the State; diverse methods.

MR. ECKHOLM: Maybe we could finalize that recommendation.

MR. NASKE: I think a good example is on the North Slope where there are tremendous coal resources, but oil is

chipped at great expense. Why can't the State develop small power plants that burn coal? There's no reason for that. It's there. It would provide jobs.

MR. ECKHOLM: Okay. Frieda.

MS. SHROYER: I was just going to go back to the benefits of Alaskans through lower prices is an immediate concern and alternative energy plans is a futuristic thing we have to develop.

But lower prices on oil and gas has to be taken care of now, because that's what we're using now.

MR. ECKHOLM: There's different ways to go about that. They've talked about giving it to an in-State processor so they can get it to the consumer cheaper, and Governor Hammond's latest on that is an energy credit. So instead of actually getting the oil cheaper, the State gets the money from its royalties and then it's passed out in some sort of an energy credit based on how much energy you consume. That's a different kind of a way to get to the same problem.

So are there any recommendations as to how to use our energy to make it cheaper for us to consume energy?

MS. SCHIRMER: Is there anything in that thing based on how much energy you consume that is incentive to consume less?

MR. HARTLE: That was my concern also.

MS. PALMQUIST: The other thing it doesn't address is

still how to get at the heat for your home cheaper. The State hasn't addressed whether the refineries could refine, Number one and number two oils and put it out as a cheaper price, even if it had to be subsidized, rather than to give the consumer a better way to pay the higher bill.

MR. ECKHOLM: That's basically the energy credit plan. Are there any recommendations on either --

MR. NASKE: I would recommend that the State provide some incentives for, for instance, better building construction or better insulating methods as part of that energy credit, not merely subsidizing the cost of oil.

MR. ECKHOLM: Okay. That would be part of an energy credit recommendation, if there is one. There isn't one yet.

MS. PORTER: There is one already. There is in existence a Federal and a State energy credit for insulating.

MR. POMEROY: I think we should take note that a number of these things the State has already gotten into. And we may want to say we want to emphasize an acceleration in one direction or the other.

MR. MERDES: Eric, I think we ought to distinguish, at least from my viewpoint, between gasoline and home heating oil. I think we ought to discourage excessive use of gasoline. But I don't think under any circumstances that you ought to raise the price of home heating oil, and

particularly in the urban area, in the bush. So you can address a subsidy policy on that part possibly, and maybe use the competitive market situation that Hilton was talking about in terms of giving oil to -- royalty oil, say you're going to first take care of the Alaska market before you ship it to California or anywhere else. But I think we ought to distinguish between the two.

There isn't anybody in this room that isn't -- incredible that we pay more for our home heating oil than Seattle does.

MR. ECKHOLM: The general recommendation that I'm hearing is we ought to use our oil and gas energy to lower the cost of Alaskans' energy somehow. Is there any way you want to recommend more specifically to do that? That's so broad, it's not going to give the legislature any directions.

MS. SCHIRMER: We've made other recommendations.

MR. ECKHOLM: I want to get these done and vote on them in the next five minutes.

MS. PALMQUIST: I'd like to have it, when looking at what the higher costs are, and that is in the bush where they use oil. They have to pay as much as $500 and $600 a month to keep a small house heated. And I think they suffer the most from the high cost of fuel oil.

MR. MERDES: They should subsidize home heating oil

everywhere for home use, but maybe not gasoline.

MS. SHROYER: Going back to gasoline use, and I think everybody would like to see less gasoline, maybe, used. I'd like to throw out to debate an incentive or credit for carpools, or the use of public transport. I don't know how exactly we could do that. But to carpool or to use public transport would be definitely to use less gasoline, and an incentive or credit along those lines may be useful.

MS. RICHCREEK: That's kind of limited to Anchorage, though.

MS. SHROYER: To the urban centers, Fairbanks and Juneau.

MS. PALMQUIST: Juneau as well. They have a peoplemover.

A VOICE: The point was raised that any resources that are diverted for developing renewable kinds of energy for the future should be probably put off. And it seems to me that in thinking about Alaska's future, it would not provide a very smooth transition if we were to put off devoting resources into developing renewable energy resources.

THE MODERATOR: In other words, you're saying if we continue to rely on oil and gas, we will never get off the circuit.

A VOICE: Not only continue to rely on it, but without devoting some of our dollars now into developing practical

means of utilizing the renewable resources for energy in the future, that we'll never get there and there will be a big problem later.

MR. ECKHOLM: Maybe the way we can address that, if we get to the recommendations, if anybody wants to attach a recommended dollar figure in terms of investment, if we want to two alternative energies, how much do you want to put into it next year? $500 million?

MS. PORTER: When we say we're going to delay that, one of our categories is energy. I think that's a whole specific category. We have to address that under that category. I don't think we should go into that debate at this time. When we're delaying it, we're not delaying it for ten years, we're delaying it until this afternoon or this evening.

But the energy is a whole different topic. And we're not talking about what we are going to do with the oil and gas monies at this time. We're talking about policy, we're talking about State policy. So when we're delaying the development of other kinds of alternate energy plans, it's until this afternoon.

MR. ECKHOLM: Well, I'll read through these recommendations. Some of them are very negative. So if people decide to table them, they can do that. But a lotof these are energy related.

MS. PORTER: I would prefer to talk about alternate energy, totally separate from the oil and gas issue, if you don't mind, if the group doesn't mind.

THE MODERATOR: Could you address yourself to that?

MR. HARTLE: I'd like to make other recommendation, if we're talking about a ten-year plan here, somehow the biggest push the State should make with oil and gas is to get off the use of it. We can subsidize home heating fuel or whatever. But basically what Mr. Lipton said, and it's very clear, in ten years it's going to cost a lot more no matter how much we subsidize it, no matter what we do. So as a recommendation, our push in this area should be to conserve, to get off of it.

MR. NASKE: Alternatives.

MR. ECKHOLM: Any other recommendations?

Let's go back and ratify the recommendations that we just listed and we'll take a short break.

The first recommendation that I heard and heard the strongest was to explore State oil and gas potentials so the planned development can occur, specifically to develop seismic information before the State commits its oil and gas resources to development.

Is there any discussion before we vote on that? Okay. All those who would be in favor of that recommendation please raise their hands.

Is anybody opposed? Okay. Thank you.

The second one was to investigate the archaeological sites along the Arctic Coast to ensure their protection. Is there any discussion?

THE MODERATOR: Is it just the Arctic Coast?

MR. MORGAN: All of our coastline is needed to be surveyed. We have archaeological sites washing into the sea all around our coast.

MR. ECKHOLM: How about just archaeological sites?

MR. MORGAN: But there should be some priorization there, hot spots. National erosion is threatening more than in some areas. But some sort of coastal survey. Some of this has been done, but I know that the sites along the Arctic Coast from the Canadian border to the (inaudible) River have not really been taken care of.

A VOICE: I'd like to delete the word arctic and add all of the state.

MR. ECKHOLM: Why don't we just investigate archaeological sites and insure their protection in areas currently being developed.

MR. MORGAN: I don't know investigating is a good word. I want to just call attention to them. I want the proper agencies to look at them. There has been some lax policies in the U.S. Fish and Wildlife Service.

MR. ECKHOLM: How much money would you want the State

to spend on this program?

MR. MORGAN: Well, I bid on the map and the ones along the Arctic coast $150,000. It's a pretty expensive kind of a thing.

MR. ECKHOLM: Should we tie it to a dollar figure?

A VOICE: No.

MR. PADDOCK: I was just going to say, perhaps not everyone is aware of the fact that there are organisms already in effect to protect sites like that against degradation in any sort of exploration.

If an archaeological site is brought to light, everything stops right there. That's the way it is now.

But I do agree that we need to get on the ball and start, not necessarily mapping, but at least inventorying sites. We have spent virtually nothing on this. And there are important sites that are known to nobody in an official capacity. And I'd like to see that change and I'd certainly strongly support a motion which says that, let's take an inventory of these things. Let's spend some State bucks from this windfall to do this important task.

MR. ECKHOLM: Let's vote on the recommendation to investigate and inventory archaeological sites and insure their protection, especially in areas currently being developed.

MR. POMEROY: That seems to be like an awful great,

big shotgun kind of a thing.

Would there be any support for something like this: That before entering on to land in connection with seismographic work and exploration work, the matter of archaeological sites and other sensitive areas be taken into account?

MR. MORGAN: May I address this? The oil men are only half of the problem. National erosion is the other half. In other words, this has been pressing us since the early 60's. We have sites going into the ocean.

So, as it relates to the oil, I think it's appropriate to bring it up at this time. However, natural erosion is as big as any man can destroy a site just as effectively as a dozer.

MR. ECKHOLM: What we have done with this recommendation is said especially that areas currently being developed. So if we have limited monies to do it, it should be in areas currently being looked at. So that would be a limiting factor in terms of saving for the State.

MS. PALMQUIST: I like the motion the way it was put to us originally.

MS. SHROYER: Because of natural erosion maybe make you could change the emphasis. Potential damage currently happening or about to happen.

MR. ECKHOLM: Okay. Especially in areas that might

currently being be degrading?

MS. SHROYER: Through development or erosion.

MR. ECKHOLM: Currently be threatened. That might be threatened.

Okay. Let's vote. Rosemary?

MS. PORTER: That might be something that would be appropriate for the University of Alaska again. I know previously they've done some of that work, but they're terribly underfunded. They just have peanuts to work with.

MR. ECKHOLM: You would specifically want us to give it to the University of Alaska rather than have it open for bid?

MS. PORTER: Yes.

MR. ECKHOLM: Any discussion on that?

MS. PALMQUIST: I wouldn't to want to tie our hands. Maybe there are other agencies that do that kind of -- maybe the native corporations have knowledge that they have. Maybe they would like to be on a contract basis. I don't think we should specify just who does it.

MS. PORTER: I don't think giving it to the University would preclude being on a contract basis. But I know the university has done studies with both the native corporations and individual villages to find out where sites might be.

MR. ECKHOLM: What you're doing, Rosemary, you're

giving an economic guarantee to the university, whereas if if the the State's resources are being used for it and they went on a contract basis to develop this information from whatever, they may be an Archaeological Institute of Brooklyn that would bid on it and do it as well as the university. So what you're saying with that just is you want to boost the university. That's fine, if you want to do it.

MS. PORTER: Why not do it?

MR. ECKHOLM: Claus, you have something to say about that?

MR. NASKE: I do. If we say -- the most cost effective way of doing anything is not doing it here. The most cost effective way would be to do away with the university system all together and give each student $10,000 to go to Puget Sound or somewhere else.

MR. ECKHOLM: Let's not discuss the cost effectiveness of the university.

I think we ought to move along.

MR. MORGAN: I've been walking up and down the Arctic Coast since 1960, and in all that period of time there has been millions of dollars spent on that Arctic Coast through NOAH and other agencies, millions, tens of millions. These sites have not been taken care of. That's why I make a plea. Let us at least call them to somebody's attention. And I

for one am not willing to say the university will take care of it.

MR. ECKHOLM: Everybody who would like to include "specifying the university as the primary person to do this investigation" raise their hands.

MS. PORTER: Well, maybe we could word it some other way so that the university could also contract, which is not -- they would at least participate.

MR. ECKHOLM: Everybody who would like to include the university as a --

MR. MERDES: That's where we get into -- you shouldn't have technical ways of doing it. Just the policy. And maybe the university can do it. I think we also get into arguments when you start getting technical. Don't put it in at all.

MS. SIMONDS: Let the legislature figure it out and worry about the money.

MS. PORTER: Then the State will open up their own department of archaeological and compete with the university.

MR. MORGAN: They have a State archeologist.

SUSAN HENOCH: The only land use inventory I'm aware of is done by Flossie Hobson at Burroughs.

MR. MORGAN: I'm familiar with Flossie's work. I gave her most of the location of her sites. There are other

sites that we've not yet mapped. We know they're there. We've flown over.

MR. ECKHOLM: The recommendation is to investigate and inventory archaeological sites to ensure the protection, especially in the areas that currently my be threatened due to erosion or development.

A VOICE: Question.

MR. ECKHOLM: All those in favor raise their hands.

Anyone opposed?

These are the four recommendations that Senator Merdes has proposed to us. The first one is sort of a broad policy vote on should the State's oil and gas resources be used primarily to benefit Alaska?

MR. MERDES: Leave the means up to the legislature.

MR. POMEROY: Is there any more specific way that that can be stated?

MS. PALMQUIST: No.

MR. ECKHOLM: There are some more specifics as we get into it. But this is just the broad overall policy. I think the key word there is primarily. That means that we're taking a stand. It says our resources. If it means it cost more to the Lower 48, we ought to get that out.

MR. MERDES: I'd like to leave the technical means up to the legislature.

(Discussion off the record.)

MR. MERDES: I'm suggesting, if you get the highest price, if that's the policy of the State, that's a policy I disagree with, insofar as Alaskans are concerned. Get the highest price from everybody else in the market, but adapt the benefits of this resource in any way you decide to do it, Mr. Legislator, so that the people in Alaska will at least be equal to or less than in the southern 48, in Texas or Louisiana or California.

THE MODERATOR: Walt, as a legislator, I want to get the market price. I want to get $41 a barrel, therefore I'll have dollars in my hand, therefore I can pay for essential services. If you're saying less than, something different --

MR. MERDES: I like what Eric says.

MR. POMEROY: That's too confoundedly broad. Anything we do benefits Alaskans ore way or the other. We either sell it, have ALPETCO do it. We had a recommendation last night that we have an energy tax credit thing, or whatever you call it. That's before us.

That's benefitting Alaskans. And when we talk about benefitting Alaskans, are you talking about the individual consumers, or are you talking about a huge industry? Is it going to get cheaper fuel? What's it going to be? I want to see this refined more before I vote on it at all.

MS. SHROYER: I have changed that recommendation. Instead of benefit to Alaskans, relieve Alaskans of the burden of high energy cost, or high oil and gas cost. You take away the broad benefit, you still keep it broad, but maybe it's more specific.

MR. MERDES: I have no trouble with that language.

MR. ECKHOLM: Should the state's oil and gas -- as it now stands: Should the state's oil and gas resources be used primarily to benefit --

MR. MERDES: Use her language.

MS. SHROYER: Relieve Alaskans from the burden of higher energy costs.

MR. MERDES: That's it.

MR. PADDOCK: Ed, would you stand still for an amendment which said benefit Alaskan consumers? Does that help any?

MR. MERDES: It's the intent.

MR. PADDOCK: I know that's the intent.

MR. MERDES: I think her language is better.

MR. PADDOCK: Just insert the word consumers in her language.

MR. POMEROY: Mr. Chairman, does she mean individual consumers, or all consumers, business and industry and all utilizers of oil and gas?

MS. SHROYER: I think --

MR. ECKHOLM: Is there any more discussion on this? Rosemary.

MS. PORTER: Well, I just -- I'm not really clear on what that's supposed to do.

MR. ECKHOLM: Now it's been refined. Instead of just a broad policy, it's back to the energy credit kind of approach.

MR. MERDES: Her language is satisfactory to me.

MR. ECKHOLM: As it now stands, it's should the State's oil and gas resources be used to primarily to relieve Alaskan consumers from the burdens of higher energy costs.

MR. HARTLE: Would that be that the primary use of our resources be that --

MR. ECKHOLM: Until that's met.

MS. PORTER: I really object to that and I'll tell you why, for a lot of reasons. The first reason is our major problem is with home heating oil, not with gasoline. People pay whatever the going price is. But we should always be in a crunch so that we are continually looking for alternate energy sources. If we're relieved, if we're paying such a cheap price, there's no incentive to look for other ways. There's no incentive to look for another house or build another home or look for other ways of being energy efficient. I think it's a great mistake.

I think by giving that kind of a benefit to the

State, we definitely need it for now and maybe even for the foreseeable future as far as home and heating oil. Because it's an impossible task to change that over to hydro-electric particular, electricity, or whatever.

But I think there should be -- I just don't like the motion.

MR. MERDES: Since it's my motion -- I actually agree with what she says. That's the trouble trying to do something without having some committee work on it. I think we ought to defer it. I'd like to get with Rosemary and just write the language out that we intend and then vote on it. You're not doing it off the top of your head.

MR. ECKHOLM: We'll hold this one until later, and then move on.

The second question is: Should other considerations than rate of return be considered as a State investment policy. Is that right, Ed?

MR. MERDES: Security. Should considerations in addition to security and rate of return be a policy in State investments. In other words, just what Milton said.

MR. ECKHOLM: Would you restate the motion?

MR. MERDES: Should the criteria other than rate of return and security be considered in making State investments. That's should considerations other than security and rate of return be utilized in making State

investments.

MR. HARTLE: I think you need to state that in the form of a positive thing rather than a question.

And secondly, if you could explain it, I'd really appreciate it.

MR. MERDES: Do you remember when Milt was talking about a question that we should consider here, the normal commercial investor takes into consideration two things before he'll invest any money: Is it safe, and maximum return. Right?

Should factors other than safety and maximum return be used by the State when it makes up its mind what investment it's going into, such as human values.

MS. PORTER: Would you stand for one word in addition to that? Monetary.

MR. MERDES: I agree with that. See, that's obviously what I intend. And again, that should be determined by the legislature. Okay?

But I think that's a very important policy matter. Sort of guide the State.

MR. ECKHOLM: Are we ready to vote on the question?

MR. HARTLE: Can we hear it?

MR. ECKHOLM: I think we've got it. Considerations other than the monetary rate of security should be used as a State investment policy.

Is there anyone opposed to it?

MR. McGINNIS: Mr. Chairman, I would just like to make a comment on it. I think we're talking about the state's special piece of resource to be invested. It would seem to me we move away from rate of return and investment for that piece of investment money, that we could be moving into very treacherous and dangerous waters.

Every dollar invested in education is an investment. 200 million, we're putting that in. That's because of our human values and so forth. We're putting almost $100 million a year into subsidizing health care for Alaskans. That is an investment. State's money in human values.

We do it in cultural values, in libraries, in every kind of money transfer paper. We spend perhaps a half a billion annually in human cultural, educational, social values.

For one to recommend that we take, say, pieces of the permanent fund and move away from rate of return and safety of principal could lead us to some very treacherous financial positions, in my view.

MS. PORTER: We're not saying all, all investments. We're allowing, in a sense, the legislature to make another investment. In other words, they're not only guided by financial return and security. They can do other things if

they wish.

MR. McGINNIS: Are we talking about the permanent fund?

MR. ECKHOLM: Not specifically. It's just broad State investment policy, is how we've got it.

MS. SIMONDS: The money that's left over after our rainy-day fund or the permanent fund.

MR. McGINNIS: I would have no problem if we were to eliminate permanent fund from it. But to say -- because almost every other dollar we so-call invest, is spent is for other than that.

MR. MERDES: That's why we left it up to the legislature, really. They know the permanent fund criteria.

MS. PALMQUIST: I have problems with what Dr. McGinnis said, because the intent of the general motion was to allow the legislature to use all of those human concerns that Dr. McGinnis mentioned. And I don't see that we are endangering the investment process itself.

MR. ECKHOLM: If I may cut you off, because I think we should move on. We've already taken a vote on the issue and it was unanimous. If Dr. McGinnis would like to vote no, that's fine.

MR. McGINNIS: I think you were about to vote. That's just a P.S.

MR. ECKHOLM: Number three, what rate -- this is a question. We'll have to form it as a recommendation. But

we should say -- let's let Senator Merdes frame a recommendation.

MR. MERDES: I would say the pace of exploration and development of the state's oil and gas resources be determined by the legislature, keeping in mind, say, Alaska's life-style. In other words, I think the legislature ought to come out with a policy determination on the pace, whether it's slow, fast, or medium. Because you want them to address that issue in the legislature.

MR. ECKHOLM: Do we want to determine a slow or fast --

MR. MERDES: First, I don't know. We're so dependent upon the Arab situation, whether it eases off, or whether it's our best interest to wait. I don't think we have information to say whether it's slow, fast or --

MR. ECKHOLM: We do know the State has got an awful lot of money in the coffers now.

MR. MERDES: That's why I'm saying the legislature should debate what should the pace be, because they have all the facts. But I want them to debate it. I don't want them to ignore it.

MR. ECKHOLM: You would make a recommendation that the legislature shall develop a policy regarding State oil and gas exploration --

MR. MERDES: That's it. Development of oil and gas

consistent with whatever the state's best interests are.

MR. ECKHOLM: We could argue this and take it --

MR. MERDES: No. That's basically it.

MS. PORTER: The State already has a timeline of what they're going to develop. Everything we know of on the board has a date and they're already working.

MR. MERDES: I happen to know there's violent disagreement in the State government on this in the executive branch. And that's why I said the State legislature should do it. I know one group wants to do it fast, and another slow. I would like the people I vote for make the policy.

MR. ECKHOLM: We could come up -- I think that we don't need to put this on the legislature. I think there's enough information that maybe you people could vote, because there's basically two questions. We could say the State should utilize it's oil and gas resource as a long-term basis, or the State should develop its oil and gas resources as far as is possible, given environmental concerns.

MS. PORTER: Depending on the gas situation, we may not have any choice.

MR. ECKHOLM: But we have the right to say what we want to do, whether it's taken out of our hands. We can't argue about that. We could say what we want to do. If it's

taken out of our hands, that's not the point.

MR. PADDOCK: Mr. Chairman, I don't feel I have enough information. I don't think the rest of you do, either.

MR. ECKHOLM: So you would like to leave it to the legislature?

MR. PADDOCK: I would like to leave it like Ed stated it.

MS. STRASSBURG: And require them to make a policy.

MR. MERDES: That's the Kenai.

MR. ECKHOLM: In this next year the legislature shall develop a policy to determine the rate of development of our oil and gas resources in the 1980-81 legislature session.

MR. MURDES: Okay.

MR. ECKHOLM: Is there anyone opposed to that?

MR. ECKHOLM: Without opposition, it's adopted.

Okay. The fourth question that we haven't developed as a recommendation is should the State act as a partner with the oil industry in developing our oil resources in the future.

Would you like to frame a recommendation?

MR. MERDES: Again, I don't think we have the information. I think it should be the same thing. I think the legislature should address the issue of whether the State, because of changing dynamic conditions in the world

and gas market, the legislature should determine whether the State should participate as a partner in leasing policies, oil and gas leasing policies. That's essentially what I heard Milton say, whether or not, because of those conditions, the State -- in other words, I'm not saying he should or should not. The legislature should address itself to that issue because of changing world conditions. it's whether the State should participate as a partner in oil and gas leases.

MR. HARTLE: Can you define what you mean by partner?

MR. MERDES: For example, he says the oil companies and the states historically would secretly get their seismic information and they wouldn't go together, but then they had the oil in the Gulf of Alaska and it was so big and monstrous that they got together as consortiums. Maybe it's the State's best interest that it get involved in finding that seismic information and getting it all itself. It could be, that may be our interest to get more money. That's the point.

So, hence, I think the legislature again should determine that by studying it, and maybe they'll say no. But I hope they say yes, frankly. The question is the issue.

MR. PADDOCK: Didn't --

MR. ECKHOLM: Excuse me. Is it leasing policy, or exploration and development?

MR. MERDES: No. Well, it includes leasing and exploration and development.

MR. ECKHOLM: Leasing, exploration.

MR. MERDES: Whether they should participate. Whether or not. Let them debate it. That's all I'm saying. They haven't debated it before.

MR. POMEROY: Excuse me. Do you mean consider participating in development, becoming a partner in ownership and operation?

MR. ECKHOLM: That's exactly what he says.

MR. MERDES: You bet. Debate it. They may oppose it. I think -- just like if you recall what Buckmeister Fuller said last night, this world is changing so much, we better keep on her premises.

MR. ECKHOLM: Let's keep rolling.

MS. PORTERFIELD: Could the wording possibly be involved?

MR. MERDES: What's what I mean.

MR. ECKHOLM: Being involved is --

MR. MERDES: Consider being involved.

MR. ECKHOLM: Being involved, or being a partner?

MR. MERDES: Being involved as a partner.

MR. ECKHOLM: The legislature should determine whether the State should be involved as a partner to industry in oil and gas leasing exploration and development.

MR. MERDES: That's it.

MS. PORTER: Should consider the possibility.

MR. POMEROY: Would you read that again, please?

MR. ECKHOLM: The legislature shall determine whether the State should be involved as a partner with industry in oil and gas leasing exploration and development.

MS. PORTER: Should consider the possibility of becoming a partner.

MR. MERDES: That language is what it's intended. Should consider the possibility.

MR. ECKHOLM: Should consider the possibility.

MR. MERDES: They may say no.

MR. PADDOCK: Mr. Chairman, didn't we in earlier action move to do that, insofar as exploration is concerned?

MR. MERDES: No.

MR. MOORE: It's a partner. Question.

MR. ECKHOLM: The question is should the legislature consider the possibility to whether the State should be involved as a partner with industry in oil and gas leasing exploration and development.

Is there opposition to it?

Without opposition, that's adopted.

Question number seven, the State should inventory all of the state's mineral and coal resources and that should be incorporated into the state's capital projects

development plan.

MR. NASKE: Already there are a number of studies that have been done on that, in inventories, energy inventories.

MR. HARTLE: Would we want to say better inventory? I think that's the intent of the --

MS. SHROYER: I think an inventory would encompass all of the studies already done. We wouldn't have to duplicate those studies. But a formal inventory should be done to bring those studies together.

MR. ECKHOLM: We may be taking actions that already are State policy. That shouldn't preclude us from recommending it if it's already done.

MR. POMEROY: Yes. It seems to me to be too much of a shotgun thing. We should take note that there is a great deal of material already secured and being secured, and I know what you say about that.

But I note in connection with all of this, too, that we haven't yet given consideration to money. We're all of us talking about we've got to save money. We're increasing our State budget at the rate of about ten percent a year. We're going to run out of money. We're talking now about spending more money.

Before we get through here, I hope we're going to address the question as to whether or not we want the legislature to begin diminishing the rate at which we

increase our expenditures.

So, in connection with this recommendation, I think at the very least we should modify it to something like this: That it is suggested that the State accelerate as feasible the inventorying and determining potentials of the various resources of the State, with a view to this being of assistance in the development of other potentials to make us progressively less dependent on oil.

MR. MERDES: I only say, in response to that, I got to distinguish between an expense and an investment. Obviously, we shouldn't spend a lot of money unnecessarily. But it seems to me any prudent businessman, and the State should be prudent, ought to consider inventorying as an absolute investment in common sense to make intelligent policy decisions. So I don't think it ought to be considered.

I think the motion as presented ought to be the one voted on and not watered down and let some State Department say, well, it's just a Mickey-mouse motion.

MR. NASKE: Well, I think we're talking about two things here. Inventory means just a collection of possibles, or known sites. Now, that has been done. That involves the literature search, and the Department of Natural Resources did that, I don't know, a year ago, or maybe a couple of years ago.

These sites are known now, talking about

exploration, determining the precise size of the content of these various locations. That involves money. I think we should deal with precisely determining how much coal, or whatever it is we're talking about, geothermal energy and so on is available at these various locations. But there will be exploration, because the information has been collected. Inventorying has been done. So I would like to have a different motion there.

MR. ECKHOLM: Would you like to recommend a change?

MR. NASKE: I would say that, taking the baseline information that is available on various -- all the national energy sources in Alaska, the State should move with prudent speed to determine the exact content of these various deposits and their economic feasibility.

MR. ECKHOLM: That's a little long.

MR. NASKE: Maybe somebody else can --

MR. MORGAN: I'd like to comment on what I said earlier about remote sensing and so forth.

Most of the things I find faulty with the inventories that exist is that they're spotty, and they're dated. I would wish that we could work some way to integrate the inventories in such a way into a computerized situation to where they can be updated so that the information you have about them is valuable other than from a historical standpoint, that you have an updated inventory

or an inventory taken in such a way that it can b continually updated. This can be done. It's just a matter of are we going to do it.

Ten years ago I noticed in the literature that we asked for, a clearinghouse kind of thing on natural resources. I don't know whether we're very much further along than we were then.

MR. POMEROY: I don't want to look foolish in some of the things we're doing here, and I would make an observation: I don't care how long something is if it has to be worded longer to carry a clear meaning.

But I go on from that general observation to the suggestion that was made, that we go ahead and determine exactly the content of these various resources. I suggest that that's very poor wording, because to determine exactly the content of a great coal field or a metal deposit is something in which you're talking about tens or hundreds of millions of dollars. And I hope that the maker of the motion is suggesting that word to say determine as accurately as feasible

MR. MERDES: That's right.

MR. POMEROY: Or more extensively.

MR. ECKHOLM: The State should determine as accurately as possible -- no?

MR. POMEROY: Well, I would have said -- what did

you say?

MR. MERDES: Considering the present state of the arts.

MR. HARTLE: Or as accurate as economically feasible, or reasonable.

MR. POMEROY: Determine as economically -- determine as accurately as is economically feasible, or something to get that thought.

MR. ECKHOLM: The motion is the State should inventory the state's mineral and coal resources as precisely --

MR. MERDES: Accurately as possible.

MR. NASKE: Fuel and mineral resources.

MR. ECKHOLM: You've already done -- okay.

MS. SIMONDS: Fuel is mineral, isn't it?

MR. ECKHOLM: Not necessarily.

MR. NASKE: Geothermal, for instance.

MR MERDES: Geothermal is an important one.

MR. NASKE: And wind power.

THE MODERATOR: Energy.

MR. NASKE: Energy.

MR. ECKHOLM: We need a little clarification on this. It's not coming together.

The State should inventory the state's fuel and mineral resources as accurately as possible?

MR. PADDOCK: That's impossible.

MR. ECKHOLM: Should inventory. Okay. The State should

inventory the state's fuel and mineral resources, and that inventory should be incorporated -- and that potential should be incorporated into the state's capital projects development plan.

MS. SHROYER: I'd like to make a point of information. In 1969 there was a recommendation made to catalogue all mineral resources and a report has been made about how the legislature responded to those ten years ago.

I'd like to find out what kind of action has been taken so we know. Maybe we'd like to change it a little bit from there.

MS. SHROYER: Because that was a 69 recommendation.

MS. STRASSBURG: But anything we do is only a continuation of whatever has been started.

MS. SHROYER: That's true. That's true.

MR. PADDOCK: Mr. Chairman, this effort is a never-ending thing. It's dynamic. It's not static. It can't be static.

MR. ECKHOLM: New methods, knew styles.

Let's take the question as stated.

MR. MERDES: Let's vote.

MR. ECKHOLM: All those in favor of the motion say aye.

Any opposed?

The next question, the University of Alaska shall develop a strong resource management program.

MR. MORGAN: Create another department. Strengthen those they have.

MR. ECKHOLM: Shall strengthen?

MR. MERDES: The University of Alaska shall develop excellence in the areas of particular concern in Alaska, such as oceanography, forestry, fisheries.

MR. NASKE: Why don't you say northern latitudes?

MR. MERDES: What I'm saying, anything that is related to fishing, forestry.

MR. ECKHOLM: Those are still resources, so we can lump those together.

The University of Alaska shall develop excellence in Alaska's resources.

MR. MERDES: You may not develop them. I don't think you mean development. Should develop excellence in -- what is the -- Claus, you used a phrase?

MR. NASKE: I think in matters pertaining to northern latitudes.

MR. MERDES: In matters pertaining to Alaska's resources. Don't use development.

A VOICE: Are we talking about educational programs?

MR. ECKHOLM: But we can come back and do that on education, but this is specifically a resource thing. It is energy-related.

MR. NASKE: Because if you make it Alaska, that would

preclude their programs that are overlapping with Canada and with Greenland, with the Soviet Union, with Siberia and so on. It should be the north latitudes, because we're part of that. Fishes, I mean, swim not only in Alaskan waters, but they have the a nasty habit of going elsewhere.

MR. ECKHOLM: The question is the University of Alaska shall develop excellence in matters pertaining to the north latitudes.

Is there any debate? Is anyone opposed? Without opposition, that's adopted.

Nine, the State shall use its oil well to develop nonoil energy as a major State priority.

MR. NASKE: Excellent.

MR. MERDES: And renewable resources.

MR. ECKHOLM: Well, this is energy. This isn't resources.

MR. POMEROY: Wait, say that again, please?

MR. ECKHOLM: The State shall use our oil well to develop nonoil energy as a major State priority.

MR. POMEROY: How about saying should invest from our oil well. It sounds as though you want to make it a number one priority.

MR. ECKHOLM: Shall invest.

MR. MERDES: That's right.

MR. ECKHOLM: Shall invest from our oil well?

MR. POMEROY: Yes.

MR. ECKHOLM: The State shall invest from our oil well to develop nonoil energy as a major State priority.

Is there any discussion?

MS. PORTER: How about changing that to nonrenewable.

MR. MERDES: I think that's better. Make it more positive.

MR. ECKHOLM: Okay.

MS. PORTER: That includes all fossil fuel.

MS. SCHIRMER: Read that again, now?

MR. ECKHOLM: The State shall invest from our oil well to develop nonrenewable -- no, no, no.

THE MODERATOR: Energy.

MR. MORGAN: Renewable.

MS. PORTER: The stale shall invest from our oil well --

MR. ECKHOLM: To develop?

MS. PORTER: To develop.

MR. HARTLE: Don't you mean the State shall invest from our nonrenewable resource wealth?

MR. ECKHOLM: No. Because coal is a nonrenewable resource wealth. So you're saying you don't want to develop coal.

MS. PORTER: I'm not saying I don't want to develop, but if there's any wealth from it, we want to use it to

develop.

MR. ECKHOLM: So you wouldn't want to develop coal.

MS. PORTER: I think coal is a disaster for the State.

MR. ECKHOLM: That's what you're saying.

MS. PORTER: I'm saying if there is any fossil fuel development monies that we get, some of it should be used in the development of alternate energy, other than fossil fuels.

MR. ECKHOLM: Well, you're precluding coal development.

MS. STRASSBURG: No. Using the returns from the coal income.

MR. NASKE: Income from nonrenewable energy sources.

MR. MERDES: Shall be used to develop renewable energy.

MR. ECKHOLM: Okay. The State /STAT shall invest income from our nonrenewable wealth to develop renewable energy as a major State priority.

MR. MERDES: That's right.

MR. HARTLE: Would you want to say resource wealth?

A VOICE: Nonrenewable resource wealth?

MR. MERDES: Yes.

MR. ECKHOLM: Once more? Is there any question?

MR. HARTLE: Read it again.

MR. ECKHOLM: The State shall invest income from our nonrenewable resource wealth to develop renewable energy as a major State priority.

A VOICE: Question.

MR. MERDES: Question.

MR. ECKHOLM: Anybody opposed? Adopted.

Ten: The State shall develop incentives for energy conservation.

MR. MERDES: I think you said that already. I think that's included in the previous.

MS. SCHIRMER: No.

MR. ECKHOLM: We're talking about carpooling and mass transit. Such as insulation --

MS. SCHIRMER: Public transportation.

MR. ECKHOLM: Mass transit.

MR. NASKE: Improved building construction.

MR. ECKHOLM: Carpooling.

MS. SIMONDS: Walking.

MR. PETERSON: Mr. Chairman, I don't know if it's already been covered, but you recently received a handout on recommendations considerations. It ties in with what we were just discussing with development of renewable energy resources. What I'd like to offer, and I again, if it's already been covered, I don't want to delay it.

But basically what I'm suggesting is that we urge the State or the legislature to actively encourage and support expanded use of coal and hydroelectric power and other alternative resource energy within the State.

I did not include the alternative energy resources in my draft, but I think it should be. I'm wondering if there would be an appropriate time to bring that in.

MR. ECKHOLM: I think we already covered that. The motion that we just passed is the State shall invest income from our nonrenewable resource wealth to develop renewable energy as a major State priority.

MR. REAVES: He's identifing hydroelectric power specifically.

MR. PETERSON: I identified specific ones.

MS. PORTER: We're a very large State. Some areas have hydroelectric potential. Some have geothermal. Wind generation. Such a large state that it's not going to apply across the board.

MR. REAVES: I don't think you can make that determination. Hydroelectric power can be transmitted for miles.

MS. PORTER: When you're looking at where I live, which is the size of the State of Oregon, crossing the tundra for 300 or 400 hundred miles, sure you can do it, but it's over tundra.

MR. HARTLE: Also we're talking about ten years, and we haven't any idea what they'll be doing ten years from now, they are advancing so rapidly. Secondly, I'd like to

mention coal as a nonrenewable resource.

MS. PORTER: Getting back to our initial topic, add in there incentives for the power company to look at waste heat. There are many, many ways that power companies can use waste heat, heat water that heats other buildings. So we ought to add incentives for power companies who are running very inefficiency at this time to be totally efficient.

Also there should be incentive to maybe develop some of the sewage burning plants, as an example, which are very expensive to construct, but could take care of a major problem in Alaska, that is sewage disposal, and give us heat at the same time. So if we're going to give incentives, let's include utilities companies which will in turn lower cost or at least --

MR. MERDES: I'd like to expand it. I think we should state as a matter of policy that we encourage all utility companies, whether the public or private, including pipeline oil and gas companies to utilize waste heat from their pumping stations for the use of Alaska renewable resource development. Let me tell you that pipeline wastes more heat going up into the air that they could use to dry gain and put into other things. And I think it's an excellent idea. Expand it to include pipeline companies.

MS. PORTER: Or industry. There may be other

industries that would be converted.

MR. POMEROY: You're speaking about utilizing, giving attention to utilizing all the resources of waste heat. It's all over in all kinds of places.

MS. PORTER: Giving industry an incentive to do that, because it is expensive.

MR. MERDES: The State provide incentive policies for capturing the use of waste heat, all.

SUSAN HENOCH: There's either a legislation in the hopper, or it's already being done, to capture waste heat from power plants. And I don't know if there's an incentive in that or not. Do you know?

MR. ECKHOLM: We've got to move on here.

MR. MERDES: Let's vote on that.

MR. ECKHOLM: One question.

SUSAN HENOCH: Are you including incentive tax credits for individuals utilizing?

MR. ECKHOLM: The State shall develop incentives for energy conservation, especially in the areas of waste heat utilization, mass transit, insulation and carpooling.

MS. PORTER: Not just waste heat, because that's just one whole part of it. There are a lot of other areas connected with industry that's just not labeled waste heat.

MR. PADDOCK: Mr. Chairman, I'm troubled over getting too specific. I would certainly hate to exclude any source.

MR. ECKHOLM: I said especially, meaning that there are others, because those were brought up. That didn't exclude those.

MR. PADDOCK: I think we want to be careful to be not exclusive in any way. We want be inclusive of any energy efficiency.

MR. MERDES: May I suggest before these things go out maybe appoint a subcommittee to look over thinks these things?

MR. ECKHOLM: I'll do that, make copies of these things. Jack, who do you want to chair?

THE MODERATOR: Ed?

MR. MERDES: Anybody volunteer.

THE MODERATOR: Fine.

MR. ECKHOLM: The question as I now understand it is the State shall develop incentives for energy conservation. Do we want especially in areas of waste heat, carpooling, all that?

MR. MERDES: And other related. We'll change it.

MR. HARTLE: I'm not sure that we need to, as long as we include things as yet to be developed.

MR. ECKHOLM: You're not sure we need to include any of the especiallies?

MR. HARTLE: No. I think the especiallies can stay in there.

MR. POMEROY: Maybe you can get it.

MR. ECKHOLM: Any other massive?

MR. MERDES: Yeah.

MR. ECKHOLM: Is there any opposition to that? That's adopted.

The State shall use its energy wealth -- I think we kind of handled this in the first one. The State shall use its energy wealth to keep Alaskans' energy bills down.

MR. MERDES: That's covered.

MR. ECKHOLM: That's covered. That's all I have.

THE MODERATOR: What's the schedule now?

MR. ECKHOLM: The schedule now is basically we got this room until 4:30, and then we have room 305 available at 8:00 P.M. tonight.

THE MODERATOR: How many subjects are we still to cover? We haven't even gotten on fisheries. Red Swanson and Woody Johansen have offered to spend ten minutes with us on transportation modes in the State, if you're interested in that. What are the topics that we need to cover now?

MR. ECKHOLM: We've got so many that it's obvious we're not going to cover them all. So I think we should take five minutes to develop some priorities on what we're going to devote the afternoon to.

MR. POMEROY: The big one will be our financial future. We haven't said anything about that.

THE MODERATOR: Now, this morning we worked on natural resources, which ended up basically fossil fuels, I would say; oil and gas. Right?

And this afternoon was to be human services. And then we've just got tomorrow morning, or we've got this evening, too.

How many other natural resources are we going to want to deal with? What about transportation, about what the social services?

MR. ECKHOLM: Fisheries is one. We've got transportation, we've got support services, and we've got to finalize what we talk about in financial futures.

MS. SCHIRMER: And we haven't said anything about communications.

MR. POMEROY: It's interesting -- excuse me. It's interesting in our letter of transmittal that brought us this big book, it listed four things: Alaska's financial future, developing marine resources, oil and gas and education. Of course, it doesn't go on to other things, but it mentioned those four.

MR. ECKHOLM: We won't even get to those. So does anybody have any direction?

MR. REAVES: What about the timber industry?

MR. ECKHOLM: Do you want to go come back after lunch and keep on going?

MR. MERDES: And agriculture.

MR. BEARDSLEY: I think we ought to spend at least an hour and a half on those.

MR. ECKHOLM: When we come back let's lights put it into third gear and maybe devote an hour, or set a time and when that time is up, make recommendations and get off of it.

MS. SCHIRMER: Can we go now and come back at 1:00 instead of coming back at 2:00?

MR. ECKHOLM: I'll search around and try and find a room. I don't understand what the situation is.

THE MODERATOR: 1:15.

(The proceedings recessed at 12:15 P.M. and reconvened at 1:45 P.M.)

THE MODERATOR: Let's try to get started here.

MS. PALMQUIST: Are we going to get to social services or human values?

THE MODERATOR: Let's try to decide that now. Eric and I have been trying to go down the subjects now at that we haven't covered yet.

MS. PALMQUIST: We've gone over commercial areas and industrial areas and energy. But there also are the human values to be considered and I'd like to know when we're

going to get to them.

THE MODERATOR: Let me tell you what we've done, or recommended, or said.

We've gone down the list of topics that were given here in the pamphlets that came out on the conference. And we think we've sort of covered finance. We obviously, I think, have covered oil and gas, energy, probably, thus far, up to a point.

We still have timber, agriculture, fisheries, health, education, transportation, communication, justice and finance wrap-up. We've got to do this all between now and 8:00, and whatever you want to do tonight.

So, what Eric and I have tentatively done is we've taken them in that order and given them a half hour apiece. We've got timber first, and then agriculture, and then fishery, and then health. Fred McGinnis wants to contribute something there. Education, then transportation. And if we want, that would be maybe after 4:00 o'clock, 4:30.

MR. ECKHOLM: At 4:30 we have to move to another room.

DELEGATE: Have you decided where?

MR. ECKHOLM: Have you been up to 1060? It's a suite.

MR. ECKHOLM: 1416 is the room number they've found for us. It's not a very large room, but that's the best we can do.

THE MODERATOR: What do you think of the general idea of what we're doing here?

MR. ECKHOLM: What we thought we would do is limit the discussion on 15 minutes on each topic, then go into a recommendation session for about ten minutes, and then move on.

MS. PALMQUIST: Well, justice, transportation and health and education are all human values. One thing you left out, health is not all-inclusive of what this State is administering in the field of human concerns. We have the large area of public assistance and the large area of programs for elderly, the programs for children, so on and so on.

At least some time should be put to that and the Brookings Institute did address those. If we're supposed to follow somewhat the major corners of the Brookings Institute, then under the schedule that you have we're leaving out that large area.

MR. McGINNIS: Mr. Chairman, I wonder if it would be helpful to think in these terms with regard to these broad social concerns and the health concerns which of course all of us feel to be legitimate. It is true that duly commissioned there was a paper on this topic for this conference. It did not get in the booklet for some reasons.

But, in any event, it's been made available together with a number of recommendations.

I would suggest a possibility in that field maybe a slight departure, when it gets to the health agenda item, we spend maybe five or ten minutes just calling on your attention the topics, maybe with a thought you could name four or five people who could take, if you get in a time crunch, and to take those recommendations and either amend them or strike them or say this is the most important, and then come back and say we've now gone over it.

Contributing to those recommendations I would think would be people in the State that would have had a minimum of 100 years of experience in these fields, and they've suggested some things for the State, which I think, based on the way they were created, would give some validity to the background.

But, in any event, I would suggest that we look at exactly what the recommendations seem to say with a possibility then of asking a number of the group to be determined by you to do some homework for us and then bring back the report and say this is what recommendations we ought to go with, if any.

MS. PORTER: I concur with his suggestion, that maybe it would be done over the dinner hour, as an example. I don't know if there were any people that would be able to

do that. That would be a good time. I for one would not want to miss any of the other discussion. So that would split off from the group.

The other thing I would like to suggest, instead of health, call it health and social services, because that's what it is.

MR. McGINNIS: That's what it is.

MR. HARTLE: As a procedural matter --

MR. ECKHOLM: We have it blocked until 6:00 o'clock and coming back at 8:00.

MR. HARTLE: You have it blocked that way?

MR. ECKHOLM: Yes.

MR. HARTLE: That will be acceptable to me, but it's the pleasure of the group.

MS. PORTER: One other thing. Members of the public have come for a couple of days that have not gotten an opportunity to speak. I might suggest at this time for a certain number of minutes, decide on the number of minutes, and let them have their say.

MR. ECKHOLM: Haven't we allowed to public to speak?

MS. PALMQUIST: We did this morning.

MS. PORTER: I thought we had a list of a number of people who were here that wanted to speak on specific subjects.

THE MODERATOR: That's a group of people who have --

MR. ECKHOLM: Written papers.

MS. PORTER: I've got two lists. I've got this one.

A VOICE: That's a supplement.

THE MODERATOR: We've been trying to recognize hands in the back.

MR. ECKHOLM: If we're going to talk about a subcommittee approach in the health and social services area, maybe we ought to go ahead and have Dr. McGinnis lay out those recommendations now and get the subcommittes appointed so maybe we're discussing other things. The subcommittes would have time to think and ask that group that's appointed to come back at 8:00 with the recommendations.

MS. PALMQUIST: He does have a summary of his suggestions, and it comes down to four pages with his recommendations. I think everyone has them.

MR. ECKHOLM: Do you want to accelerate that, do that now so the subcommittes have more time to think about it, rather than going back to resources?

MR. McGINNIS: I would leave that totally up to you and the group, Mr. Chairman.

MS. PALMQUIST: I think if we could meet at the dinner hour and have our supper and go on, between 6:00 and 8:00, I think you need to schedule a time to come back with the recommendations.

SCOMM

#30:12

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

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MR. McGINNIS: Mr. Chairman, I could very quickly indicate by topic. I could summarize for you what the topics, with the fact if there is someone who strongly objects to any of those, there is no reason for the subcommittee to unduly go into that. We think it broad enough that they would be of interest. But they would be summarized with maybe a phrase or so.

MS. PALMQUIST: There might be some additions other people would have to add to Dr. McGinnis answer recommendations.

THE MODERATOR: I hear the suggestion being made with health and social services and afterward get back to the other resources issues?

MR. ECKHOLM: It's my understanding that we're not going to really get into a lot of detailed discussion, Mr. McGinnis is going to.

MR. McGINNIS: The same subcommittee would deal with all of these. One committee would do all of them. Are

MS. SHROYER: We have that summary right here.

MR. ECKHOLM: Do you want to go over that right now?

MS. SHROYER: Why don't we skip the discussion since we have what he wants to say in front of us.

MR. ECKHOLM: Everybody may or may not have read that. There might be discrepancies.

MR. PERDUE: The idea of 15 minutes and 10 minutes

discussion is perfectly good. And go on to the next subject. I think this falls right in line. If at the end of the 25 minutes you want to form a committee to meet with Dr. McGinnis, that's perfectly legitimate.

We have a lot of topics to cover and time is getting short and we should have had more time. But under the circumstances, we had to live with it. I think the formula is good, and I'd like to leave it at that.

THE MODERATOR: Okay. Good. Thank you.

MR. ECKHOLM: Dr. McGinnis, would you like to brief us?

MR. McGINNIS: Is that what you'd like? How many of you do not have a paper?

MR. POMEROY: Is it the one that says summary of recommendations?

MR. McGINNIS: Yes. That's right. They were all given out. I don't have more.

I think there were some. While they're looking, maybe to save time, Mr. Chairman, I could begin.

The first concept has to do with the public policy of dramatic shift from the curative services to education, health promotion as a priority.

The second one has to do with certain concepts with regard to cost containment and a formula beyond which costs should not be allowed to go in certain fields.

The third one has to do with the concept of

vesting more authority in local government and local private nonprofit corporations and get away from the State doing so much so for money.

Number four has to do with the idea of revenue sharing funds available through State government with a stronger voice of local governments in determining where that money shall go as a priority in their regions. Now, it's prescribed as to who gets what, what kind of institution gets what and let the local government determine that.

Number five has to do with the revision, possible revision of all direct service health expenditures with the emerging possibility of opting out of Medicaid totally and build a program uniquely for Alaska, hopefully to head off the scepter of national health insurance, which may not be the best for our State. Substitute our own program of health insurance without getting into the health insurance issue.

Number six has to do with people above the profit level but don'thave a million dollar income and therefore cannot afford all the costs in the field of catastrophic illness.

Seven has to do with the possible revision of reimbursement for physicians and hospitals, whether or not the Medicaid program is continued or dropped. We feel that

had been improved and tightened to everybody's advantage.

Number eight again has to do with the disease prevention and the ideas of singling out for early attention tuberculosis, otitis media, alcoholism and drug abuse.

Nine has to do with alternatives to expensive institutional health care, and the possibility of having doctors attached perhaps to hospitals and to clinics and so forth who would help people in their homes and get back a little bit to the old visiting doctor concept and try to cut down expenses of institutionalization.

Ten has to do with an improved emergency response system; the medics and so forth across the State.

Number 11 has to do with the enormous toll of accidents in the State being the greatest cause of death and expense and certain promotional and educational programs with regard to accident prevention.

Number 12, top of Page 3, has to do with the inclusion of mental illness as an illness and not excludable under State programs and third-party payments as though it were not an illness. So they ought to be required to take mental illness, such as an appendectomy.

Number 13 has to do with the emphasis of community mental health services API as 200 people who served 5,445 people at community levels last year. And it

has to do with improving, funding better and doing more at the community level in the mental health clinic concept.

Number 14 has to do with the financial impact of improving the current payment for the Aid to Families with Dependent Children Program. There are great inequities. Two adults get about $608; a mother and child gets $350. There's just a great disparity in those levels and that ought to be addressed, in our view.

Number 15 has to do with with a redetermination for certain elligibility for General Relief, and the General Relief Medical Programs.

Number 16 has to do with the strong legislative and executive pressure on the Federal Office of Management and Budget with regard to the poverty guidelines in Alaska. We are treated in Alaska as though the cost throughout the State were exactly the same levels of cost all over, which obviously is not true. And the thing is that with the right kind of pressure we ought to be able to make some strong case to the Office of Management and Budget by which we could get some adjustments in the State, any of the rural regions. For example, we know we have 200 percent in cost above the national average. And yet we are not able to adjust the poverty guidelines in the State. We want attention to that.

Number 17 has to do with the legislative and

executive branches providing for an updated comprehensive study of the status of the elderly. We had one about not quite ten years ago. The time has come in our belief that indeed we ought to detail a study on the total status of elderly and their needs.

Number 18 has to do with Corrections Master Plan or some reasonable variation of it, but the concept is presented here that we now have spent tens of thousands, and in the hundred thousand range for a comprehensive master plan with regard to rehabilitation of offenders and corrections. We'd like to see that given emphasis and not put on a shelf and forgotten.

Ninteen has to do with alternative to street crime and also the concept of new start centers in the rehabilitation of offenders concept.

Twenty has to do with the public assistance money transfer payment programs and the possibility of co-locating the social services people and the public assistance transfer people together so there's not that dichotomy throughout the State.

Number 21 has to do with the adequate funding for the private child care institutions. Since Alaska does not operate any child care institution, unlike other states, we lean on the private providers.

Number 22, and that's the last one, Mr. Chairman,

has to do with the support by the executive and legislature branches of government by which the department would be allowed to use a very small percentage of its total budget for research and evaluation. Every major industry in the nation today is in the 100,000 to two million range. Never less than one percent on research and evaluation what we're doing. We feel in the human services our budget alone this year in our department is 200 million dollars. We believe that a fraction of that, some fraction of one percent should be devoted to research and evaluation on all we ought to be doing.

That's 22 items, Mr. Chairman, fairly rapid. That's the heart of these 22 recommendations.

Thank you.

MR. ECKHOLM: Thank you, Dr. McGinnis. I think it would be appropriate if we were to accept your recommendations now so that we move into railroad next. So this appears we'd be railroading this through.

You've organized it very well, and they look nice. I hope that we appoint a committee that's able to give this serious attention and we don't limit our concerns to health to these considerations, not just the ones that Dr. McGinnis has outlined.

MR. POMEROY: Mr. Chairman, I do not doubt that people of great competence prepared the report from which these

recommendations are made. But they're so extensive, so diverse, they are so complex and so significant in a number of directions that I don't think it's something that we could do any more than just rubber stamp. We can't in an evening or in two or three days go over this material.

I speak as a person who knows considerable about this field. I would just like to say, Mr. Chairman, I was California State Relief Administrator for a period in the Depression. I've been National Director for Preparedness for the American National Red Cross and have been in county work, welfare. I know something about some of these things here.

And I would consider that we could take almost any one of two-thirds of them and the committee could work all evening on it and it would be just poor business for us to attempt to make a recommendation.

I just feel at a loss.

MS. PALMQUIST: Mr. Chairman, I also come from a social work and administrative background, although I have quite a few other interests.

But let me state that policy decisions, where we -- the direction that we want to go doesn't mean that you have to know all of the details of how a program is administered. In other words, the technical procedures and the workloads and so forth. You don't need to know about

that in order to make decisions.

I do have some alterations that I would like to make in one or two items and to add some. And if that's allowed in the committee, I would like to be able to serve on the committee and to make my contribution there.

My main thought in regard to this is that, broad as it is, it isn't quite sufficiently broad enough. We have concerns such as how to -- which is not just a technical approach, but how to accomplish some of these things which gets right at the root of effectiveness from the standpoint of policy.

And I could address that in one or two items.

MR. ECKHOLM: Mrs. Palmquist, if we could move on, I think that probably the committee would be those people who are interested in working on it. So we should do this as a committee and then come back?

MR. MERDES: I think there's been an awful lot of thought put into this. Possibly one way to approach it it is to say maybe that we should recognize that fact and ask that maybe a special committee of the legislature or somebody go into the ones, for example, that would cost a lot more tha.. anybody here would think.

But I think the hard work that went into this and the obvious organization ought t be recognized. And I think again there, as far as I'm concerned, in the form of

an issue, it's something that's important and we should address ourselves, too. But I agree with Harold in that you simply don't have time to debate these. It should recognize the fact that they're issues.

MR. ECKHOLM: Let's let a committee go over them and see if there are any real big problems as a group. If other people have health and social services issues as recommendations, those should probably filter through that committee and come back at the same time.

MR. HARVEY SAMUELSON: I feel there's been a lot of thought given to this and I move for adoption of Mr. McGinnis' recommendations. We don't have the time to fool around all day.

MR. PERDUE: I second.

MS. SHROYER: I object. I don't think there's been enough time for us to go this these, so I don't think we can just blanket adopt these. I myself disagree with some of these. I feel that some discussion from a subcommittee or all of us needs to go into them. I don't think you can have a blanket adoption.

MR. ECKHOLM: Mr. Samuelson.

MR. HARVEY SAMUELSON: We can accomplish your goal by --

MR. McGINNIS: Let me suggest on one thing. Each of these recommendations have printed keys into the overall

paper. And there's much additional information, data back-up, physical facts in the 60-page paper. And each of these is keyed by page on where the other back-up is. That might be helpful.

THE MODERATOR: Fred, I have a question. Aren't these more detailed than what normally would come out of a conference like this? I mean, I'm just asking you --

MR. McGINNIS: If so, Mr. Chairman, and it could be correct that it may be. I think the committee could strike certain sentences and rephrase others so that it would be in general policy statements and deal with that. But I think each one of those would be subjected to a policy formulation and get away from any particular detail. We try to be rather general in the --

MR. ECKHOLM: Let's let the committee discuss it and come back to us tonight with the recommendations.

MS. PALMQUIST: Mr. Chairman, I have the same feeling that Rose, I think, expressed. And that is that we don't want to lose our input into what's taking place in the committee while we're gone. So I would like to propose that whoever is interested form themselves into a committee to go over these for the purposes of making recommendations back to the body at 6:00 o'clock.

MR. ECKHOLM: At 8:00 o'clock. Let you work from --

MS. PALMQUIST: 6:00 to 8:00.

MR. ECKHOLM: Let's appoint a chairman and have the chairman be responsible. Anybody who is interested in working on it.

MS. PALMQUIST: I suggest Mr. McGinnis be the chairman.

MR. McGINNIS: I think that would be a mistake. I would be glad to be there to make comment, but I believe this document, if it reflects your concerns, that it ought to be of this group and let me just be a resource person, if I may.

MS. SHROYER: I agree with Dr. McGinnis.

MR. ECKHOLM: If there is anyone who would be interested in being the chairman of the committee.

MS. PALMQUIST: I would like to chair it. Let's see, we have to give up this room before 6:00, right? What space would be available for our work?

MR. ECKHOLM: We'll figure something out for you and we'll get back to you.

MS. PALMQUIST: Announce it later.

MR. McGINNIS: One last thing, Mr. Chairman, as far as I'm concerned. Would it be possible as a procedure that if there are those who did not hear your concern about this, maybe they could write out on a piece of paper what they want the committee to consider to Mrs. Palmquist. That would insure that those ideas could indeed surface through the committee.

MR. POMEROY: Mr. Chairman, I would like to make one final comment, because I spoke so strongly about this. I said obviously an enormous amount of work has gone into this, and I know something of the work that has gone into it. And it should be given the honor of some attention.

I will do all I can to dissuade this from being a rubber stamp. And that's all it could be, is a rubber stamp. There should be something said that would lift it up to the level for consideration in the legislature by a special committee, perhaps, because of the enormous amount of significance that there is in this.

MR. ECKHOLM: I assume those people who are interested at the time, we don't have to announce the time, they will be interested at the time, and they will show up at the committee.

MR. MERDES: Where will we meet?

MS. PALMQUIST: I'm on the legislative interim committee and they have a package of bills down for me at the Legislative Affairs office. So I need to excuse myself now, but I'll be back.

THE MODERATOR: Do you need to have a showing of people who are interested?

MS. PALMQUIST: I'll be back, and they can either leave a slip here that -- as Eric says, they can just

show up at the committee.

MR. PERDUE: I have a question for Dr. McGinnis. Dr. McGinnis, is the social welfare as far as the native and the Caucasian under the same jurisdiction, or does the federal government still have jurisdiction over the native population?

MR. McGINNIS: All those programs available to any person in Alaska are available to all. There's certain special programs that are still in existence, and also through the Indian, also to the native, because of that relation. Generally, the individual must be a citizen of the United States and of the State to qualify. There is one exception I can think of. Generally, the programs relate to all.

MR. PERDUE: Maybe I can phrase that. How much jurisdiction do you have of, say, somebody is violating or misusing welfare funds? Who has the jurisdiction over that?

MR. McGINNIS: It is a federal program, in the health service and a State program.

MR. ECKHOLM: Could we move on now to timber? We'll keep it down to --

MS. PORTER: I'm sorry. I couldn't avoid being absent. What happened?

MR. ECKHOLM: Rose is the chairman of a subcommittee that's going to meet starting at 6:00. And they're going to

report back to the group with the recommendations at 7:00.

THE MODERATOR: I did promise this gentleman. You had something on alternate energy sources before we got off energy. He said he might make a short --

MR. PETERSON: It's a little bit out of sight. It will be a brief point that may have been overlooked in our discussion.

Although the recommendations that were made do crease alternate energy, there is no mention made of support for small scale use, which I feel is something that is fairly significant. There's much opportunity for this, especially outside the larger cities. And there's also a tremendous interest in small-scale use, which is shown, and I think a good example of this is in the recent federal program for alternate energy projects. Alaska had a per capita response that was eight times that of any other state. And I think we ought to indicate just how much interest there is in this.

So for this reason I'd like to offer to the group that the State should specifically encourage small scale utilization of alternate energy resources. And this would include individuals, families and small businesses.

Thank you.

THE MODERATOR: Okay.

MR. ECKHOLM: We have a recommendation, then, that the

State should -- could you reread the recommendations?

MR. PETERSON: Okay. Recommend that the State encourage small-scale utilization of alternate energy resources. This would include individuals, families and small businesses.

MS. PORTER: Clarification. I forgot what I was going to ask. I'm sorry. By small scale, are you talking about generation, or how small scale?

MR. PETERSON: The term scale is difficult to define. But when you talk about all the national energy, you're talking about, for example, on large scale, hydroelectric power projects, for, say, a community, or a region, whereas this would address more of the individual or family size. I know it's difficult to define, but that is basically what we have been referring to.

MS. PORTER: You say encouragement. Do you mean incentive? There's a difference between go out and do it and -- you're talking about bucks.

MR. PETERSON: Yes. For example, low interest loans and tax incentives and whatnot. But it should specifically address, I think, the small scale use for subgroups as I recommended. But if you don't specify that, a lot of times it doesn't filter down to the individuals who could benefit.

MS. PILLIFANT: Were you aware that the federal government has got a grant program??

MR. GRANT: Yes. I'm also aware of that. I might point out there was 250 people that applied for that last time, and 14 got it.

So there's a very small number that were able to participate in that program. And that's one of the reasons I'm bringing it up.

MR. MORGAN: I would like to emphasize that in the villages, we are very much concerned with the use of small scale-appropriate technology.

MR. GRANT: This would benefit rural areas a great deal, I feel.

MR. MORGAN: We are doing something with that in relation to local vegetable production.

MR. ECKHOLM: Is there any more discussion on the recommendation?

MS. SCHIRMER: I'd like to encourage -- I mean to propose that it be a recommendation of this group.

MR. HARTLE: As would I. Although I'd like to point out that perhaps we should clarify, it just says alternative energy, that perhaps we should specify renewable here.

MR. PETERSON: I did not say renewable for a very specific reason. Many people in the State are able to use coal as an alternate fuel. If you say renewable, it would automatically eliminate that.

MR. HARTLE: That's what I was talking about.

MR. ECKHOLM: Would you reread it once and we'll take a vote on it.

MR. PETERSON: The recommendation is that the State should specifically encourage small scale use of alternate energy resources. And this would include, as I say, families, businesses, and small businesses. The term renewable is somewhat exclusive in there are several people who could benefit if it was not excluded.

MR. ECKHOLM: Would it include individuals, families and businesses?

MR. PETERSON: Right. You could include that and as a result not eliminate other users.

MR. ECKHOLM: Is there anybody opposed to the recommendation? Then it's adopted.

MR. PETERSON: Thank you.

THE MODERATOR: We've got timber, agriculture, fisheries, in that order. Any objection to that?

MR. ECKHOLM: Let's go for a very short discussion on timber, about 10 minutes or 15 minutes, and go into the recommendation, if we can. Who expressed the interest in timber?

MR. REAVES: I did. Unfortunately, I don't know anything about the timber industry, and it wasn't mentioned, and I feel it should be mentioned. Perhaps we could delay

this and have a member of one of the other groups who does know something about the timber industry come before us and expound on what is needed.

MR. ECKHOLM: John Schnabel is in our group. He didn't show up, though, did he?

MR. REAVES: He's from "paint," isn't he?

MS. SCHIRMER: I feel somewhat in the same position, and I feel one of the weaknesses of the group that we've invited, or at least the group that came is that there is very little, very few people who are knowledgeable in the timber industry invited.

MR. ECKHOLM: The one who was invited was probably the most knowledgeable in the State.

MS. SCHIRMER: That's right. I am from Wrangle and I am surrounded by it and I know something about it from the -- you know, natural processes in my interest.

MR. ECKHOLM: Why don't we table this discussion for a while and we'll send Kathrine around to find out what the other groups have been doing and find out if there's any resource person in the industry and other recommendations that have been made and we'll come back.

MR. POMEROY: I have a suggestion that might be useful. There is a report of domestic market for Alaska wood products. It was commissioned by the Division of Economic Enterprise, Mr. Webber's organization. It was completed

just in June, 1979.

It's brief. It is very good. It indicates what we have in the resources throughout the State, the interior and the southeast. And about all I could think of to say, even if we were to discuss it for an hour or hear somebody, would be to encourage the follow-up of this that in any way feasibly can assist in the development for the domestic market -- for the foreign market, we have no problem. I'm saying that.

But it goes to the economics of how it can be utilized. And maybe just something of that sort or to get somebody here. But I do contribute that.

MR. SWANSON: If I might, from the audience.

For the record, I'm Mike Swanson.

Probably a little history here, I was probably hatched on the firs up in Oregon, went through the timber industry at that time, went through the sawmills, been a sawmill owner and operator, worked through the woods and in my years in Alaska in the territorial days when we were trying to get some kind of an industry and we enticed the federal government to institute the first pulp mills in Alaska.

Maybe a little bit of history of what happened to us and where we might go in the future. What is available to us, I think, would be nice for the committee.

As many of you know, or some of you know, there were three pulp mills designated in the State of Alaska. The reason for that was that we did not want to sell our timber to the State of Washington, thus taking all of our economics out of the State. The federal government authorized in Ketchikan, Sitka and Juneau for pulp mills and utilized pulp mills. Probably southeastern Alaska has the biggest single group of that species of timber, which is hemlock and spruce, now utilized for pulp and timber, some of the best Peter logs that we have which commands $600 a thousand on the market, coming into Alaska and utilizing that timber.

Quite large area that was blocked out under the D-2, the A-2, and anti-growth type things is going to focus attention on to interior along the rivers the type of timber that we haven't utilized before.

The interior, including the Yukon, the Kuskokwim, the Tonga, have the largest timber in Alaska. John Golia, who is the Forest Service man for the interior timber - and I had the pleasure of working for him for about four years - in his studies in catalogueing all of the resource, renewable resource of timber in the interior, it might be surprising to some of you to know that the interior could produce on a total sustained yield basis, totally, on a 50-40 year cycle, pulp mills the same size that's in Sitka. Ten

of them.

Now, this is inventory information from the Forest Service itself. And it's a total fact that these things could happen. I'm not saying that we're going to have ten pulp mills in the interior of Alaska. But we're utilizing in the pulp industry much of the timber that we call scrap. And around the corner somewhere we're going to have to realize that we can utilize those things upon a total sustained yield basis. I think during my tenure in the legislature and serving on the resources committee, we went into lots of opposition about the timber in southeastern Alaska and the clear cutting and things like that. It's pertinent that you should understand that ten years ago, where the people logged, the growth is so thick that you can't walk through it.

So, the reproduction, the reproduction in southeastern Alaska and the logging places where they log is utterly fantastic. I logged on below the Mendenhall Glacier 30 years ago. The trees now in the area where we logged now are in that area, and could be logged again.

I'd like to make one small point of a committee -- a lecture we heard this morning about the camp that took care of youngsters that were problems.

I was a cook in a CC camp that worked in Oregon in rehabilitation, pine forests in the "Ochico" and the "Mado"

National Forests.

I relate the two things that we might do in Alaska is to take the type of CC that we instituted a couple three or four years ago in the legislature, and utilize those youngsters in a CC camp type thing that would thin out the forest that we have the regrowth in Alaska today.

It's really a pertinent thing now, much more, because timber is one of the renewable resources that we're going to take the nonrenewable resources money and important it into that. That would be one of the categories for the future.

I probably have said enough.

MR. REAVES: Are you saying that the primary handicap or opposition to the timber industry within the State of Alaska comes from environmentalists and conservation groups? If so, say it.

MR. SWANSON: The withdrawals of areas, the withdrawals of areas in southeastern Alaska is utterly fantastic, the amount of waste in our timber industry that it's causing. I can walk you through the timber and show you logs that are six feet through that have fallen over that are solid, and they're worth $600 a thousand on the market and they've already fallen over. So selective logging, you could log anywhere and not hurt that forest. You could not hurt that

industry.

But what we do when we just close off mammoth blocks, we're wasting it. And I hope that I've answered your question.

MR. REAVES: What do you think we can do to circumvent this problem? What action can we take?

MR. SWANSON: I think that the legislature did spearhead an effort to utilize every bit of timber that we have and not take it all. I don't mean just wipe it up, because you open a real category. But if you selective cut right the timber that's available to you, there's millions and millions and millions of trees and timber that's usable and not waste your forest.

MS. STRASSBURG: Mr. Swanson, isn't this tied in with the way that they -- in the State of Washington, Cedar Creek and Capitol Peak Forestry Camps are adjudicated delinquents and children who are on probation. These children are from 13 to 21 years old.

They work in forestry camps of the Black Hills. This is their program similar to our wilderness thing we saw this morning. And along with that, you have Port Gamble and many of these other places on the coast where they've done selective logging, from my own experience, since I used to be involved in this sort of thing, they've got selective logging for 50 years. They say now in the State

of Washington, man environmentalists say, "My God, don't clear cut." The clear cutter, you clean up the piece of ground, you take everything. And the next year you burn it and get rid of the trash and get rid of the disease. The third year you use your boys or your girls or whatever, replant and replant trees that are a foot high so the deer don't kill them before they get a chance to grow. Isn't that similar?

MR. SWANSON: I related that program to the presentation this morning of utilizing a category of our human resources to a real good thing. Because the point was made excellent by the lady this morning that you take a youngster that's in trouble and as you get him away from his city environment or his town environment and put him in the forest, or put him out in the country, he has a chance to lose all that thing that got him in trouble. He has a chance to compensate, think, before he goes back in society.

And I think that our legislature would be remiss if they didn't focus their attention on putting those youngsters in that kind of a thing and specifically in our forest where we can use them.

MS. STRASSBURG: But Mr. Swanson, also what you're saying is this child, then, when he goes out to that forest and actually accomplishes something, this then is a pride thing. It's thought he's out there just to have a good time

and just to sing with the birds. He's out there to accomplish something.

MR. HANSON: Yes. Thank you, Jack. I didn't mean to take that much time.

THE MODERATOR: no. Thank you. I think Eric has been trying to capsulize perhaps a couple of recommendations to see what you think of it.

MR. ECKHOLM: Two recommendations: The first one was the State encourage selective logging, not clear cutting, on all State lands where it's commercially feasible and consistent with other land use, but on all State lands where it's commercially feasible.

And the second one was the State establish a youth conservation corps to put young people to work in forestry management. I don't think that's quite right. To put young people to work.

MR. POMEROY: How much is it going to cost?

MS. STRASSBURG: It will pay for itself.

MR. HANSON: The State already has a program now. So it would be just shifting the body from one area of results to another.

MS. SCHIRMER: I'd like to put in a word for removing that clear cutting word in there. I think there are times when it's appropriate.

MR. ECKHOLM: I didn't know how, but Red was saying

that -- he said selected logging, not clear cutting.

MR. SWANSON: yes, I did. Two types of logging. I tried to make the point that where we clear cut years ago, it's coming up solid in almost that level, or whatever level.

MS. SCHIRMER: There are some places where it's appropriate.

MR. ECKHOLM: Yeah.

MR. SWANSON: But both methods should be used.

MR. HARTLE: I'd like to express the thought that I think that it's too broad to say all State land where it's commercially feasible. I find that too broad to be acceptable. I could say more State land than we're now doing, something like that. But to say all State land where it's commercially feasible, that's unacceptably broad to me.

MR. ECKHOLM: We've got Keith Stump here, he's got some experience in the timber industry.

MR. STUMP: Despite my name, I was for five years public information director for the Alaska Loggers Association. And I am a born and raised Ketchikan resident. I don't know exactly what it is that you want for me, if you want to ask me direct questions, or if you want me to respond to your recommendation as it's stated now or whatever. I'd be glad to do whatever.

MR. POMEROY: What aren't we doing that would better

utilize our timber?

MR. STUMP: Well, the major problem is of course the ownership of the land, right now. In southeast Alaska, 88 percent of the timber comes from -- well, statewide, 88 percent of the timber comes from federal lands and is regulated by the U.S. Forest Service. So what the State can and can't do is very substantially affected or limited by that constraint.

MR. POMEROY: As to what the State can do in its acreage over which it has authority, what are we doing poorly, or what's the timber industry doing poorly that we could do better that the public could do something about?

MR. STUMP: Well, I think that the State program is developing along some very good lines and some very good directions with the State Forest Practices Act. I think that, in action, we have, for example, in the Haines area, where some -- the process of revitalizing the Haines timber industry, specifically John Schnabel's mill, is being severely hampered by delays, legal action or threatened legal action by groups opposed to timber harvesting.

I don't know exactly how deep you want to get into that specific thing. But there is a problem there because of the fact in this particular instance that you have a mill that is -- well, since 1973, was facing real

problems in obtaining timber. And as such they began going to the State legislature, to State agencies to get some action so that they would have that resource, some resource made available so they can continue to run their mill.

Well, it dragged on and on and they shut down the mill for two years, another mill that was in Haines. Alaska Forest Products, I believe, AFP, shut down not only from a lack of timber, because it's not quite that simple, it's also a matter of timber at a price that they could afford. So that mill stopped its operations and sold all of its equipment and moved out. Schnabel was down for over two years, and you had a very severe depression within the Haines area.

That's a specific situation. It does exist to some degree in other areas throughout the State, but, for the most part, I would not say that that characterizes the entire State situation; okay?

I don't know if I can give you a really direct answer as to what the State could do, except to try to facilitate the timber sale process to facil'tate the permitting processes that are required for putting together timber sales.

And I think, for one thing, to avoid the kind of statement that you have in this first recommendation, or this one recommendation referring to clear cutting, because

I don't think that that is going to solve any problems, I could get into that particular issue, too.

MR. REAVES: Do you think the sale of timber is somewhat restricted by the environmental controls placed upon the pulp mills?

MR. STUMP: I'm sorry. Would you try to explain that just a little, and reword that a bit, because I was confused.

MR. REAVES: Well, if the pulp mills are overly restricted in the types of commissions that they can allow and so forth, I would suspect that the guy out there cutting timber wouldn't be able to sell it to the mill if the mill has to close down because it's too costly to make those changes, whatever they may be.

MR. STUMP: Again you're dealing with the federal government, for the most part there. For example, in Ketchikan, the Louisiana Pacific Corporation originally had an acceptable pollution discharge program that was acceptable to the State and was originally in the process of being accepted by the federal government as a result. But it's when the federal government changed their regulations to nationwide limitations that you ran into the problem in that particular instance.

And as such you've had some real questions of whether or not that mill is going to continue with their

operations.

MR. ECKHOLM: We had a point from Red that I think what red was saying is we have existing State timber programs where they allow clear cutting and they allow utilization, but then other programs take chunks of land and rope it off. He says besides existing programs to allow those to go on, but in all lands that we can go in and selective log, and it would be consistent with environmental use and we could use the forest even more than we are and still protect the environment.

MR. STUMP: I think you have run into some real dangers in trying to put into a policy statement something selective as opposed to clear cut or patch cut logging. Because those are biological issues. To try to make broad-based statements dealing with it, you have some real dangers.

For example, in Southeast Alaska, selective logging would not be applicable from an economic reason on hardly any land except a few alluvial flat areas.

Biologically it would be unacceptable from the standpoint of blow-down, which is a major problem in the shallow soil basin, you have had your coastal forest areas, from the standpoint of disease infestation. You have a large amount of -- I can't remember.

MS. SCHIRMER: Mistletoe.

MR. STUMP: Mistletoe. The problem is that if you don't get rid of all of the trees with that, that it will spread into the new trees coming up and will continue and increase that infestation thwarting the growth.

So when you get into making recommendations that deal with, really, what should be on the ground forester technically determined decision, I think you're getting off base.

MR. SWANSON: I tried to make the point, when I said we had two different categories there are some areas we could selective log, some areas we could clear cut. Just like you said, there are some side hills that you can't selective log. You can't get a machine up and down. But you don't try to do them both in one spot. Whatever its terrain adapts itself to, that's what you want to do. Utilization is what I'm talking about.

MR. STUMP: Okay. I see what you're saying there, and yes, you should always try to obtain the kind of logical, biological and economically rational plan for the area.

For example, in the interior forests, the closest process, the closest harvesting process to the natural biological life cycle is clear cutting. It very similarly or approximates, really, the natural fire basis for ending of a forest cycle and beginning a new one.

MR. HARTLE: I'm afraid that we're getting too

specific with this and we can talk all day about clear cutting versus other kinds. And something we would be able to support is a recommendation that simply states that we recommend improving our utilization or increasing our utilization of the state's timber resources through appropriate methods depending on biological and ecological considerations. Does that make sense to the group?

MS. SCHIRMER: Yes. I think you put it very well.

MR. ECKHOLM: Could you go over that again, John?

MR. HARTLE: That we recommend that it be a policy of the State of Alaska to increase our utilization of timber resources with appropriate ecologically and biologically considered techniques. Does that cover everybody's concern?

MR. POMEROY: Well, that's consistent, Mr. Chairman, with development of resource, of a renewable resource. That's consistent our whole idea, I think implicit in what we're doing is to develop means of supporting Alaska that isn't just oil.

MR. ECKHOLM: Let's vote on it. The recommendation is that the State increase utilization of the timber resources with appropriate ecological and biological techniques wherever possible

MR. MORGAN: I'd like to change that to say biological and culturally acceptable. Biologically, you cover ecological.

MR. POMEROY: I don't know what that means.

MR. MORGAN: Culturally acceptable?

MR. MERDES: I think the language he has is good.

MR. POMEROY: I like it the way it was, and would so move.

MR. REAVES: Second.

MR. HARTLE: I would make an addition of the word cultural, culturally can he acceptable. It's going to make it hard to pass the recommendation, though, if that happens.

MR. ECKHOLM: It would be --

MR. MORGAN: I'll withdraw the word from it.

MR. STUMP: I'm against in your group, but I think economically would be a consideration involved, too. It is by nature whenever it happens. But I think --

MR. ECKHOLM: That goes without saying.

MR. MERDES: You better say it.

MR. ECKHOLM: Utilization of -- where do you want to --

MR. MERDES: Just put it in after biological, economic.

MR. ECKHOLM: Okay. Economical techniques.

MR. POMEROY: Is cultural in?

MR. MERDES: No. He left it out. Why don't you read it.

MR. ECKHOLM: Okay. That the State increase utilization of timber resources with appropriate ecological, biological and economic --

MR. MERDES: Considerations.

MR. ECKHOLM: -- considerations. Is anyone opposed to the motion? Passed.

The second recommendation. The State establish a youth conservation corps to put young people to work maintaining forests and parks.

MS. SHROYER: I have a question. Both of the youth conservation corps, are they both federally run, or isn't one of them already State one. Because we have the ACC and the YCC.

MS. SCHIRMER: They're both federal.

MR. MERDES: There's people that aren't youths that would probably want to go into the forest, too.

MR. ECKHOLM: You're right. Sorry.

MS. SCHIRMER: How about just a conservation corps?

MR. ECKHOLM: All right. The recommendation is that the State establishing a conservation corps to put people to work maintaining State forests and parks.

MS. PORTER: It is already -- the State already does that.

MR. ECKHOLM: It's a federal program, according to Claus.

MS. PORTER: The State in State parks. The State hires gobs of people every year to clean up all summer, to clean up to do this, to pile wood.

MR. ECKHOLM: I threw in parks. Red was talking about thinning forests.

MR. MERDES: I think Red is right. It applies to parks. But he's expanding that. The State owns millions of acres of forest land that's not a park.

MS. PORTER: I don't know. That really should fall into the industry. Industry is going to do the harvesting, unless the State is going to get into timber industry.

MR. ECKHOLM: The State may not be commercially feasible unless it grows right. Thinning would encourage it to grow right so at sometime it will be commercially harvestable.

MR. STUMP: The reason the industry doesn't do that is they don't own the land. They don't have the right to do that. I think you're going to find it very hard put for a corporation to say we're going to spend so much amount of dollars that we don't know and we may not be able to harvest, come the appropriate time.

MS. SCHIRMER: The forest service found it appropriate to do on the federal land. And I think it's appropriate to consider on the State land.

MS. PILLIFANT: How about the small sawmills? I heard that the State has these large timbers sales which doesn't put the timber within the grasp of the small businesses.

MR. ECKHOLM: Could we finish this recommendation

first, before we go on to that?

MS. PILLIFANT: Can't they clear the land?

MR. ECKHOLM: I think the point is thinning is something you do before the land is commercially feasible. So if I were a sawmill and I didn't own the land, I wouldn't thin it, because it's not going to be harvestable for 10 or 15 years. If the State did it, maybe you would produce a better product so you would end up owning more --

MR. MOORE: We're talking about two things. Southeastern is established, has a couple of mills. We're talking about interior, where the industry is native. There are a bunch of sawmills that have existed for a great many years, and the last couple of years have many, many sales or permits granted by the State for the harvest of fire wood. So there's fairly intense utilization in the various communities in the interior area, immediate vicinity. There has been for a long time various sales that have taken care adequately, I think, of the small sawmills. Fairbanks has three or four.

MR. ECKHOLM: Schnabel's essentially is a small operation.

MR. POMEROY: Mr. Chairman, the State has a policy to do what is questioned down here. They are making small sales.

MR. ECKHOLM: Is there any other discussion on the

conservation?

MR. MERDES: Read the motion.

MR. ECKHOLM: The State establish a conservation corps to put people to work in forests and parks. And I had especially thinning --

MR. SWANSON: In my talk, I was trying to relate that to that special group of youngsters. And I think that probably you could add that to your recommendation.

MS. PORTER: Eric, if I may, I think that program is just totally different. The wilderness- or adventure-based education, it's a totally different thing than just putting people to work. If they just needed to work, they could work anyway. But there is a life-saving kind of thing it's a responsibility. It's a whole educational thing, not where you're just sending them out to pick up sticks in a forest.

MR. ECKHOLM: I don't think anyone would deny working 18 hours a day is not a good experience for a kid.

MS. PORTER: But it's not adventure-based education.

MR. ECKHOLM: But it's not adventure-based education. Is there any disagreement with the motion? Let's move on. Are there any other recommendations?

MR. HARTLE: Yes. I have another recommendation. It relates to an interior timber need that, as Claus Naske mentioned, personal use of fire wood. I happen to know that North Star Burough, they issue wood cutting permits for

people who need firewood. And two years ago they issued 400 permits, last year being 750, this past summer, 3200 permits.

So, in three summers it multiplied by a factor of eight.

So I think that indicates a tremendous demand for such things and I believe that the resource is there for people to use it and that people are going to continue to want to do so with these other considerations we've talked about earlier. And I would put it in the form of a recommendation simply that provision be made to meet this demand.

MS. SHROYER: Excuse me. The State already has a program for personal firewood use and cutting on State lands.

MR. ECKHOLM: I'd like to back you up on that, John, because I live in Juneau, and it's not State land, it's federal land. But just the land they allow you to go in and thin out, it isn't enough because of the people getting into using wood again. I'd like to see the State put in roads, logging roads, into areas around cities that have timber available for personal use so that we increase the accessibility of the people to get to the woods and not just put in logging woods for people who want to commercially harvest it.

MR. HARTLE: The recommendation should be, then, to increase the provisions being made. Frieda is right. There is provision, but I heat with wood in Fairbanks, and you have to drive now many miles to get it. And that consumes a lot of my time and energy and gasoline energy and so forth. And I think that there are State lands -- I'm not positive of this, and I'm sure it's not true in every area, but in some areas, there are State lands that can be used for that not now being used for this. And if there's a priority -- that's all.

MS. SHROYER: I have a small problem with that recommendation in that the public use of wood for that is that private citizens don't know how to cut logs and they leave stumps two, three feet high that are no. only dangerous for other people to go in, but also dangerous for animals that go into the woods. And they don't allow for forest regrowth. and I think that if we had a program for public use that it would have to be regulated in order to protect our forests.

MR. HARTLE: That can be in the provisions to be made.

MR. ECKHOLM: That's right. Regulations could be enforced.

MR. HARTLE: Regulation of it, education on it, help with it, a forester or a logger in town where you could easily get help.

MR. NASKE: I think again you're talking about in Fairbanks, North Star Borough is one example. You have borough lands and you have State lands. The State has a full program of giving permits and regulating the cutting and telling you where to go and so forth.

I don't know about the North Star Borough because the land transfers have just begun in that category. I don't even know whether or not they have classified their lands as to different uses. But the State does have a program.

MR. PETERSON: I was just going to mention, Claus was mentioning there was specific instructions on how to do your cutting under the State program. So they're fairly detailed on how to do it. I would I guess question the hazards ...at this recommendation would present.

MR. ECKHOLM: The recommendation is the State increase utilization of State timber for personal use.

MR. POMEROY: With no limitations? I have some problem with this. I don't know what the limitations are on the qualifications. Can a person go out and cut down a tree only four inches in diameter and it's going to grow to 18?

MR. ECKHOLM: The way they have it now is just dead fall. I don't think we ought to limit that to ourselves here. I know in Anchorage they cut off area of the airport and says, okay, here's a permit, you get a tree.

MR. POMEROY: I understand that. I think you've answered my question. You will have timber that should grow; going to be commercial value and worth more, and you got -- but if it is, if they have it in hand as to dead falls and limitations, that's excellent.

MR. HARTLE: Also, for instance, when a road site is cleared, I know that too often it gets put into a burn pile and burned when it could be hauled away, people would volunteer to haul it away.

MS. STRASSBURG: This is something being addressed by the entire State, along the State and highways being built. Ones who lived in Anchorage will remember a couple of years ago when they widened some of the road. There were public advertisements in the newspaper saying you may come to such and such an area on such and such a day using the stuff that was cut.

MS. SHROYER: I've seen those advertisements all over the State, so I think that's taken care of already.

MR. NASKE: I think the recommendation is superfluous.

MR. ECKHOLM: That it's already being done?

MR. ECKHOLM: It's not being done enough in Juneau.

MS. SHROYER: Maybe there's something to take up with your city.

MR. ECKHOLM: I'd say including access roads into new areas.

MS. SHROYER: I have a real problem with general public access, especially with roads and things. Because you cannot have somebody sitting at the road making sure that everybody who goes in there knows how to cut these trees.

MR. ECKHOLM: We have regulations already.

MS. SHROYER: If you put in public access roads for the purpose of cutting the wood, you have to have some way to regulate it. And I just see too much leeway for everybody who wants it is to use those roads and getting the trees they want to and not knowing how to cut them down.

MR. PETERSON: I move that we read the recommendation and make a vote on it.

MR. ECKHOLM: I added this including building access roads because that's my personal bend. Is that okay with the group?

The state increase utilization of State timber for personal use, including building access roads.

MS. STRASSBURG: The access roads would also open it up for getting down to the river so you can fish and you don't have 1500 fishermen all in an acre on the Russian River. This is one of the things.

MR. ECKHOLM: All those in favor of the motion say aye.

Anybody opposed?

MR. POMEROY: Yes. Opposed.

MR. ECKHOLM: Let's take a vote. All those in favor raise your hands.

All those opposed.

Nine to six is what I've got here.

DELEGATE: It's seven.

MR. ECKHOLM: Nine to seven?

MR. STUMP: I don't know how relevant it is, and I am a guest, but it cost approximately $150,000 per mile of road in Southeast Alaska. It's very, very expensive.

MR. POMEROY: Mr. Chairman, the reason I voted against it is that reason and because of erosion, all kinds of things that is a sweeping thing like that -- excuse me. The vote has been taken.

MR. HARTLE: Can we back up and cancel the roads out of that. I would go for that. If that would help people.

MS. SHROYER: I would support the amendment without roads.

MR. POMEROY: I would support it without the roads.

MR. ECKHOLM: The motion is the State increase utilization of State timber for personal use. All those in favor of the motion say aye.

Opposed.

MS. SIMONDS: Get a workhorse.

MS. SHROYER: Mr. Chairman, I would like to make another recommendation. I believe that this recommendation

may also fall under some that we made yesterday as far as making money available on small business.

But talking to John Schnabel before, he mentioned that a need for kiln-dried timber for local construction use and that all of our timber goes to the states to get processed for use in construction and then comes back to Alaska and therefore our construction costs are a lot higher. I'd like to see the timber made available at such a price so that production and kiln-dried timber would be available for local construction use. I don't know if we can fit it into timber or go back to the --

MR. ECKHOLM: What's the argument?

MS. SHROYER: I'd like to see the timber available at a better price to our local mills so that we can afford to expand them.

MR. ECKHOLM: Why can't they afford to expand them now?

MR. NASKE: It's subsidizing the timber industry.

MS. STRASSBURG: One of the problems is we don't have education to the consumer builder, because he doesn't realize the cotton and birch, properly processed, is as good as Washington fir, that is 99 percent hemlock. This is one of the problems. We have not educated our builder in Alaska to the value of our own local timbers.

MR. ECKHOLM: Doesn't it seem like an enterprising young businessman could go out and do that?

MS. STRASSBURG: Probably.

MR. ECKHOLM: If you build a better product, you're going to sell it, right?

MS. STRASSBURG: Right.

MR. POMEROY: I see the concern there, but I don't see how it's management. The timber, it comes up, it's wet. We don't give kiln-tried timber.

MR. ECKHOLM: We could maybe encourage the State to come up with research.

MS. STRASSBURG: I would like to recommend that this State encourage research into the use.

MS. SHROYER: I was offering it into discussion, because I don't know how to write it either.

MR. NASKE: Fooling around with stumpage price, all you're doing here, taking it out of Peter's pocket to pay Paul. And, really, it's subsidizing.

MS. STRASSBURG: Will not need a lower stumpage price for their timber.

THE MODERATOR: I sense we're getting about ready for a break here. Keith wanted to make a recommendation of his own?

MR. STUMP: Actually, I don't want to make a recommendation, but perhaps out of what I'd like to say, a concern within the general field of timber harvesting and perhaps you'd like to make a recommendation based on that.

A major concern of all of us is the effect of the timber harvesting activities on other resources, on the fisheries, and on wildlife habitat. There's a tremendous amount of emotionalized media-hyped information that is based on insufficient amount of research, is based on qualitative studies that do not have a way of providing the necessary information to make sound political decisions. Because it is eventually political when you get down to government regulation of timber harvesting practices.

There's been a tremendous amount of opinion and quantitative research saying the negative effect of timber harvesting on fisheries, on fish runs. There's been very little, if any, qualitative research, research that deals with what has been the experience, how much effect actually has there been on salmon production in areas that have been logged, in comparison of areas that have not been.

I think that in the interests of not just the timber industry, but fisheries and of habitat, that the State direct more towards relevant research that deals with quantitative impacts as opposed to quantitative, that really do not seem to provide a sufficient research base, at least in my mind it doesn't. There are other people who say that it does. I grant you that.

But I think that if you were to have that you would really, you can do a couple things. One, you would

decrease the furor of timber harvesting, which has an extremely visible impact on resource, and is accused in some instances of having more than just a physical impact. At the same time you would be developing forest practices braced on something that is more well substantiated and more comfort related. Okay, if there is a possibility of a negative effect from timber harvesting, how much of an effect, and is it worthwhile to say make stream borders, leave strips when you're losing a substantial amount of some of your prime growing timber habitat.

MR. POMEROY: Don't impact statements come into this somewhere?

MR. STUMP: They don't have the research, really; what I'm getting at, to really make good decisions on that, I just don't think.

MR. ECKHOLM: How long would it take to do such a report?

MR. STUMP: Oh, you're your talking about a pretty substantial undertaking, really, and it's not a short-term deal, in order to come up with the kind of information necessary. And, unfortunately, that has always been the kind of process of delaying that kind of research until sometime when we could do it. And then you end up getting down in increased polarization.

MR. ECKHOLM: They have two recommendations. Then we

will discussit. The first is the State research developing full utilization of State timber into finished timber products.

MS. SHROYER: That would encompass what I said as well.

MR. ECKHOLM: Yes. Is there any questions or disagreements about the recommendation?

MR. HARTLE: Will you say it again, please?

MR. ECKHOLM: State research developing utilization of State timber into finished timber products.

THE MODERATOR: Research utilization, I think you mean.

MR. ECKHOLM: Research utilization of timber into finished timber products.

MR. HARTLE: Is that the correct wording?

MR. POMEROY: What do we know about what's available already? I have in my own files documents going back to 1947 on the utilization.

MR. ECKHOLM: Well, I think we're talking about what you were saying, people aren't using the wood that we have that's available because they don't know how to process it. And we're not saying the State would get into the business and do it, but just say here's how you do it.

MS. STRASSBURG: The whole thing is they don't realize what we have here, they look out and say, gee that's a little bitty birch tree. That isn't it as big as the alder that I saw in Washington State. They don't realize that the

birch is equally as good a lumber if it's processed properly as what you get out from the out-of-state areas that do scrap mill.

MS. SCHIRMER: Isn't it about time we switch to another one?

MR. PADDOCK: Before we switch to another one, I'd like to add on this subject of utilization of local timbers. This has long been the subject dear to the hearts of the Forest Service people and the Juneau people, especially the utilization of local timbers for unique uses, such as finishing the interiors of bathrooms. This group formed a society down there which was known as the Birch John Society.

MR. ECKHOLM: The recommendation is that the State research utilization of State timber into finished timber products. Is there any opposition to the recommendation? It's adopted.

The State produce a quantitative report of the real effects of timber harvesting on other resources; the recommendation of Mr. Stump.

MS. SHROYER: Hasn't there already been studies on that?

MR. NASKE: There have been studies on everything. Only historians know where they are.

MR. ECKHOLM: And Claus has got half of them.

Does anybody want to make that recommendation? He suggested it.

MS. STRASSBURG: I think it's important. Because many, many times, as he says, the media scares the general public into thinking if you take the trees from this creek, all the salmon is going to disappear, and it isn't always true. The same thing with my statement a little while ago, and I think it was misunderstood. Clear cutting, as I mentioned it, is not always wrong, although the media and I'm not criticizing any particular organization, many conservation organizations have come out rabidly against clear cutting in any case. Now, that isn't true.

By the same token, it isn't always a bad thought to cut the trees up close to the stream. And this is something that we need to know?

MR. HARTLE: I would agree with that. I want to be careful that we don't say what the research is going to show before we start it.

MR. SWANSON: May I add something here that might be helpful. You got to realize that we're in the fourth year now of the limited entry. Now, our fisheries are going down and down and down and down. And they were blaming on to the logger that he done this terrible thing and he ruined all the fish streams. He was fishing out here in a mountain with a creek. We were a limited entry that has taken the

away 200 miles from our shores. We're having the fish come back now in fantastic amounts. If we could, if we are not national enough to keep the foreigners out of here for another two years, then we would have the full.

MR. ECKHOLM: Red, I hate to cut you off, but I'm going to do it. Could we vote on the recommendation?

MR. POMEROY: I have the impression that there is a substantial amount of first-quality attention being given to this subject. For this reason, I vote against it.

MR. ECKHOLM: The recommendation is to produce a quantitative report on the real effects of timber harvests on other other resources. Is there any opposition to the recommendation?

MR. POMEROY: Yes.

THE MODERATOR: Yes. I think it's superfluous. I think Harold is right.

MR. ECKHOLM: Doesn't this guy work in the timber industry that recommended it?

MR. MERDES: Let's vote on it.

MR. ECKHOLM: All those in favor raise their hands. All those opposed. Passes.

Let's take a break. When we come back we'll deal with agriculture. We went way to too long with this. We're going to have to be a little briefer next time.

(A recess was taken.)

MR. ECKHOLM: I think it's time we started rolling again. We should start again, I think.

We have a number of things, as you know, to keep going on. We have one of the white paper authors with us in the back, John Martin, who wrote the paper about Japanese marketing. He had some specific recommendations in that paper, and -- we've told him to limit his comments to just three or four minutes if he couldn't and be very specific about what his recommendations were. And get those on the table and then we can go on and discuss other aspects of fisheries.

John.

MR. MARTIN: As I mention in paper, I don't know how many of you had a chance to look at it, but I've had some experience writing about selling fish, as well as selling fish. And I've looking at export in Alaska for the last 15 years to Japan. It's obvious that we sell the predominant portion of our product to the Japanese. In some cases because they're the only ones that buy certain products, in other cases because they provide the most favorable price, they've been paying higher prices that buyers in the us U.S. and Europe have. In my estimation, and I'm by no means the last word on this, we've become overdependent on the market, whereas the market has become relative soft, and the processors were not able to earn any margin at all on

principally the frozen salmon they process. So we're left holding a huge volume of product and the same thing is carried over into King crab with very few alternative markets, currently developed markets in which to sell this product.

One possible solution to this problem, as I perceive it being a problem, is obviously to aggressively pursue markets in the United States. There's no reason we should discriminate against Americans, and in Europe, and other areas so we're not so intimately tied to one particular economy. And what's happened this year is what the dislocations in international oil markets, with Japan being entirely dependent on imported oil, the yen versus dollar exchange rate is changed considerably. In approximately 23 percent depreciation, yen versus the dollar.

What that means is our exports are 23 percent more expensive to Japanese. Coupled with their economic slowdown it's a very unattractive export market from the standpoint of the U.S. seafood producer. So in order to develop U.S. markets elsewhere, one approach is to form an association as I suggest in the paper. It's not the only approach, certainly.

If you accept the fact that individual companies may not have the wherewithal to go out and put on a billion

dollars campaign in the U.S., and go over to hustle the West Germans, French, et cetera, principally for our frozen salmon, which is the bulk of the value in this State, talking about salmon steak. To keep it brief here, one of the ideas you might kick around is the validity or the usefulness of association of processors and marketers who would proceed note in a generic sense, not on a brand by brand basis, Alaskan seafood products, crab, salmon, to raise the general level of consumer awareness, the general level of demand so the individual companies will be dividing up a larger pie in the American market, hence being less tied to this one specific market area, Japan.

It's a very briefly encapsulated sketch of what I guess was my principal recommendation. It's certainly not the only situation to what may be a short-term problem, but certainly if you look at the statistics, it's a large percentage of our product that does go to Japan. There's no question but we will always be trading with Japan and we will always mutually benefit from that. But to think we can exclusively trade there.

MR. ECKHOLM: Why limit it to just the high-value fish? I hear that Americans don't eat bottom fish as a rule. Why not develop a campaign so we got a bigger market of those, too?

MR. MARTIN: They've got a big import market from

Iceland, Norway, Denmark.

MR. MERDES: That's the paradox, Japan gets it, then they sell it back to the American market. I think we ought to go into the American market.

MR. ECKHOLM: So it's like your Anita Bryant in Florida selling oranges.

MR. MARTIN: A lot of our industries apply to this, like fisheries, agriculture, fruit, dairies, et cetera, have formed associations specifically addressed to this problem.

MS. SCHIRMER: I wondered, is this information that you gave us, are you making it available to the fish processors?

MR. MARTIN: Oh, certainly. In fact, to be perfectly frank with you, we're trying to organize this association and maybe it was a cheap shot to throw it in my paper here.

MS. SCHIRMER: It seems to me it's an appropriate thing to do. I'm not sure it's an appropriate thing for the State government to do, except that maybe it's appropriate that they might try to facilitate it.

MR. MARTIN: We're looking to the State as a capitalist. Given the State has not been historically famous for cooperating in very great detail. We're hoping that certainly the beneficiaries have to be in favor of it.

MR. ECKHOLM: I think another point -- I'm excited about this one too, because I think next in Bristol Bay

we're going to have -- the processors don't care. The processors are going to pack out as much as they can pack out. They're going to be filled up. So they're going to make up as much money as they possibly could, and do it a lot cheaper than they usually do it. The fisherman are in serious straits in Bristol Bay next year. We're looking at a glut on red salmon in the markets now, looking at a record catch and looking at fishermen watch millions of fish rot.

THE MODERATOR: Excuse me.

MS. SHROYER: I'm sorry. Go ahead.

MS. PORTER: Well, if you read Larry Cotter's paper, he addresses this problem. But our number one problem in the nation and in the world and even with Japan is the bad name, as an example, Bristol Bay salmon has. We have, as with agriculture, no quality control. Now, we're giving them bruised fish, fish that have been left in slime overnight or two or three days or left out in the sun and they're unusable. And of course they're not going to get money for those.

And what we have is just a total lack of quality control. Our people don't know how to handle that.

MR. ECKHOLM: In the King crab we have quality control.

MS. PORTER: In King crab you also have an industry that has done their job advertising. When people think of

king crab, they also think of Alaska King crab because they market it that way. But we cannot market it and stamp with it Alaska, this is King crab, unless it's good, and we'll never get a price out of the nation. We can't sell to a lot of the European nations because we've got a bad product. That's one of the reasons we don't get a lot of money.

I have no objections to not exclusively selling to the Japanese, but I'll tell you, the Japanese have been damned good to us they bought the fish when nobody else wanted them, and particularly in Bristol Bay when you're not going to get them out. In the Kuskokwim, they process them on the ship.

THE MODERATOR: He said he'd like for the State to stimulate a market for our fish. And you're saying we've got to have quality control to market it.

MS. PORTER: I think it's very inappropriate for the State to market our fish or to advertise our fish. I think it is appropriate that an association be formed. It's appropriate for the State through the Fisheries Department to develop some kind of an education program that will teach our fishermen how to handle the fish so that we get a better quality and a better price.

MS. PILLIFANT: Yesterday I said when Jerry McCutchen was talking, there is a committee that is working a quality control on salmon and there is a committee of that

committee that is going to look at the education and they're working right now. And they said exactly what you did. They had hearings day before yesterday all day. So it's going to happen. In other words.

MS. PORTER: It's critically important that it begin almost immediately before the next fishing season because our reputation is getting worse and worse.

MS. PILLIFANT: The report will be written hopefully by the middle of March.

MS. PORTER: As far as the State marketing, I think that's a very bum idea.

MR. ECKHOLM: I don't think what he recommend is the State market it.

MR. HARVEY SAMUELSON: I being a Bristol Bay fisherman, when you send garbage collectors to collect garbage -- that's exactly what they did this last summer. These guys come up there with processors that never bought fish before. An old time fisherman like myself, Dean Paddock, that fellow over there, we got to take it on the chin. We take care of our fish. But it's these garbage collectors that the State has got to watch out for. Where that garbage comes from, fishermen fishing with slightly no market. Last summer they were trying to sell me fish for 25 cents apiece with old, white gills.

I don't know. The State has got to come up with

some sort of program to monitor these fishermen.

MS. SHROYER: I'd like to just add on to that. The reason why we do have the bad reputation in Europe is because the processing plants not only buy our good fish from our Alaskan fishermen, but also from what he called the garbage collectors, the people from Seattle for the most part, who don't use quality control and they buy all of the fish together and they process it all together and so that therefore the good fish is mixed with the bad fish. And I'd just like to reemphasize quality control.

MR. POMEROY:

MR. HARVEY SAMUELSON: The canneries themselves, we used to own Peter Pan. We sold it to Japan last year. We had cases of botulism over in England. Two little tiny cases of botulism. One can that had botulism and affected two couples. People died, unfortunately.

But the only way they kept opening cans, opening cans, and one day they took a can and put a 14-point saw across it and do you mean indicated the can. Finally, they done it on the 1400th can.

And they got records in the canneries, the Cook records that supposed to sterilize these -- retort records is what they call them. All the canneries have them.

So, when the can go market industry, it's been the first known one for a good many, many, many years,

health authorities, the American health authorities determined it happened during shipment. So, as for controlling the fish in the canneries, that's all right.

THE MODERATOR: Do you agree with the proposition that, if Alaska can create a larger market, albeit Japan, Europe, United States, for its fish, that we will become much richer from our fisheries?

MR. HARVEY SAMUELSON: Alaska needs a real good advertising campaign.

THE MODERATOR: You think it's advertising? I mean, is it more than advertising?

MR. HARVEY SAMUELSON: Advertising, along with the industry.

MR. PADDOCK: I think when Harvey says advertising he's talking about development of markets. Now, we've talked about the King crab. I can remember when Wakefield Fisheries were the only people who were advertising Alaskan King crab. They were the first. And gradually others came in and got on the band wagon and along the line they developed the King crab Quality Control Board, which is a State-regulated board.

I think we're in the formative stages of a salmon quality control board, if not a fish quality control board. And this is overdue. And the thing that has brought it about is the trend from canned salmon to fish frozen in the

fresh frozen market, which was almost, to start with, primarily in the Japanese market. For red salmon, it's almost entirely a Japanese market.

MR. HARVEY SAMUELSON: That one can of salmon cost us in excess of $800,000 in legal fees and whatnot. And it isn't over with yet. It's still going on. So that little six and a half can of salmon is going to run probably two million dollars or better.

MS. PILLIFANT: But they're not only talking about the fishermen and quality control and how they handle their salmon. They're talking about vessel quality control also in how it's delivered to the tender and the tender to the processor and that sort of thing.

So I do think that they're formulating a plan and one of the primary things that they will be doing very quickly will be education.

THE MODERATOR: My experience in this has been very limited, that you got the canned salmon, which has got the problem that you just talked about, one in a million cans that have botulism. You've got the crab industry which apparently is a very simple process. I've seen it, at least it seemed simple to me, and they have got quality control. You've got the salmon, which we're known for and it's your garbage dealer, you say, comes from the fisherman until the time it gets to the plant where is the damage done? It's

not in the plant itself?

MR. HARVEY SAMUELSON: It's the people that moved in the last few years. The Japanese paid so much money for fish regardless of what kind of grade it was. The year before, this past year, we had a good run of fish all over Western Alaska and they were buying any type of salmon as long as it had scales on it. And some without scales, too.

MR. ECKHOLM: To give us a framework for our discussion, I would imagine we're probably going to have to spend a fair amount of time on fisheries, but that means it's five after 4:00 right now. We probably should have fisheries finished by the time we have to got out of here at 4:30.

MR. POMEROY: Fisheries and bottom fishing may be our greatest potential, outside of oil and gas. It's so complex and there are so many aspects to it that we could discuss it for three days. A dominant feature, however, is economics. And I think we cannot jump into an idea that covers just one aspect of it. And it gets right into economics, which is we're going to try to develop a market until we have a much better analysis and evaluation of the economics of it so long as fish can be taken to Korea and made into fish sticks and sold cheaper back in the United States and we can sell them, it doesn't make anything -- has nothing to do with how much we advertise. And that's

the problem we're up ag nst.

THE MODERATOR: No. But it's a viable industry. People will make money in that industry. There's no question about it.

MR. POMEROY: It's a viable industry, yes.

THE MODERATOR: It isn't a question where it's being sold, the industry will take care of that.

MR. POMEROY: Maybe.

MR. PADDOCK: There's a great deal of truth in what Mr. Pomeroy says. But the reason they are able to take those fish back to Korea and make fish sticks out of them, or wherever, is that they are presently able to take these fish from within Alaskan waters, within the 200-mile limit and do it legally. Because of the catch 22 situation in the fisheries conservation act of 1976, the 200-mile limit thing, which says that as we move into the fishery, then the foreign fisheries are phased out. The only trouble is, as long as they're in it, they have got the market.

And we need some assistance in moving the foreign effort out of the 200-mile zone. And this has been suggested, amendments everybody suggested to the national congress to accomplish this. We're almost four years into the 200-mile limit now and we still haven't cracked the market for high-volume, low-cost bottle fish, I prefer to use the term white fish. And we may need some help on that.

And I think that this group could strongly endorse some national assistance or assistance at the national level on this.

Now, of course, I hope we get a chance to talk about other ways and means of assisting Alaskans to get into it.

Incidentally, we have a very excellent paper submitted by Dick Whittaker, a former legislator, an attorney of Ketchikan, which is in these supplemental papers, which proposes an Alaskan Fisheries Corporation, which is an amalgamation of fishermen and Alaskan processors with assistance by the State to establish a world-class fishing company, which would encompass marketing.

And I've had a chance to read Dick's remarks very, very quickly, but they are applying to the bottom fishery essentially what John said about the salmon fishery, develop new markets.

And I hope we get a chance to talk about that.

MR. ECKHOLM: Harold?

MR. POMEROY: I am not defeatist. I note, however, we have to some extent a chicken-egg kind of situation. And I could have said better what I said, which is we've got to look at economics very carefully, and we've got to be ready to provide those things which will help the industry itself.

We've already talked about infrastructure. That sort of a thing.

So that we can edge into those areas where we can then push with the product that we think is going to be able to be competitive.

MS. STRASSBURG: I don't think that we're ever going to be competitive selling fish and crab to the American housewife as long as when she goes into the store canned crab amounts to $16 a pound as against $5.89 for the American goal of steak. That's one of the places where we got to start. We got to get it down to a competitive price where the housewife will buy it.

MR. ECKHOLM: I don't think we have any problem selling crab at that price. Otherwise, it will be cheaper.

MS. STRASSBURG: I don't know. There's not many people outside who will buy it.

MR. ECKHOLM: There's not very much crab that goes unsold out of Alaska.

MS. STRASSBURG: That may be true. If we're going to get it into the American market, we've got to get it in the household.

MR. MERDES: I think we ought to summarize this and articulate it into some kind of formula. I think we ought to recommend that we phase out foreign and bottom fisheries within one year and that we endeavor to create a market in

the United States -- in other words, it's chicken or the egg. Somebody has got to cut it off at sometime. And I think we ought to recommend to the legislature that that be implemented by legislation.

MR. ECKHOLM: We're going to have a real difficult time with that. Because we're talking about the feds.

MR. MERDES: I know you're talking about it, but I think you got to have an overt policy by the State, otherwise it's going to go on year after year after year.

MS. PORTER: We've got a very critical economic picture here. We're looking at a multi-billion dollar industry. Both in hering, salmon. One of the problems is we don't have any processors here. We don't have any bottom fish boat. We can't compete on the market. You must understand that if we don't harvest those fish, someone else will. Time is of the essence. If we don't harvest the salmon.

If they don't harvest the herring or the bottom fish, some other country will, or Seattle fishermen will. We are not set up at all, we have no onshore processing, we have no sea processing. Those are the kinds of things we need. This State is simply not geared up to help those people in this State who want to get into that industry. It's going to cost millions and millions of dollars, maybe a billion, maybe more.

But this is a life-long industry for the State.

This is going to produce billions of dollars worth of revenue for the State. Taxes and all of that.

It's just an incredible opportunity, but we're going to blow it and we're going to blow it very soon.

We can ask the legislature to put a year limit on it.

MR. MERDES: A time limit. Not a year. It might be it's five.

MS. PORTER: We're not going to be geared up to do it. The international people won't stand for that. If we don't harvest it within that time, the foreign fishermen will come in on you, or the west coast fishermen.

MR. POMEROY: I don't know how a recommendation should be worded, but I contribute this additional thing: I would be delighted to see our industrial development corporation sell tax exempt bonds if you get away with it, and put up the plants and lease them, then, to the operators to run them; anything that would help in this direction to get us going.

MS. PORTER: That very organization, as Jean Ray was telling us yesterday, that it has a $500,000 limit. We're dealing in toothpicks. We need four-by-six's.

MR. POMEROY: Increase it.

MS. SHROYER: I was just -- a few of the Scandinavian countries have expressed an interest to help

us improve our fisheries all the way through processing from actual catch. I think a recommendation ought to be around accepting that help, accepting their obvious expertise. Their fish products are known throughout the world as being excellent. I think we ought to look at that and accept their help.

MR. POMEROY: Consider engaging their technical assistance?

MS. SHROYER: Yes. They've offered it.

MR. PADDOCK: Mr. Chairman, we're already doing that aggressively. I'm happy to see the response on the part of the legislature last session. We now have a European office in Denmark. This interchange has begun. Anybody that attended the fish Expo in Seattle here a few weeks ago couldn't help but have been impressed by the tremendous participation by these European countries.

These companies' representatives are ready, anxious and willing to help and we're anxious to use them. But everything seems to be in a holding pattern here in Alaska in spite of the fact that we have a program going.

Now, one of these papers - I can't remember who the author was, one of these publicly submitted papers made the statement that all the state's efforts thus far really didn't amount to a hill of beans. Well, that may be overstating it a little bit. Not a hell of a lot, as far as

the State push here. You're aware of the fact that the State hires a consultant, he says it's going to be this way. The feds hire a consultant, he says no, it's not going to be that way. It's going to be catchers processing on the high seas as opposed to land-based development.

And I suspect it may go that way to a larger extent than it would unless Alaska jumps into the gap here.

And I wish that we'd had Mr. Whittaker's paper early and in the book so that all of you could expose yourselves to it, because I'm tremendously impressed with it.

He makes a couple of points here. Foremost on his mind is the problem of outside takeover.

I think we have the same situation here as an old Bristol Bay man told me 25 years ago. He says, as far as the residents of the Bay area are concerned, they didn't care whether it comes from Anchorage or Seattle. In this case, we don't care whether it comes from Seattle or Japan. Very little differentiation. It's not going to benefit Alaska to any extent unless it's an Alaska-based industry in some form, at least. I don't think we're ever going to totally divorce ourselves for a long time from going to Seattle and getting a certain amount of services and supplies until our infrastructure built up.

He also makes a statement here that I think is

worthy of consideration. He says that the prudent budgetary surplus of the State has the potential of destroying Alaska as we now know it.

And he suggests that the opportunity to get into the fisheries would avoid what many of us consider as an undesireable, a largely undersirable feature in the state's development. He goes on and says a little later, it's an act of fate that the fish are available at the same time that Alaskan capital is also available.

Otherwise, we Alaskans would be relegated to watching others, outsiders, foreigners, whatever you wish, harvesting these fish.

This is very true.

MR. ECKHOLM: Hank, very quickly.

OSTROVSKY: My name is Hank Ostrovsky. I'm from Bristol Bay, Naknek, Alaska. I'll be specific about the Bristol Bay problem, and specifically about Naknek Kvichak. The information that I have indicates for four major institutional breakdowns --

MR. ECKHOLM: Hank, could you keep your comments just to recommendations for action?

MR. OSTROVSKY: Yes. First you have to identify the problems, then the recommendations can follow from that.

Now, the four major breakdowns in the institution was in the processing, the transportation, the distribution

and the financing. Two institutional successes. Institutional successes were the fishermen who caught the fish, who had no trouble catching the fish and delivering the fish, and the resource itself that did not fail. Now, the financing of the capital equipment necessary for the process was inadequate. This financing is supplied solely from the Japanese, since the Japanese control 95 percent of the processing and that the markets are actually going into Japan at the control of Japan. So what you're looking at it from the inadequate financing ever processing equipment, which allows the waste to occur because the fish cannot be processed.

For instance, when these have been entered into a record at the Department of Fish and Game, there were 27 and a half million pounds of fish wasted. In a breakdown of these two categories, about two and a half million fish, which represents about 15 million pounds at a value of about 16 and a half million dollars, were dumped by the fisherman because they had no processing facilities.

MR. ECKHOLM: Hank, what would you recommend?

MR. OSTROVSKY: This is what we have to get, institution breakdowns and at that point look how you can finance adequately.

The permanent fund as originally conceived was to create a banking mechanism by which the fishermen or the

production in Alaska could factor their resource into market, say, Hamilton's system back 200 years ago when the United States was looking for a banking system, they put the fate and credit in the United States which wasn't very great then. What they did, put the same resource --

MR. ECKHOLM: Hank, two more minutes.

MR. OSTROVSKY: Yes. -- association, financed by the State of Alaska to assure that her producers can factor the demand for that product into market, whether it be in Japan, whether it be into Europe or whether it be into the United States.

And to have any broker between that exchange actually denegrates the capital gains that are available to Alaska for distribution within our own economic system.

THE MODERATOR: Hank, let me ask you a question. I see Ed Naughton there and Representative Ed Osterback. In this financing, how do you see the role of the State money and the federal money? Who is to play the role in this thing?

MR. NAUGHTON: My name is Ed Naughton. I am from Anchorage.

I think what is really needed is when the State of Alaska takes its package of money, its billion dollars or whatever the amount is and looks for a place to deposit it, if it's City Bank or if its Bank of America, or no matter where it is, Chase Manhattan, that you go into that

bank and you say to the banker, "I have a billion dollars I want to deposit somewhere. If I put it in your bank, what will you do for Alaska?"

Now, until we get the big banks from the east coast involved in the development of Alaska's fisheries, we're really not going to have anything. Because the history of Alaska's fisheries is that we are capital poor. The reason we are capital poor is because the eastern establishment pays no attention to us, beyond the pumping money into First Bank and Ranier Bank in Seattle, those two banks.

So if there's anything that Alaskan money, the State government of Alaska can do, it's to lever capital out of the eastern establishment for investment in Alaska.

But now, you jumped ahead on this whole story by asking what we think about the financing. And I think that there's something that everybody has to look very hard at and in the cold light of day, and that is that the price in the wholesale market for pollack blocks, when you're talking bottom fish, which is what you're talking, the bulk. It is sold in block form. The price for that today is 66 cents per pound.

Now, if you consider that you're going to go into the American market, then you're talking fillet. You're not going to sell anything by the fillet of that fish.

The recovery rate on bottom fish pollack is 18 percent. That means that you have to buy five and a half pounds of raw fish to get one pound of salable product, for which you will get 66 cents. It's going to cost you more than six cents to ship from Alaska to the market. So you're down to 60 cents.

I am in the bottom fish business, incidentally.

If you pay six cents a pound, which we have found will attract American fishermen, but very few of them, so that means that that is a viable price, but just barely so.

So you're going to pay 33 cents to get the raw product. So, you see, you've got 40 cents, certainly, into that pound of product before you've even processed it. That 18 percent recovery is depending upon your having stocks of fish that will yield 18 percent.

MR. ECKHOLM: Ed, could you wrap it up into some recommendations for us?

MR. NAUGHTON: I recommend you look very carefully how you spend any money in the bottom fish industry. And if you are not going to spend any money in the bottom fish industry, leave it the hell alone. Because all the State or any government could do for an industry is to regulate or tax it. And that's certain death.

MR. McGINNIS: Could I ask Ed one more? Do you feel there's no obligation to the State with relation to

creation of new economic markets? Say, in China?

MR. NAUGHTON: That's the very thing that should be done is creating markets.

MR. McGINNIS: I heard you say stay the hell out of it.

MR. NAGHTON: That's why I said look very carefully what you do.

MS. PORTER: Are they known? Ed Ed it's an person company in joint venture with the Corrians.

MS. PORTER: They do a lot of bottom fishing?

MR. NAUGHTON: Yes.

MR. McGINNIS: Mr. Chairman, could I say a quick word. For eight years I sat as one of the four American representatives on the International North Pacific Fisheries Commission. We had many battles, the sea battles, the Japanese questions, all the rest of it. One thing is certain. More than any other individual on that commission as a voice of the wilderness 20 years ago, I demanded they do reserve on bottom fish as well as the exotic species of salmon, halibut and crab. Back then just by wringing an arm we did get a research program. Now we know more than we ever would have known.

I find it inconceivable, to me there cannot be enough ingenuity in the Yankee system and the American system to find ways and means in these vast American markets to make it viable. If we have the quality control

so it's a good product and proper promotion across the world and then assistance to finance the enterprise, that we can find ways to make it one of the glowing success stories of the 1980's, and I hope the State can direct itself in those three areas.

MS. RICHCREEK: One thing I'd like to mention, the girl last night, I don't know her name, in Kodiaks, they had tried to get money to build a cannery and had gone to the legislature and 500,000 was the most they could get. And everybody else turned her away. And I asked her what were they trying for. She said two million.

MS. PORTER: As Ed suggested about the eastern thing, I think that's just a dead loss. A lot of people just going to be getting into the fishing industry aren't going to qualify for an eastern bank loan. Eastern banks know very little what's going on up here, particularly in fishing areas. Geographically, if we're going to help the fishing industry, start bottom fish and encourage herring and better salmon, we're going to have to do it with State bucks.

THE MODERATOR: I think Ed said what Belden Daniels said. A billion dollars in an eastern bank will catch their attention; they will even postpone their lunch. He means that they'll get Seattle's attention and Seattle will come up here, you see. The money will find its way if you've got

enough leverage.

MS. PORTER: That may be fine for other things. They may want to do other investing in Alaska. As far as the fishing is concerned, I think it's too critical an area to leave it up to a haphazard method that the fishermen have to go to the bank, any bank, for the bucks. The bank is going to look at the past record, think it's just starting up, it's not going to work. If the State is serious about having the industry here, then I think we're going to have to finance it initially, through State loans, whatever. But get the processing here. There's no reason that we should be buying Japanese-canned salmon or processed salmon or frozen salmon or anything. We should be doing our own processing, or a majority of it here in the State and shipping it out.

MR. MERDES: I'm confused as to the recommendations. What do the bottom fishing people want?

MS. PORTER: Money.

MR. ECKHOLM: I'd like to ask some of the fishermen, is there really a shortage of capital for viable economic products? Is it really that hard to get money if you've got a --

MR. NAUGHTON: The way you do your factory contracts for your fish. This is the way the whole financing systems, within the fisheries or any product, works. The product is

the value. The contract for that product is now factored. What you need is a production credit financing, is take this contract. And the State, all the State has to do, the State has enough money to actually factor that resource in that type of a banking system, this is with the farmers, how the Farmers Production Credit Association, I think Mr. Roderick knows that pretty well.

We have a tremendous amount of product that's valuable. We have to pick up the product to increase its value. We don't look to the banks, we finance it right from the product itself. That is the value. Because people eat fish, the value is in the fish. They don't eat money. This is just a means of guaranteeing that from each step to here that it's going to insure that these contracts are met. It all comes from your product. And this is what the original concept of the permanent fund was scheduled to do when it was first introduced.

And I think the State should follow through, and the recommendation is to follow through and use that fund through credit.

MR. ECKHOLM: There are a number of ways. How about if we generically just say something like provide every opportunity using State investments to stimulate the growth of the bottom fish industry as the state's number one development priority.

MR. OSTROVSKY: No. It should be production credit and use the marketing and the man from the market will set the whole thing up.

MR. PADDOCK: Mr. Chairman, I hope everyone is aware that two legislative sessions ago the legislature, in very far-sighted move, established the Alaskan Commercial Fishing and Agricultural Bank, which allows a· askan link-up with the production credit associations down south and makes these previously farm-oriented type funds available to Alaskan fisheries and agriculture. Interestingly enough, the boards of that bank met here .n Anchorage this very week. Coming up from Juneau, one of the board members, at least was on the plane with me. This thing is going. The State gave it some seed money. Conveivably, the State could give it some more seed money to get this thing off at a real going start.

I'm not an expert on this subject. We have experts on this subject right over here, Representative Osterback, and I certainly yield to him. Perhaps to get things going, maybe we could go on a recommendation.

MR. OSTERBACK: Representative Alvin Osterback from District 15, Chairman of the National Resource Committee on Fisheries.

That bank, he's talking about the Seatac Bank. That's a bill I introduced a couple years ago. The year

before last, we put two million dollars in it to get the bank started. We got another two million to put in when we started the session. That will be four million dollars. We're getting a leverage of federal dollars in there, about ten to one.

I got another bill drafted up now. If we can get that one passed to put in 60 million dollars in there would give us a loan capacity of over 300 million. It will be somewhere around ten percent interest money.

And that's one of our bigger steps to fisheries.

And everybody talks about the bottom fish. There's no plant going to come in and just go into bottom fish. They're putting a 30 million dollar plant in Cold Bay right now, supposed to be operating by spring. Skinner, I think he's from Anchorage here. I understand they got the money. But they will take salmon and then for the off season they will take cod, gray cod, black cod, halibut. So you're not looking at the low specie. You have to take the good along with the bad. So you get the high price for the King crab and the salmon, and then operate on your bottom fish afterwards. That's the operation that can make it. I've been a fisherman all my life. If we can talk to the governor and the administration to get some more money in that bank, seed money isn't going to do it any good. You put in four million dollars, you have about ten to one,

which will only be a drop in the bucket. We have to get started something like three million dollars. And that's the story of the Seatac.

MR. ECKHOLM: It's time for us to break now and move to the other room. It seems obvious we're not going to have fisheries wrapped up. What's your pleasure as a group? Should we break now and focus down and keep fisheries rolling for a while?

MR. POMEROY: I'm worried about what we can do. I've been wondering. It may be that maybe fish is like our great big, beautiful copper deposits and we've got some fine ones bt they aren't competitive on the market. Tell us now or later, how much can you put a pound of what on the market in Minneapolis for and do you get a bottom line that is in the black?

THE MODERATOR: Okay. We'll take that up at 303 here right away.

(A recess was taken.)

THE MODERATOR: Let's try to see where we are on fisheries. Does anyone want to attempt to see where we are and summarize what we've said?

MS. PALMQUIST: Can't we adopt like just a general policy like Ed Merdes proposed? It was completely not controversial.

THE MODERATOR: Well, I can't recall now exactly what

he said. Was it development-oriented?

MR. NASKE: One of the recommendations we can make is that the State expend all effort to find or promote markets for Alaskan fishery products.

MS. PORTER: I think it has to be much, much stronger than that. I think we're looking at everything we've always feared, no economy, no money to run the State on.

Here we have the answer - and I'm serious - to the problem of no money for the economy. We've got a multi-billion dollar industry that the State could capture. We could just capture and hold on to the fishing, the processing, and the marketing. This is year round, because the bottom and the herring fishing don't just go on in the summer, they go on year round.

And it's just a tremendous economic opportunity for the State.

And so I think we should be very strong in our recommendation.

MR. NASKE: I think what we tend to forget is bottom fishery everywhere, in all the world's oceans, are the most intensively developed. And every nation in this area offers meal and blocks of cod and whatever else they get. And I think it's a matter of finding markets, really. Because of intense competition from every direction.

MS. PORTER: I would say if we are not aggressive

within the next three years, in 20 years from now you'll come to me and say, "Now I understand what you were talking about." The world is going to be protein hungry. The United States may only be interested in fillets today, 20, 30 years from now, bottom fishing, the bottom fish is going to be marketed in the United States.

MR. ECKHOLM: And is to a degree now. I don't think it is a matter of whether or not we should develop the bottom fish resource. The fact is that the bottom fish resource in Alaska have been harvested for years and years, perhaps even overharvested by the foreigners. What Rosie is talking about is if we don't get it, someone else will. Us or Seattle.

MS. PORTER: It is being harvested to the fullest extent.

MR. ECKHOLM: As the Americans.

MS. PORTER: If we don't do it, they will remain in. And we will have lost --

MR. ECKHOLM: No, because as soon as we are able, according to the 200-mile law, they leave.

MS. SCHIRMER: Except if it's the Seattle people, they --

MR. ECKHOLM: Right. In terms of the bottom fish, we've got two ways to develop that. This is a little simplistic. About southeast, it's going to be with smaller

boats. The bulk of the bottom fish things, that can either be caught and processed -- this is the two reports -- caught and processed on big boats and on tractor ships and sent down to Seattle and processed and everything, or that we can help establish the processing facilities onshore and capitalize onshore. And that's the choice we really have to make. And that's what isn't being done now.

MS. PORTER: Seattle isn't equipped to handle the quantity we're talking about. There are simply billions of tons.

MR. ECKHOLM: The factory ships will start from Seattle and they'll cruise up to the Bering Sea and they'll fill up and process and they won't have to land on any Alaskan port. And they will then be Americans catching the fish. So they will push the foreigners out. And the capitalization of the industry, if they put all the money to develop the processors now, what they are starting to do, Petersburg Fisheries is, they've got a factory ship, or if the State doesn't encourage and sponsor onshore processing, that's where I see we have the chance to get into industry. It's really getting those onshore facilities, spending that money so it does become cheaper to do that.

MS. PORTER: It's not just assist, it's been a major assistance factor, not for kind of a little helping hand. It's going to have to be a major effort by the State. And

it's going to have to begin immediately. It's not anything that we can just sit around and talk about for ten years.

MS. SCHIRMER: I think it's got to be worked at very promptly, or it will be lost to the State.

MR. NASKE: So what recommendation do you have?

MS. PORTER: I don't have one formulated.

MR. HARTLE: Could we make just a very general statement that says we recommend that the State make it a high priority and make it make a strong effort to develop the bottom fisheries?

MS. SCHIRMER: In the next three years.

MR. HARTLE: That's very general, but how much more specific do you want to get?

MS. PORTER: I think pretty specific. That not just a recommendation that the State -- what is the name of this?

MR. NASKE: Must devote intensive efforts and capital investment to develop the Alaskan fishery.

MS. PORTER: And expertise into the development of the bottom fish industry and hering industry, which should include extensive long-term low-interest loans to fishermen, processors and marketers.

MR. ECKHOLM: Of course, now, that might be the thing that causes development, the low-interest loans. It might be the industry, if they were told they could go to Cold Bay and that they were guaranteed, say, power, that the

State would provide power at a cheap rate which they wouldn't be able to get offshore, or they were guaranteed space, it might not be the low-interest loan.

MS. PORTER: Facilitate the development of, and make long-term low-interest loans available.

MR. NASKE: We're subsidizing everything.

MS. PORTER: Why not? If it's going to bring us a very high rate of return, why not?

MS. PALMQUIST: But you haven't pointed that out in Alaskan development. If you're just going to put money into fisheries, you aren't restricting it to Alaska.

MS. PORTER: Let's put in Alaskans, then. Alaskan fisherman, processors and marketers.

MS. PILLIFANT: Is there nobody studying this problem at this point in time?

MR. ECKHOLM: They're going crazy.

MS. PILLIFANT: Why are we being so specific? Aren't they presumably going to tell us something eventually?

MR. ECKHOLM: Having decisions don't always come that rapidly out of the administration, even if there're there for a few years.

MS. PILLIFANT: That's not a citizen's committee, then; it's the administration, you're saying?

MR. POMEROY: Mr. Chairman, on this vast recommendation that's made, long-term low-interest loans, I

go back to what Dr. Belden Daniels says. This means that we're committing ourselves to say we'd like see a lot of money go into what in effect is a permanent subsidy.

MS. PORTER: Rather than unemployment -- let's go through the same amount of -- not the same amount of money, but close, in other social services. What we're doing is we're creating tax money, employment, and a permanent long-term lifelong industry for the State.

MR. HARTLE: I think those goals that you just mentioned are tremendous, and we all support them 100 percent. But I think what Mr. Pomeroy is saying and what I thought Belden Daniels was saying was that perhaps long-term low-interest loans are not the most appropriate mechanism to do so.

MS. PORTER: They're not going to get the money any other way. We also have in there to facilitate the industry and make available long-term low-interest loans to fishermen, processors and marketers. But without the bucks, you have nothing. Nobody is going to pour millions of dollars into Alaska fishermen. They'll do it in Seattle.

MR. POMEROY: In effect, though, what we're saying is we've got an industry that isn't a competitive industry. Are we saying that?

MS. SCHIRMER: We're saying maybe it isn't this week, but maybe about four years from now it will be and we don't

get it unless we do something now.

MR. POMEROY: But we're talking about long term and low interest, which is negative return to us, on our money.

THE MODERATOR: She could have just as well have said, of course, I think, guaranteed loan.

MS. PORTER: Guaranteed.

MR. ECKHOLM: I don't think low interest is not necessarily a factor that would not make it.

MR. POMEROY: I'm not a purist by any manner of means and if we can get Uncle Sam to stand still for tax exempt bonds, I'm for that.

MR. HARTLE: Can we say provide financing?

MS. PORTER: We can just say we can assist them and then lose the industry and five, ten years up the road not have the employment, not have the taxes, not have the industry for the State, and it could go to Seattle or be continued to be fished by foreign fishermen and we could continue to buy from them and not have our onshore and sea processors. We could do that. I just hate to see a multi-billion dollar industry go down the tube for want of several hundred million dollars now.

MR. POMEROY: Well, if we can be competitive --

MS. PORTER: With who?

MR. POMEROY: If we can be competitive, then why do we have to do this? I know of a copper deposit which is an

exceedingly fine copper deposit. It isn't competitive on the market now. Should we make them long-term low-interest money available so they can get that out of the ground now?

MS. PORTER: You understand that unless we do it now the fishery will be taken over by other fishermen and our Alaskan fishermen will not have the opportunity. The opportunity will have passed us by. We're not being timely. We've just been dragging our little feet.

And we've been dragging it for a couple of years now. We've run out of time. Seattle and west coast fishermen are already gearing up, they're building their boats, processors. And we're going to lose out on a very important economy for the State. That can replace the oil income that we're also worried about drying up. It may not replace it entirely, but it will mean a lasting employment, jobs, and year-round employment for a lot of the State that don't have year round employment now.

MR. POMEROY: Well, why did that fish company go out of business?

MR.DIRKIN; They put two Mitsubishi people on the board of directors and a large chunk of stock. You have a very poor knowledge of the industry. You have a buck and a buck and a half pound wealth. The one you can subsidize, you can shove the money, you can try anything you want.

You have two things. You have absolute Japanese

control of the processing industry. The last one to bite the dust was New England. And if I'm not mistaken, the assistant general manager of Peter Pan made the statement that we can no longer afford to compete to get against what, the Japanese control of the marketing structure? When you control the marketing structure, then you can talk.

THE MODERATOR: Would you give your name for the recorder.

MR. DIRKIN: My name is John Dirkin. I've been around Alaska for 35 years.

MS. PORTER: That's fine. So we'll just say lie down and die.

MR. DIRKIN: Who is the processors? Look at the Alaska Fisheries Development Corporation, using SK funds. Every one of those are foreign controlled. You've talked and I've listened to this illusion for an hour. You don't have an American-controlled industry. Your main thing you should do, we sat right in that Westwood, Howard Pilot, the National Marine Fishery Service. Alaska Fisheries bought the whole group up here. National Fisheries Institute. Every processor in Alaska was invited.

The Chamber of Commerce, Howard Pollack, they had seven or eight. Do you know how many people came up? They wanted to stimulate American processor industry in Alaska. It was sponsored by the Chamber of Commerce of Alaska, and

the Anchorage Chamber of Commerce I'll tell you who was there. All the bureaucratic structure, Ostrovski, myself, Helen Gilget and the man who sponsored it. Not one processor in Alaska who had Japanese control would attend. You just don't realize the absolute control.

MS. PORTER: I realize.

MR. DIRKIN: Promote American industry. If you don't have control through the foreign processors, they got control of the licensing system now.

MS. PORTER: That's exactly what we're talking about, my friend. We're talking about getting control.

MR. DIRKIN: You have to get American industry up here to wrest this from the Japanese.

MR. McGINNIS: Mr. Chairman, is it your observation, based on your experience of knowledge of it, that the government involvement in the industry, the cooperation between private industry and government, is what has given Japan its standing today?

MR. DIRKIN: No. The main trouble has been the office of the governor in Japan.

MR. McGINNIS: I'm talking about the preeminence ir Japan. Is it not true that Japan strongly subsidizes as a government policy its fishing industry?

MR. DIRKIN: No. The government and the fisheries are just almost one thing.

MR. McGINNIS: That's what I'm talking about. They had help.

MR. DIRKIN: That's in the Japanese fisheries. One center in Hokkaido, which is a co-perative of about 18 million, is trying to rebuild of what Tokyo destroyed. Right now Tokyo is in power. Until the new Kumato government comes in, Hokkaido comes in, and maybe they'll keep their nose out of Alaska.

MS. PORTER: What is your suggestion for the industry?

MR. DIRKIN: The suggestion is sit on your money and put it in the right spot. You have two levels of wealth. Right now, the money fleet. What you're really talking about is man staying in Alaska. Money doesn't stay in Alaska. A little of it gets to Kodiak. As a rule, they hire an American boat that comes over from Europe and gets on the boat, comes back, fly a crew out of Seattle and go back to Europe. That's been going on for 15 years. In the salmon fisheries, you've got 150 people coming from Europe.

In Prince William Sound, you turn around and you got a whole slug of people from Bolivia, Peru, Chile that are up here with licenses. When these fishing seasons are over, they're right back there.

If you will be more interested and concentrate how to keep that money in Alaska. Because when this money stays in Alaska, it's no different than the old Seattle

days. When they got on them airplanes with that jet, that was the last you ever see of them. How to keep your money at home to do the most for Alaska.

THE MODERATOR: Mr. Dirkin, is part of the answer shore-based, financed by Alaskans?

MR. DIRKIN: Mr. Naughten laid it on the line. You talk about bottom fish. He laid it on just as honestly as he could. You have to compete in the world market. What you're really talking about, in a sense, you're right. You're competing in a protein war. Sure, there will be a protein war. It won't make any difference in world conditions in three more years, five more years, if it's an edible protein. Two dollars a pound. But right now, for what you're planning, I use the word an in-depth study of some type.

But do you really want to go into it. And can you get American fishermen to turn around and go out there with the absolute control of the marking system? As an example in salmon, you mentioned salmon about next season of the Gulf of "Andure" and the "Sacalene" stocks, the Japanese next year get 40 percent of what would normally be Russian domestic salmon. They don't export most of it, they eat it themselves. That extra 40 percent is going to be used to drive the Alaska price down.

We already know particularly through "Iscal" and

Kiyuku, that you sign up now, we might be able to give you 75 cents, or get your gear out of the cannery so we can make room for somebody else. You're talking of marketing control.

I'm just trying to convince you, you're going to have to try to reestablish -- I've seen -- I went to D. C. I've worked with the National Federation of Fishermen, and also with the processing industry that turned around and came up here. The one thing about it, Alaska is a no-man's land when you talk about American industry.

If you want to do just like AFIC did, funnel all this money into the foreign processors, find business.

MR. NASKE: In other words, a recommendation might be to encourage the purchase, or reestablish American or Alaskan control of the marketing process.

MS. PORTER: Absolutely.

MR. NASKE: Or some legislation that would stipulate a certain percentage of foreign ownership only, let's say 20 percent and 80 percent American.

MR. DIRKIN: I don't want to take your time. I went to Washington, D.C. with Lester Coin. He's a representative from Oregon. He turned around and he has been trying to promote processing industry down there. He would tell you the same thing as I'm telling you. He had to strip his own bill. The only thing he wanted was 51 percent American

ownership of the seafood processing industry.

Before the pollack decision in 1972 from Stephen Nix American seafood processors were 51 percent American owned. It was a time when Congress was weak, they turn around and, by administrative decision of NOAA, National Oceanographic and Atmospheric Administration, they permitted 100 percent ownership of a processing group and also 80 boats known as the Hansen trust. When that happened, that opened the door for the Japanese and in they come. Ever since that time, Lester Coin has been trying to close the door. He has to strip his own bill, the power structure of the Hansen trust lawyers combined with the Kiyuku lawyers, which is Whitney Hidalgo representing Capitol Hill from Japan, and the main industry of Europe. The seeding of the east coast. Those two, they're effective, they know their job and there's no type of effective protective mechanism that this country can install. The two lawyers are ex-staffers, both in the house and merchant marine fisheries. Seven lawyers. They probably have 25 years around the house and Senate. Combine those two law firms. They're effective. There's the reason there had been no effective government measure.

I'm saying the Japanese and the Europeans join together to prevent American ownership. That's the reason I think you're throwing your money away until you solve that

problem.

MR. ECKHOLM: I've got a few recommendations here. This is a long one to begin with that might hit on Rosie's point. The State must stimulate the rapid development for the bottom fish utilizing all the fish including but not limited to loans for Alaskan fishermen and processors, State bonds for the construction of ports and harbors to develop the bottom fish industry, promoting a marketing industry to developoment other markets for Alaskan seafood products in American and Europe. That would be one recommendation.

Two. Let me read them all. Two, establish strict quality control for all Alaskan seafood products, and, three, have the legislature establish a policy that would restrict foreign ownership and control of Alaskan seafood processing industry.

MS. PORTER: We're also going to have to talk about taxation of foreign and outside vessels working in the area.

And fishing within the 200-mile limit.

I appreciate everything you're saying.

This is a pretty critical thing, I think, for the State of Alaska. And I just -- maybe it's just a character fault of mine, I just cannot believe that with an industry lapping at our doorstep that we will have to lie down and die and give it to foreign interests or other

interests and give it up completely.

MR. DIRKIN: No. There's an answer to it. You need an MUF. You see, you have to -- things have changed in the fisheries. You've got political consideration. In other words, when we say exactly how many fish you've got to have to turn around and to get your return maximum sustainable yield, is what we had existed on in this countr , particularly in Alaska. We got to put something in the stream to get it back four years from now. That's maximum sustainable yield.

Now, since this 200 mile has come in, you call it optimum yield where the first thing comes off the top, so much fish for political consideration; so much fish for local catch; and so much for stock propagation.

The real question that you seek as a problem, it's just this simple. If you ever compare the Canadian 200 mile bill with the American 200-mile bill, the Canadians done it right. They have sovereignty, they come first. When they're satisfied that their fisheries -- it is only four years, they say all the herring is in the Bering Sea. But the National Marine Fishery Service says different.

In the Marketing and News Report, and that's what the majority of the fishing group gets on a daily basis, was a whole history, not only four or five years ago of how they had so vastly depleted the Bering Sea stocks that they

wanted somewhere else in the North American continent to move. They made a deal. If they would give the excess landing rights. So they turn around and open the whole chain to the Japanese in order to keep them off of California. Those are trade-offs. You see trade-offs today. You got Mexican off of Charakoff, you get a Mexican fleet. The next one, you got a Cormex fleet. The falacy is two things.

Decide are we going to build the fisheries. State of Maine, they wanted foreign allocations to turn around to go and rebuild the hering stocks. They lost in court. The main thing is you have to decide what we want in that ocean. And as far as salmon, I'll lay it right smack on the line. All the salmon congregate in the Gulf of Alaska. That's what made the Gulf of Alaska. I'm talking about directly the area south of Kodiak and directly west of Sitka. That's the most profitable area for the Japanese to raid for 20 years, plus the mid-water trawl.

Okay. You have such -- you answer yourself the question: When the Russians come in with all of these hatchery programs, with the Japanese increasing them, with AYK, with these over here, can the Gulf of Alaska -- and that's where the fish grow up -- can the gulf of Alaska support that amount? Those are other questions. But you're talking about the 200-mile deal.

MS. PORTER: I understand the question that has been asked. Still, I just cannot believe that the market -- we're not looking at busting up the market in a couple of years.

MR. DIRKIN: When you're talking about the Japanese government, because the fisheries in Japan are the government, controlling the government. A trading license. We talk about free enterprise. But yet we have never had a good idea of how the Japanese system works

THE MODERATOR: Mr. Dirkin, excuse me. You're saying to us save our money.

MR. DIRKIN: I'm saying save your money because you are a state competing using the State money in the bottom fish when the Japanese already control the market that you're going to try to use.

THE MODERATOR: And then you're saying we can't get that control back because Congress won't let us.

MR. DIRKIN: That's right.

THE MODERATOR: What do we do?

MR. DIRKIN: You turn around and you put the squeeze to Congress to do something.

MR. POMEROY: We got to lick the State Department. State Department is what determines that for the congress.

MR. DIRKIN: You say promote American industry. Yet the way the laws are today, they got a perfect right to sue

you in court. And you're talking about the State of Alaska in competition with the sovereign government of Japan.

THE MODERATOR: We're just trying to say what should the State of Alaska do now with the next ten years with its surplus money in terns of -- or doing something with the fishing industry in Alaska. That's all you're saying.

MR. DIRKIN: Let me lay the Adak story on you. I forgot the stop piece o of Adak, Finger Bay. Finger Bay was an American company and went busted. He turned around and Kiyuku bought of paper off of Bank of America and it was stripped in February. The Navy was ordered to support the bottom fish industry. The Aleutian Pribilof group wanted to go out there and develop the site, since it was strippd of everything. It had the equipment, yet it had the physical facilities.

At the same time, the Aleutian Pribilofs were the only groups down there and the Navy was ordered to turn around and to lay it on the line, what it needs out on the Aleutian chain. It was just this simple. There was two people from the Aleutian Pribilofs and it was 24 State people trying to insure the federal government that they didn't want development at Finger Cove. I'm laying it right smack on the line. That's the story.

How are you going to solve those problems?

THE MODERATOR: Your frustration is 25 years ago that

we in the territory weren't getting our fair share. It's the same way in the oil industry. You're saying we're not getting our fair share.

Rosemary is simply saying we want to get our fair share. You're saying don't spend any of our money until you can solve the international problems. We're back where we were 25 years ago, right?

MR. DIRKIN: I'll go into one other one. We had Admiral North in here, and Gravel and everything else. The day the Law of the Sea was signed, just the day the Law of the Sea is signed, we turn to an international body for resource allocation with the exception if the governing structure. He turns around and allows Alaska a subcontinent status then because of the remote type of self-determination.

MS. PORTER: We have control of our own stock.

MR. DIRKIN: No. You turn over your own stocks only if Alaska is put under a subcontinent status. And there has been not one person out of that whole tribe that's ever worked and to turn around and to put Alaska in a subcontinent status is conjecture of Law of the Sea.

MR. ECKHOLM: Thank you, Mr. Dirkin.

MR. POMEROY: Mr. Chairman, I haven't heard anybody say that if we make money available over a long term that we can even complete on the American market with what's

coming in. And we aren't stopping it coming in.

I'm as scared as he is about it.

We have a competition situation where we get into the international market. That just scares the hell out of you. We're selling gas, and this is pertinent to the economics of it. Gas is being sold on Japan, liquified gas. The ship wasn't built here because American prices are too high. It was built in Norway. The crews aren't American. The crews are flown in from Piza, Italy, to that ship, and they go home again because that's makes the difference between gas and the salty blue sea.

MR. ECKHOLM: Let's start pulling it together here.

MR. HARTLE: This is a very important conflict. In a two and a half day conference, we can't solve the problems of the world right here. We need to try to move on.

MS. PORTER: Just one thing. The governor has a 20-year plan on the bottom fish. And I'm sure that he's got a lot, an awful lot of investigation into it, too. It's not something that we should just care less about. It's a very important topic.

MR. ECKHOLM: The primary recommendation of the governor's report was onshore processing. There's no way to get --

MS. PORTER: You should remember. Nobody wanted that gas when the Japanese started buying it. We couldn't give

that away. Nobody else wanted it.

MR. POMEROY: Beg your pardon?

MS. PORTER: Nobody wanted it.

MR. POMEROY: That isn't so.

THE MODERATOR: Well, it's pretty close to being so.

MR. ECKHOLM: Let's go on to some recommendations. Maybe I'll reread this first one and see if that's a recommendation.

One: The State must stimulate the rapid development of onshore processing facilities for the development of the bottom fish industry outlying all of the state's investment tools, including, but not limited to, loans for Alaskan fisherman and processors, State bonds for the construction of ports and harbors to develop the industry, promoting a marketing association to develop markets for Alaskan seafood products in American and Europe. That's it.

MR. NASKE: I would use regulatory. Investment and regulatory tools.

MS. PORTER: Also after tools I'd like to see managerial expertise which would --

MR. McGINNIS: I'd limit the marketing area to America and Europe.

MR. ECKHOLM: World markets?

MR. McGINNIS: World markets.

MS. PORTER: Once we begin competing in the world market as a world investor with an international portfolio, I think our expertise will increase. And I don't think it's impossible.

MR. HARTLE: Do you want to read it one more time and see if we can approve it?

MS. STRASSBURG: At this point, however, Jack, I'm a little bit confused. We keep on talking about this money. This gentleman says if we put it in we have absolutely no control of it and as a state we cannot ban Japan from the international consortium in Europe. Is that true?

MR. DIRKIN: That's it.

MS. SCHIRMER: This is a proposition. We get to vote on it.

MS. PORTER: Could I just say something? I just have to remember ten years ago there was no way we could fight OPEC and the Arab nations on their oil prices, either. Today we're looking at four million bucks. I don't know.

MR. ECKHOLM: I think someone was saying, we can't fight the Japanese because we own the processors and they own the --

MR. DIRKIN: Just one second. The way it works, right down to the individual boat, even down the Antarctica and mixed in the Beagle Canal. First thing, it goes to the system, right back to the system and returns the premier

who owns that boat and it says ABC Fishing Company, calls up ABC Fishing Company no matter where that boat is in the world, he says, "Get that out of here." The Premier exercises instant pinpoint contact over every Japanese investment through the whole world.

We think of private enterprise. What you're talking about, you're talking about the State of Alaska in direct competition with the current Japanese government. No more, no less.

MR. ECKHOLM: Thank you.

MR. DIRKIN: You're going to lose.

MR. POMEROY: Mr. Chairman, we seem to have a recommendation here, and as it's been said here, we can talk about it all night long. I certainly don't think we know enough about it to vote on a motion like this. And it seems to me we're putting ourselves into an open-ended subsidy permanently, not knowing a slightest bit of where we get into it or where it's going to go.

MR. ECKHOLM: Where's the subsidy? It says loans for American fishermen and processors. It doesn't say economic loans. Those could be lent out by a hard loan officer who looks at the investment and sees whether it's going to make a return or not. That's not a subsidy. Ports and harbors pay their own way. If a boat comes into a port it pays over the time, over a course of a few years, a bond. A marketing

association is not a subsidy.

So I don't see anything in this recommendation that represents a subsidy.

MR. POMEROY: Do you mean to see that it's assumed or put in there that all of the infrastructure shall be cost effective?

MR. ECKHOLM: Yes. I wouldn't provide a subsidy.

MR. POMEROY: Okay, put that in there, then.

MR. ECKHOLM: There's nothing saying there is a subsidy here.

MS. PORTER: It never said subsidy.

MR. ECKHOLM: So I would reason it up to the State to loan it out in an economic fashion. I think the subject of low interest loans and subsidies is different than that.

MR. McGINNIS: The availability if capital does create some opportunities, as distinguished from a subsidy. At the same time this is saying indeed Japan is coming to world preeminence. Maybe that is the clue. With some help from government, a little of it could be turned around.

MR. ECKHOLM: The recommendation as it reads, and I think I'd like to add something to it, the State must stimulate the rapid development of onshore processing facilities and Alaskan-based vessels for the development of the bottom fish industry utilizing all the state's investment and regulatory tools, including but not limited

to, loans for Alaskan fishermen and processors, State bonds for the construction of ports and harbors to develop the industry, and promoting a marketing association to develop world markets for the Alaskan seafood products.

MR. POMEROY: How about the word rapid? All from the governor on down has said that it's going to be ten years. I have a little trouble with that word rapid development.

MR. ECKHOLM: In order to sell bonds, by the time you sell bonds and do all the stuff on the harbor, it's probably going to be ten years before you start.

MS. PORTER: Generally, you're not going to think, gee, you've got the corps of engineers involved, fence this, do all the preliminaries.

MR. ECKHOLM: If we spend all our money today, it may not be ten, but four or five before any of these things were --

MR. POMEROY: Well --

MS. SCHIRMER: Can we move the question?

THE MODERATOR: Ready for the question? More discussion?

MR. POMEROY: Well, I will make one final thing. I don't know we know enough of what we're talking about to have a vote like this, much as I want to have it.

THE MODERATOR: Any further discussion?

Any objections to the motion?

MS. PALMQUIST: Could we have it read again, please?

MR. ECKHOLM: The State must stimulate the rapid development of onshore processing facilities in Alaskan-based vessels for the development of the bottom fish industry utilizing all of the state's investment and regulatory tools including, but not limited to, loans for Alaskan fishermen and processors, State bonds for the construction of ports and harbors to develop the industry, and promoting a marketing association to develop world markets for Alaskan seafood products.

THE MODERATOR: Are there any objections to the recommendation?

MS. PALMQUIST: I'm going to abstain from voting.

THE MODERATOR: You can't.

MS. PALMQUIST: That settled that real fast.

MR. ECKHOLM: The second recommendation was to establish a strict quality control for all Alaskan seafood products.

Any discussion?

MS. STRASSBURG: I don't think there's any question on that. I don't want to eat rotten fish.

MR. ECKHOLM: Without question, the motion passes.

Third, legislature establish a policy that would restrict foreign ownership and control of Alaskan seafood processing industry.

MS. PALMQUIST: How would you do that?

MR. ECKHOLM: That's why it says the legislature.

MR. POMEROY: Would you read that again, please?

MR. ECKHOLM: The legislature establish a policy that would restrict foreign ownership and control of the Alaskan seafood processing industry.

MS. PORTER: I would like to see added to that taxation measures for foreign processors, or foreign vessels obtaining fish within the 200-mile limit, buying fish.

MR. ECKHOLM: We would have to recommend a federal tax, because they're not fishing in Alaskan waters, they're fishing in American waters.

MR. HARTLE: Is this first part constitutional?

A VOICE: You're getting into trouble. Anybody who could buy a U.S. bond could buy his way in.

MR. ECKHOLM: They're there already.

A VOICE: I don't see now you're going to achieve the aims.

MR. ECKHOLM: I don't know how it would happen either. It does seem to be --

MR. McGINNIS: Maybe we should call up Arnes Grindig how he did it when the same situation was obtained in Seattle in the 50's. He found a way.

MR. ECKHOLM: I think Rosie might be right in the way of foreign vessels catching in the 200-mile limit.

MS. PORTER: In what's his name's paper here, he talks

about an exploitation tax. And he doesn't talk about it being federal, although it could be. I don't know. It is. I'm sorry. It is federal.

MR. ECKHOLM: So we could recommend --

MS. PORTER: We could recommend that the State support an exploitation tax on foreign vessels fishing or buying in our borders.

MR. ECKHOLM: Okay.

MR. DIRKIN: Our border is into three miles.

MR. ECKHOLM: No. A federal tax. Within our 200-mile zone.

MR. ECKHOLM: We are asking the creation of a federal law.

Would you say that again? State support a federal --

MS. PORTER: State support the establishment of a federal exploitation tax for foreign vessels fishing, buying, and we might as well say or processing within the 200-mile limit.

MR. HARVEY SAMUELSON: I think there's already a tax on that to read increase. What is it, three percent?

MS. SHROYER: I'm not quite sure, but there was a federal tax.

MS. PORTER: It's a very, very minor, itty, tiny tax. Maybe we ought to say increase substantially the exploitation tax.

MR. POMEROY: What was the three cent a pound tax that the legislature adopted this last session? It was going to be six, and it was cut down to four.

DELEGATE: That was on our domestic.

MR. ECKHOLM: The third motion was establish a policy that would restrict foreign ownership and control of the Alaskan seafood process is industry, that just so -- I mean, is that ridiculous to do? Or shall we move on? Let's skip that for now and talk about four.

The State would support a substantial federal exploitation tax for fishing and processing in the American 200-mile zone.

MR. McGINNIS: I just raise this question. I haven't followed the developments in the international field for a number of years. But do we not have a mechanism to require licenses? I know many countries do, be the difference between the 300- one and 200-mile limit.

MR. POMEROY: What is the question?

MR. McGINNIS: Whether or not we require a license of a vessel fishing within the 200-mile zone.

MR. DIRKIN: No. That is done by National Fishery Service and the allocation is made by the North Pacific Council. The allocation for X amount of tons then goes to the Secretary of Commerce. If he approves it, it's printed in the Federal Register and the minute it's in the Federal

Register, the National Marine Fishery Service issues a certificate for --

MR. McGINNIS: You don't know if we license the ones up here, off Alaska?

MR. DIRKIN: Yes. That's what we're talking about.

MR. McGINNIS: Very well.

MR. ECKHOLM: The State support a substantial exploitation tax for foreign vessels fishing and processing in the American 200-mile zone.

MS. PORTER: Maybe we could say it should be levied on.

MR. ECKHOLM: Should be levied on?

MS. PORTER: To be levied on foreign vessels fishing.

MR. ECKHOLM: Any more discussion? Any objection?

Passed.

What about the legislature establish a policy that would restrict foreign ownership and control?

MS. PORTER: How about if we said investigate the possibility of establishing. Ship it out to the legal people.

THE MODERATOR: I don't want to be a doomsayer, but we got communications, we've got transportation, we've got health, we've got education, agriculture. It's a quarter of 6:00. We come back at 8:00 and we have to wrap it up today, because tomorrow we have to go on the floor and say this is the recommendation.

So we can go 15 minutes here with more fisheries if you want, and then we've got to take up those other subjects beginning at 8:00 o'clock.

A VOICE: Can't we go on to agriculture?

MR. ECKHOLM: We can break now --

MS. SCHIRMER: No, we can't.

MS. PORTER: There is one other point and that's limited entry, but I'm not sure if that's appropriate for us to take up now. Since the matter is being decided in the court, anything we say -- I think we really need to have that determination by the court before. We could spin our wheels and waste a lot of time on it.

MR. DIRKIN: Could we use this statement that basically it should have been done when this business many years ago, that the State of Alaska should ask the Supreme Court for a constitutional ruling to turn everybody around and get everybody where it was supposed to be from the beginning and not go through this ten years. You pick up your paper. There's your Fred Paul right upstairs addressing roe count. $100,000 Bristol Bay crossed his desk yesterday.

At the same time, the legislature limited entry study group also testified up there the licenses are leaving the State at a fantastic rate. They're going to make their final report on the 12th and they're going to

have it ready for the legislature.

But I make this suggestion: Since now you're going into the other fisheries in the herring and the crab and the bag is open for the Tioyak Bank and the Bank of Tokyo Seattle bank. Sid (inaudible) and he represents these vessel owners.

Right now, the license. License value in the State --

MR. ECKHOLM: Mr. Dirkin, this is all very interesting, but I think a hot topic in our hand that we can't deal with at this time.

MR. DIRKIN: Could you deal with this question. To solve the limited entry problem, the State of Alaska should ask the Supreme Court to rule on the constitutionality of Alaska's program. That's what we asked them when this business started five years ago.

MS. PORTER: I don't think they'll do that until it gets out of the Alaska court.

MR. DIRKIN: That was the responsibility of the State to do it in the first place. You know it, and I know it. If you want a license, you go to Ballard and you get your license right in Ballard. The eastern licenses are almost the same outside on the ship now.

THE MODERATOR: I think the answer would be if we were the legislature or if we were more knowledgeable about the

limited entry issue, we could do it. But we're trying to project ten years, what should the State do in the next ten years.

Don't you think that issue is going to be resolved by the courts one way or the other within the next few years?

MR. DIRKIN: Yeah, but let's get this thing back on the road.

MR. ECKHOLM: Mr. Dirkin, I feel we really can't deal with it right now, and I appreciate your efforts.

MR. DIRKIN: Then enough.

MR. ECKHOLM: Agriculture. Senator Merdes, I think that was one of your interests.

MR. MERDES: Of course, a permanent fund is designed to finance all renewable resources, fisheries, agriculture.

I think the legislature has already demonstrated their action by going through with the Delta Barley Project.

A VOICE: I think a general policy to the effect the committee urges the State continue its vigorous support of agriculture to the end, that the State become as self-sufficient as possible in all phases of food production. It could be vegetable, dairy, and they commend them for the action taken already in supporting agriculture. That's basically the idea I think we should get across to them.

MS. PORTER: I would have a problem with the word self-

sufficient. I would say as productive as possible.

MR. MERDES: They'll never be totally self-sufficient.

MS. PORTER: I think the words in the report would cause some problems.

MR. MERDES: Okay. We should be as self-sufficient as possible.

MS. PILLIFANT: He said as self-sufficient as possible. Don't you think that's an adequate description of what I would hope we're trying to do?

MR. ECKHOLM: It may be that the agriculture in this state could make a lot more money if they concentrated on one product or something like that rather than trying to provide all the balanced needs of being self-sufficient.

MR. MERDES: I think I will add one more thing on that. They're tying up the Yukon Flats. There's a big fight in Congress to get that excluded. There's 15 million acres of lands in -- you saw the Thomas report in our papers.

Iowa has nine million acres of land that can be tilled. Just to give you an example of Alaska's agriculture potential, because Iowa has got to be one of the most productive agriculture states in the entire union. Look where we are. That's not grazing land, that is grain land. Alaska conceivably, now that it has natural gas, everybody knows it produces urea and fossil, I mean the Arctic Submarine Corporation. You've got possibilities for

fertilizer cheaper than anywhere in the world right in the heart of the agriculture area.

You got the land, and we could conveivably, if we have a vigorous commitment to agriculture, we could conveivably export. That isn't the idea, the idea would be to feed Alaskans first, but we could conveivably merit start feeding other parts of the word. One of the things we ought to start thinking is what we could do for everything else.

MR. ECKHOLM: Senator Merdes?

MR. MERDES: Yes.

MR. ECKHOLM: I don't think anybody is disagreeing.

MR. MERDES: You got time limits.

MR. ECKHOLM: We got total agreement on agriculture.

MR. MERDES: I wanted to get that little bit of background.

MR. ECKHOLM: What was the recommendation?

MR. MERDES: The recommendation is that we continue.

MR. ECKHOLM: I didn't get it all down. The state promote our--

MR. MERDES: Continue to vigorously promote the development of all phases of agriculture to the end that the State will become as self-sufficient as possible in the production of food.

MR. ECKHOLM: The State should vigorously continue to

promote the agriculture potential to its maximum economic capability?

MR. MERDES: To the end that the State become as self-sufficie as possible in the production of food.

MR. ECKHOLM: Did you have a problem with self-sufficienc

MS. PORTER: I'm willing to cancel my suggestion. I don't care.

MR. MERDES: I absolutely agree with you. We're not going to produce fruit.

MS. PALMQUIST: Wait a minute. Strawberries and raspberries are fruit. And currants.

MR. MERDES: I was thinking of bananas.

MR. ECKHOLM: How about the maximum economic benefit of the farmers?

MS. SCHIRMER: Leave it the way it is.

MS. STRASSBURG: What's your position on the department of agriculture for the State of Alaska. This is a recommendation that I think is 30 years behind times.

MR. MERDES: Let's implement that. You can make that the --

MR. MORGAN: May I say something regarding agriculture? I've been waiting around to do that for three days.

THE MODERATOR: You have three minutes.

MR. MORGAN: I can do it in three minutes.

Among all the various topics under discussion, timber or health, transportation and all these things, several things, I've listed four things here that local food production would result in, is improved health. Now, I'm speaking from a native quarter. We have food shortages and so forth in the villages. Improved health, lower food cost, which is an economic advantage. You don't have to sell it for a dollar, process it and go to the village store and sell a can of Spam. You can eat it. Conserve energy.

Every pound of food shipped from Fairbanks to the villages is 18 cents. So we can conserve that energy that then certainly any locally produced foodstuffs is easing the stress on it.

(At this time a brief recess was taken)

THE MODERATOR: We're talking about the subcommittee coming back on health. I'm questioning, even though I haven't heard a thing, if it's taken them two hours to synthesize this, have we got the time to make everybody aware of the kind of input that you had to put into this thing.

MS. PORTER: If I may make a suggestion, everyone has their copy. They've read it over, we could tell them what amendments we've made and take a vote on it.

MS. PALMQUIST: Well, you wish to have the

recommendations that the committee go into the minutes as the recommendations of the committee, or do you want them read to the Delta Group and a vote up or down on the committee's report?

MR. ECKHOLM: Did you make significant changes?

MS. PALMQUIST: We made some changes that we thought might enhance the understanding of it.

MS. SIMONDS: Did you delete anything?

MS. PALMQUIST: Yes, we did delete one entire section and some wording.

MS. SIMONDS: What was it?

MS. PALMQUIST: When I make the report I'll go into it.

THE MODERATOR: I hadn't really thought of that. How do you want to do this? She's suggesting we accept the committee report as such, or they read it all into and we accept it as our report.

DELEGATE: Maybe go recommendation by recommendation and change it as we think we need to and vote as we go along?

MS. PALMQUIST: I'd rather read the whole thing and then make changes.

MR. HARTLE: One thing, that's what the committee just spent two hours doing. We didn't stop for a minute for two

hours, and here it is.

MS. SIMONDS: How about the significant changes? What you deleted and what you added. We know the rest.

MS. PALMQUIST: If you want my report, I'll make it.

THE MODERATOR: I'm concerned. If it's taken you two hours to go through this and make your comments, it's going to take us two hours, I think. Is that a fair statement?

MS. PALMQUIST: Well, it will take you two hours if we wasted our time.

MS. SCHIRMER: I think we should hear the report that will get it into the minutes. Then we can hopefully discuss it briefly.

THE MODERATOR: You'd like to hear the report straight, then?

MS. SCHIRMER: Yes.

MS. PALMQUIST: All right.

"The following recommendations are inherent and stated within the paper entitled "Health and Social Services: Needs and Strategies in the 1980's." It is recommended that consideration be given by the legislative and executive branches of government for implementation during the early years of the 1980 decade."

Number one: "Public policy in Alaska as developed by the legislative and executive branches of government should shift priority as far as possible from

the curative and treatment approach to health promotion, health education and disease prevention and social service programs."

A similar approach is recommended for other social problems.

In other words, we're emphasizing prevention instead of cure and treatment.

Number 2 will then be former Number 8: "Since disease prevention is cheaper than cure and treatment, Alaska should single out several diseases which contribute unduly to the pain and suffering of citizens and lay heavy claims on public funds. Singled out for earliest attention should be: Tuberculosis, otitis media, alcoholism and drug abuse, accident prevention, and venereal disease."

That would come as number two, and number two would be eight.

So I'll read two when we get to eight.

Three: "That to the extent allowable by present and reasonable amendments thereto, health and social services delivery programs should be vested in local government and in private nonprofit corporations with mutually agreeable funding provided by Federal and State governments."

Four: "Revenue sharing funds made available by the State government for health services and health

facilities should be made available to local governments with the local governments determining the priorities for usage of the funds, whether for services, institutions or facilities."

Five: "That public policy in Alaska include studies leading toward the possible revision of all direct service health expenditures with the emerging possibility of opting out of the Medicaid program, the development of a unique and comprehensive Alaska health insurance program, or other innovative improved methods for assisting Alaskans in meeting medical costs."

Six: "Immediate attention should be given to an improved catastrophic illness program to bring relief to low- and middle-income wage earners otherwise ineligible for federal and State assistance," and cancel out the rest.

MR. POMEROY: Stop where?

MS. PALMQUIST: Stop at the word assistance. In other words, you're taking out all of the last sentence.

Seven: "The State should consider a revised plan of reimbursement for physician services and hospitals whether or not the Medicaid program is continued or dropped, including strong emphasis on the free enterprise, competitive systems and that the free market forces be rigidly enforced in other fields of endeavor."

You drop out the quid pro quo.

MR. POMEROY: That's the only change there.

MS. PALMQUIST: Yes.

Then for eight you will have former number two: "Cost containment for all health care purchased by government should be undertaken with a minimum goal that payment and fees for services should not be allowable beyond the increases in the Consumer Price Index for the region concerned."

And by region concerned, we mean the region of the State, not the United States.

Nine: "Alternatives to expensive institutional health care (hospitals, nursing homes, residential centers) should be sought, including pilot programs in coordinated home health-home support care with services available not only from nurses but also doctors for in-home assistance."

This is in essence alternates to nursing home care.

MR. ECKHOLM: Go over that change again.

MS. PALMQUIST: "Expensive institutional health care (hospitals, nursing homes, residential centers) should be sought, including pilot programs in coordinated home health-home support care, with services available not only from nurses, but also for doctors for in-home assistance."

MS. SHROYER: Is that coordinated or consolidated?

MS. PALMQUIST: Coordinated.

We took out ten entirely.

Then 11 becomes 10: "Since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of health care dollar expenditures, special massive attention should be given to the fundamental causes of those accidents and the relationship thereto to other social and health phenomena, and that a bold program of education and prevention be developed."

The next one, instead of 12, will be numbered 11: "All third-party insurance payment mechanisms for health care in Alaska should be required to cover mental illness services in much the same way as they cover physical illnesses at the present time."

And 13 will become 12 and we have some change there: "Legislative and executive branch decisions should be directed toward more extensive utilization and funding of community mental health centers and several small regional juvenile residential facilities should be provided for mentally disturbed juveniles."

The rest is eliminated.

So you take out the word "the" ahead of "community mental health centers," and you add the word "and."

14 will be 13. That's as it is. There's no change. Do you want me to read it?

"That the legislative and executive branches provide for detailed analyses regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the Aid to Families with Dependent Children Program under AFDC, the monthly payment for mother and child is $350 versus $508 for two persons under the Supplemental Security Income Programs.)"

15: "Since $80 per month per person for certain needy persons in the State is not sufficient to deal realistically with those eligible, a detailed study should be provided to determine the future structure and coverages under the general relief and general relief medical programs."

MR. POMEROY: That's 14?

MS. PALMQUIST: That is now 14.

15 will be: "The legislative and executive branches of government should attempt to influence more strongly the Federal Office of Management and Budget in order to adjust the official poverty guidelines for Alaska to bring it in line with financial realities and remove the current discrimination against Alaska's needy made possible by the policies of the Federal Office of Management and Budget."

MR. McGINNIS: Grammar: It should be them.

MS. PALMQUIST: "Bring them in line."

MS. SHROYER: Why does it say "made possible by the policies"?

MR. McGINNIS: The Federal Office of Management and Budget can do what they want to do. They have discretion. They can adjust it if they wanted to. It does not take congressional action. Only we can do it, with pressure and persuasion.

MS. PALMQUIST: 17 will become 16: "That the legislative and executive branches provide for an updated, comprehensive study of the status of Alaska's elderly population, with special emphasis on the adequacies of the financial assistance provided to elderly elligibles and with special review of the effects of inflation on the fixed income of retired persons." And add: "And, in connection with a proposed Older Alaskans' Commission," which is going to be a recommendation coming out of the interim legislative committee.

MR. POMEROY: In connection with what?

MS. PALMQUIST: In connection with -- add the words "Retired persons" and remove the period, "and in connection with a proposed Older Alaskans' Commission."

18 will become 17: "The legislative and executive branches of government in Alaska have recently provided for a comprehensive Corrections Master Plan for Alaska."

Ahead of the next sentence insert: "After public

hearings are held in the affected communities, only those portions of the plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska."

MR. NASKE: Say that again?

MS. PALMQUIST: Ahead of the second sentence, include the words "After public hearings are held in the affected communities, only those portions of the plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska."

19 will be 18: "Limited and new programs such as Treatment Alternatives to Street Crime and New Start Center have demonstrated efficiency and adequate rate of success in assisting in the continuing rehabilitation of ex-offenders. It is in the interest of every citizen of Alaska that such ex-offenders be assisted in developing new life patterns free of crime and deserve adequate staff and financial support to assist in that goal."

I think we all saw the movie this morning and that has some aftereffect on that. There's no change in that.

20 will be 19: "Even though public assistance in the form of money transfer payment programs and social

services based on counseling do not have the same goals, human service centers in various communities throughout the State should be co-located in order to serve citizens in a more efficient manner."

An explanation: The Department of Health and Social Services now has public assistance done by one staff and they have counseling done by social workers as another staff. This is that they should be co-located so that they work closely in harmony with each other.

21 will be 20: "Since Alaska does not operate any social service child care institutions and only one correctional juvenile institution," which, as you know, is McLaughlin, "revision should be made in the 'purchase of services' statutes by amendment in order to fund those privately operated programs giving care to juveniles whose care has been made a State responsibility more nearly on the basis of actual full cost of care."

No change in the wording.

22: "The legislative and executive branch," which is 21, "The legislative and executive branches of government should make provisions whereby a reasonable percentage (approximately one percent)" but we agreed on one percent "of the human services budgets of the State could be utilized by the executive agencies for research and evaluation purposes in order that full data may be

available and proper evaluations made to play sound statistical and programmatical bases under all expenditures in the field of human services."

Mr. Chairman, the committee moves the adoption of these recommendations.

MS. PORTER: Mr. Chairman, there are two additional --

MS. PALMQUIST: Rosemary, did want to make another addition in the field of education.

MS. PORTER: I have the legislative support adventure-based education for youth on an ongoing basis.

I have another one that I would also like to suggest for the group's consideration, and that is continued support by the State legislature for crisis centers throughout the State.

MS. PALMQUIST: If the members of the committee have any objections to adding that to our report? Hearing none, then those will be items 22 and 23.

THE MODERATOR: Thank you very much.

MR. ECKHOLM: Have you gotten those added to your list, Rose?

MS. PALMQUIST: As soon as Rosemary gives them to me, they will be added to this.

MR. ECKHOLM: Can I have your copy as the final copy?

MS. PALMQUIST: Yes.

THE MODERATOR: You heard the motion by the

subcommittee to adopt these resolutions. Any discussion?

MR. POMEROY: Do we hear the remaining two, or not? Are they available?

MS. PALMQUIST: They just were read. "The legislature support adventure-based education for youth on an ongoing basis." That will be 22.

Number 23 will be: "Continued support by the legislature for crisis centers throughout the State."

Those are our recommendations, Mr. Chairman.

MS. PILLIFANT: Is the State supporting crisis centers at this point in time?

MR. McGINNIS: I don't know if they are supporting all the crisis centers, but there are a number of crisis centers which are supported through both federal and State LEAA funding. Battered women shelters, defense shelters.

MS. PILLIFANT: I wasn't thinking in terms of those sorts of things. I was thinking --

THE MODERATOR: Discussion.

MR. POMEROY: Open for discussion?

THE MODERATOR: Sure.

MR. POMEROY: First I think I should like to thank the committee for taking a most extensive and comprehensive document and spend the time at dinner on it while I was having martinis in preparation for this encounter.

I think the only thing appropriate to say is that

I believe, I still believe, that the scope and the character of this is something that might better not have come before this group. But it has, and certainly whatever I might have in question at various things here would not be important enough to open up for further discussion, because I note in much of this it's implicit that a lot more work is going to be done. Is that right?

MR. McGINNIS: Indeed. Preprimarily, yes.

MR. POMEROY: And so, with that, all that I might have said I eliminate except for one thing: I note that we're going to have to deal with financial matters. We probably will be talking about the rate at which public costs are increasing. There may be a good deal involved in here in the accumulation of increased public costs and I mention now only in the event as we go along with the other subject we're taking up, that I recommend that we keep in our minds the extent to which we may be just talking about cost for State government going up like that instead of going up at a lower rate.

And I want to thank Rose, particularly, because she and I had some discussion earlier.

MS. PALMQUIST: Thank you, Harold.

MR. McGINNIS: I would be deeply concerned for the same reason that Mr. Pomeroy is concerned. On balance, when you take the entire package and think in terms of a decade

rather than a year or two, the cost of mechanisms could easily offset the increased cost with a better, more effective system. And the detailed studies and analyses would have to be made in cost avoidence.

MS. PALMQUIST: Some of the sections that deal with the medical expenses of people that are in very low incomes, we might actually save money with the recommendations.

MR. HARTLE: For instance, the first recommendation is sure to be cost effective and cost avoidive to a significant degree.

MS. SCHIRMER: I wonder why the business about Alaska Psychiatric Institute was removed.

MR. McGINNIS: May I?

MR. ECKHOLM: Surely

MR. McGINNIS: The committee discussed at some length and thought that should be something done as a regular departmental function in any event, and that it would be done anyway, and we wanted to get as much language out of this as possible. We would like to have reduced 50 percent more language, and maybe even a little more editing, but we wanted to cut away as much as the nonessential as possible.

MR. ECKHOLM: Do you think it might be some indication that we would accept these recommendations but note somewhere that we accept them based upon the paper developed by Dr. McGinnis and they're primarily from those

recommendations?

MS. PALMQUIST: Well, we used these like in the legislative area as a markup, so actually I would hate to limit our recommendation to, really, that we went over his recommendations. Because we used the recommendations for our own evaluation and changes. So, actually, by now they are the recommendation of the committee.

MR. POMEROY: That's a good identification you used as a markup.

MR. MERDES: Like Harold, I really think this is well thought, obviously well thought through documents and ideas.

I have a suggestion. I guess all of us, no matter what part of the life or economic part of life we come from, have some criticism of health and welfare. I don't care what category you're in. And I think it would help the legislature in a creative way if we made a general statement. I have no hangups with any of these specific suggestions. I just wrote out something here that I'd like to try on you. And I don't have any pride of authorship, but this is my feelings on this, that as the spirit underlying each of these policy recommendations, we Alaskans strongly urge the legislature and executive branch to encourage whenever feasible the adoption and implementation of programs to encourage local input, incentives and providing for self-help and any other

creative project encouraging human dignity.

MS. PALMQUIST: We have no objection to that. Speaking just for myself, my own thinking was that I would have gone much further than this, but I would have increased prevention in all fields of social problems: Employment, juvenile delinquency, adult delinquency, family problems, you know, the run-away child and so on.

And especially in the field of the elderly, I would like, really, eventually, to impact upon the State the development of opportunities and programs which eventually will take us off of the state's support system.

THE MODERATOR: Any comments on Ed Merdes' recommendations?

MR. McGINNIS: It would be incorporated?

MR. POMEROY: I suggest we incorporate it and ask by unanimous consent.

MR. HARTLE: I agree. Also, I notice in your statement there about local input, and that's very consistent with several of the recommendations in here.

MR. MERDES: I know Fred would be one of the first to be for this, but let's write and it and tell them where we're coming from.

MR. ECKHOLM: I think we should make it the first recommendation.

MS. PALMQUIST: I seconded Mr. McGinnis' thought that

we add it.

MS. SHROYER: That's going to be my suggestion, put it at the beginning to keep it in mind.

MR. MERDES: I'm asking unanimous consent that we adopt the entire recommendation.

THE MODERATOR: You heard the motion. Is there any objection?

MR. McGINNIS: I have no objection. I'd like to comment before you vote, if I may. I have a feeling, and I could be wrong about this, that this whole area of concern has had more thought and attention in this group than in any of the others. It was my privilege to visit many of them and they suffered from a very understandable human problem. They have the whole word of Alaska coming down on them and schedules got off. And the sort of the Direct Services thing would yield first to transportation, then to roads, then to highways, then to others and some of them wound up saying nice little things in a sentence, which was nice.

But I would hope this group, if you adopt it, could strongly support it in the general session with a thought, and I think you'll find some of them may make a few scattered comments. But whatever support this field is going to get probably is going to come out of the Delta Group.

MR. MERDES: We appreciate your time.

MR. McGINNIS: I appreciate it. My name falls here. McGinnis comes under Delta. I was told this is where you go.

MR. ECKHOLM: Rose, could you add Senator Merdes' preamble?

MR. POMEROY: I should like to note, Jack, if I may, that of everything that we've talked about so far, this most specifically concerns deep social purposes. Better care of children and all the things involved.

THE MODERATOR: I believe everyone understands the motion now, or the recommendations, including Ed's, right? Further discussion on it?

MR. POMEROY: Move adopted by unanimous consent.

THE MODERATOR: Unanimous consent has been asked. Is there any objection? All right. We passed it.

Now, with your thought in mind, Fred, this group has done this. You've told us another group spent three hours on education. That will be our next topic. What kind of time frame should we put it on that, if any?

MR. MERDES: Let's play it by ear.

THE MODERATOR: Just be aware that another group is coming in with heavy recommendations on education.

MR. POMEROY: This isn't quite jocular, I think we could do not much better than to adopt Ed Merdes' opening statement concerning our university system, and then if

there are any specific things beyond that as to what the scope of it should be, how about that?

MR. ECKHOLM: Would you like to make that in the form of a recommendation?

MR. POMEROY: Yes. Don't say it's an unmitigated disaster.

MR. MERDES: I'll leave that out.

MR. POMEROY: His statement concerning what should be the aim of our university as to its quality and scope. I mean, just what he said without --

MR. ECKHOLM: So we should go back and pull it out?

MR. MERDES: I have it on the tape recorder, so I'll give it to you.

MR. ECKHOLM: I would sort of like to hear a replay of that.

MR. MERDES: I don't want to replay it to you but we can we replay it later. I'll shorten it up later, I'll guarantee you.

MR. POMEROY: It condenses very nicely. You have to condense most of what he says.

MS. SCHIRMER: In one of our previous recommendations earlier today, I think we talked about developing excellence in the university with regard to resources. And I can't remember whether we included in that something about forestry. Because the only forestry programs that I

know in the State are Shell and Jackson. I may be wrong. But that's about the only place in the State I know of any forestry program.

MR. MORGAN: They have a forestry soils lab at the university. They have an oil and forest institute there. But as far as formalized programs, no.

MS. SCHIRMER: I think -- as far as our suggestion was the university should strengthen their departments in archaeological, geographic, agricultural, mineral studies, oceanography, fishing and timber for the northern latitudes.

MR. MERDES: We adopted that already.

MS. SCHIRMER: I couldn't remember if the forestry business was in there.

MR. NASKE: Why did we restrict it to those disciplines? If you do that, legislative intent will be focused on these particular disciplines.

MS. SCHIRMER: Maybe it needs to be.

MR. NASKE: I don't think so. I'm sure these disciplines are very important. But why not say that matters of concern to peoples living in northern latitudes.

MR. MORGAN: I thought we made that statement.

MR. ECKHOLM: We do have it.

MR. NASKE: Rather than saying fisheries and forestries.

MS. PORTER: We changed it back from natural resources.

MR. MORGAN: The first one I recommend is history.

MR. NASKE: History? What's history?

THE MODERATOR: I think, if we understand Ed Merdes' comment, is to devote the next ten years to building the greatest university we can. That's more than forestry or fisheries; that's a great university.

MR. MERDES: Excellent.

MR. POMEROY: It actually embraces anything we might suggest here as to scope.

MR. MERDES: But you particularly want it adapted to, for example, the north. I agree with Claus that the oceanography, the fact that we have oil and fisheries and timber and geophysical. You don't want, for example, I don't think we should worry about --

MS. SCHIRMER: Citrus fruit.

MR. NASKE: Near Eastern studies.

MR. ECKHOLM: If I may --

MR. NASKE: Biggest university, the best one, in matters pertaining to the northern latitudes.

MR. ECKHOLM: We have already adopted this.

Number 11: Excellence in the matters pertaining to resources of the northern latitudes. That would encompass timber as well.

MR. NASKE: I'd like to make a recommendation that in view of some loose change rattling around in pockets, perhaps we should urge the legislature to ban Alaskan

residents tuition-free attendance at the statewide system.

MR. MERDES: That's going to be in it. That will be written up.

MS. PORTER: I would feel a lot better if we had building, you know, a University of excellence, and then maybe specializing in those fields.

MS. SCHIRMER: We've got two things that we've talked about: His general statement and then we've already passed this other one, which had to do with resources. And I think we're doing it appropriately.

MS. PORTER: Okay.

MR. POMEROY: Actually, the reason I recommended his words is because I thought it was so all inclusive. It actually is a university in Alaska of the United States for the Arctic. That is the way he identified the whole thing.

MR. MERDES: That was the spirit. I think we should have the greatest Arctic university in the world. For example, what did Dr. Fuller say? Where is Alaska located? That was amazing, that center crossroads, remember? So we ought to be the greatest university, because right in the center of the Arctic.

MS. SIMONDS: The greatest State should have the greatest university.

MR. NASKE: The thing that upsets me is the federal government has a clearly spelled-out policy for an Arctic.

There's no policy for the Arctic and a big chunk of the American territory lies in the south Arctic. The point comes now where the Navy is thinking of abandoning the Arctic research lab, the only base from which any arctic research has taken place over the last 20 years or so. We have no policy, and yet a good chunk of our oceans and land and so on is in this sub Arctic and Arctic area.

THE MODERATOR: The danger we run, though, in talking about arctic education as opposed to general education is that the kids that Ed said are leaving, or kids are going somewhere else for a general education will continue to do so. And if they have a choice of an arctic university versus a good general university, many of them will continue to go out.

So I guess what I'm saying is don't get too narrow here if you want the kind of thing you describe in your opening remarks.

MS. SHROYER: I don't think that we would necessarily give up our wonderful general university by improving an Arctic, complete Arctic university group of departments. We don't have to necessarily give up one for the other.

MS. PILLIFANT: We have to build the first one.

MS. STRASSBURG: Wouldn't that bring in students from outside who are genuinely interested in the arctic, but they won't get that sort of thing in their own localities.

MR. POMEROY: Mr. Chairman, I paid particular attention to what Ed said. Part of it slips in because all of the other things we talk about, whether it's timber and whatever it is, it doesn't have to do with our having ourselves stand out in some direction. And we're going to spend more money per person than we are now. There's no question about that.

I think perhaps the foremost area in which we can stand out as a State, together with the service of the people.

MR. MERDES: I just want to make one observation. It struck me, I was with a bunch of students and as I mentioned it, I wanted to try it out what they thought of the university. Those kids want this university to be outstanding. But we Alaskans go back in the territory. The thing right under your nose, the thing that you could usually do the most, you always overlook. And I think this opportunity, if everybody agrees in this, I was in the legislature. Ed, you know what I'm talking about. The university has always been a political battle in the legislature.

If the whole State would get behind the university, if it's not a political battle anymore, you're going to get excellence. We're the grass roots. We're the ones who send the legislators down there. And we will get a

good university, because we'll tell them we want it. That's the whole spirit behind the whole thing. Legislators get the message, right? We got a broad spectrum of Alaskans here.

I consider it a compliment.

MR. POMEROY: Well, it was deserved.

MR. MERDES: Leadership. What did Buckminister Fuller say last night, the greatest thing we got is the human mind. We're just carrying out what he said last night. That human mind is the most beautiful thing in the world.

I really appreciate your remark.

MS. SPARCK: I think we're rehashing the same words over and over and I think we ought to get on with it.

MR. ECKHOLM: Do we have any recommendations on education?

MR. HARTLE: In line with talking about building up an Arctic studies part of the university and in line with what Mr. Naske said about the federal government lacking a policy, he mentioned specifically follow up on the Naval arctic research lab. The federal government is tentatively planning to abandon that, abandon the funding of it. If the federal government decides to abandon it, the State should at least consider operating it.

It's a matter of funding that is causing it to be abandoned. And if we could include it as part of the

university, I don't know if the federal government would lease it to us for operating it, or if we would have to buy it or what. But we should look into it, because it's a fantastic facility, from what I've understood. So what I'm saying is save money for the Naval reserve lab.

MR. PARKER: The buildings, the physical structure belongs to the government. Since the Navy is giving it up anyway, it probably wouldn't be too much of a job to have the physical structure transferred. It's a very expensive plant to operate, so it's why the Navy wants to get out. They just want to get rid of the housing costs.

MR. NASKE: It's the only base we have. The only one.

MR. PARKER: The only thing, Mr. Chairman, we don't have a discipline for polar studies. Ohio State has one, Vermont has one, Colorado has one.

MR. NASKE: Cambridge, England, has one.

MR. MERDES: University of Washington.

MR. ECKHOLM: I'll write down these recommendations then we'll go back over them all again.

MR. MERDES: I just heard that they funded it for another year.

MS. PORTER: I would suggest separation of the community college system from the University of Alaska.

MR. PARKER: Was that a part of Ed's statement. I heard so much, I don't know.

MR. MERDES: I think it's extremely controversial. I know everyone in this room has strong feelings on it and I personally would not want to let it mix. I rather have them go through the process. Because we got a separate community college system right now.

Personally, I don't want to throw that into the bag because it will just, I think, just blow up the whole program. I personally would not want to, because when I was in the legislature -- even right now that's a horrible thing.

MR. NASKE: Create another board of regents, another set of administrators.

MS. PORTER: All it will do is create another set of regents. They are not able to get anything out of the university. They are self-serving, they hold everything. They simply will not give credit for classes even though they're taught by the same instructor at a community college. They want people on campus. That's their main purpose. I can understand that.

Now the community colleges are in the process of getting their own accreditation. They should not only be allowed to stand on their own, own funding, own administration, have their own accreditation, but also go into an acceptable four year program.

MR. McGINNIS: I believe that we need to be very, very

cautious at this point for a variety of reasons. If we upgrade the quality or consistently upgrade at the higher education level under the university umbrella, those should float into colleges as well. When you look at Alaska in perspective, the whole community is no bigger than perhaps Tacoma, Washington, perhaps a fairly middle-sized city. Cities suffer more from fragmentation.

There are many ways available to the legislature. We found it within certain executive agencies, including our own. They can be persuaded in due course to allocate. There are mechanisms in which they can express the will of the legislature if they wish to do so. It seems if the system is now fragmented, it will open up a very explosive area.

If there are problems in the board of regents in their dealings with community colleges, those problems should be worked out and citizens and the legislature should help them do it. But to create a separate board and a separate group.

Now, if they were going to get a quotation through the junior colleges, two-year colleges, that's quite all right. But at this point in our history to fragment them further I think would be a mistake.

The only other thing I wish to say is, I would hope that Ed would consider adding to his good statement

some concept along the line that there ought to be encouraged in Alaska a fundamental policy shift in terms of thinking about education. Namely, as long as we think of it as an expenditure, like we go and buy a loaf of bread and eat it and expend it, it's gone, this is an opportunity by which these dollars are not, in the true sense of the word expended, they are invested.

Perhaps some of the best investments, talking about investing our permanent fund, some of the best investments we will ever make will be in the investment in upgrading the competence of our young citizens.

MR. MERDES: Fred, I agree with you. I'd like to have Fred assist me, if you don't mind, Mr. Chairman, to write this thing up, or anybody that wants to work with this. I have no pride of authorship, but that's an excellent idea.

MR. PARKER: Following up on that concept, if you're going to have a great university, it can't be subject to the vicissitudes of every funding cycle. All great universities have rested on a reasonably independent financial base, including the great land grant universities can provide operating revenues. So there has been the flow of dollars to support a reasonable degree of independence.

Fred mentioned the heritage fund. Across the board in a certain fairly large segment of them, and I think Ed the other night mentioned endowed chairs. That's

the sort of thing, I think, where you create that kind of base in a great university. Because the whole idea, you're not going to have it until you have a level of independence. You can't expect to swing the university out there and have it respond like it was a State agency, which is generally the way it's been treated. I think some concept between the heritage fund and higher education in this State, not only the University of Alaska, but every institution, is something that should be pursued, eventually.

MR. POMEROY: I associate myself with Dr. McGinnis' statement. I think we shouldn't dilute the main thing we're presenting, get it mixed up with anything else.

MS. PORTER: If we're going to have a great university we're not going to have a community college of great excellence. Because the university simply will not allow it to happen. Different kinds of things occur at community colleges than occur at universities. The university system is short-changing the community college system. The two of them in this State are not compatible.

We're not dealing with a town the size of Tacoma, we're dealing with a huge State; huge. And the coordination, the communications are just insurmountable. Where the university gobbles up a community college system, the community loses because you don't any longer have a community college where someone can run in and take a

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Friday, December 7, 1979

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Reported by: Louise K. Mizota CSR

couple of courses. You have to enter into a program and name your major. That's ridiculous.

MR. ECKHOLM: I think that this is very interesting, but let's limit it on community colleges to two or three more questions, then we'll move on.

MS. SCHIRMER: I'd like to somehow put into our recommendations that we do not wish this to be a monolithic improvement in the university. We want them to continue to attempt to spread throughout the State an opportunity for higher education.

MR. McGINNIS: Mr. Chairman, may I say one more thing? It's terribly important. One of the best insurances in the long run to assure quality at the community college level would be if it does have a strong identification with the university.

The problems over the country often have been that there has been a dichotomy between the upper level and graduate studies in the lower level so that very often students go through two years only to discover that what they did makes not much difference in building for the upper division and graduate levels. If they are autonomous and separate, that have a vital link with what the whole continuum of higher edcation ought to be.

The other thing troubles me and insists that we really begin to look at the importance of the quality of

the vocational programs in our community colleges. Why is it, for example, that we spend $30,000 or more a year to prepare someone to repair our heart? Because it's important, it has to be done, he has to be very, very good.

Yet, the man who fixed our airplane motor who has 300 people's hearts suspended up there, he had better be good in knowing how to check all these things that are indeed now life-and-death matters. But we have relegated many of these vocational programs to second-third-fourth-rate status, and we ought to begin to put a value on the quality that is necessary for those people as well as the one who is studying geology and metaphysics and teaching. Those things. But be assured those who know most about teaching can keep on in it.

I think the present system is terrible. But it's not going to be better by separating it but by helping the people to improve it, rather than to say we're going to contribute to a further disintegration.

MR. NAUGHTON: The State constitution says that the University of Alaska shall be governed by a board of regents. So don't go to the legislature thinking that you're going to change anything in the university.

Now, I've listened to all the reactions to the proposed policy on community colleges, and I agree. You have to think of higher education as an investment. And we

don't want to think of this thing as a monolith. But the thing is, look at your populations. Where is Alaska's stable population? Where is the population? If you invest in it today, will it be here 20 years from now? It's not in the urban centers. It's five years in, and get out.

So, if you build these monoliths here or in Fairbanks and you don't pay attention to the only place where higher education is delivered in the rural areas of Alaska, you're going to miss that. You're going to invest all your money in people who then will leave and you will have done the Lower 48 a great service.

MR. ECKHOLM: Thank you, Ed.

MR. POMEROY: I have more confidence with respect to where we can go with education than in many other things we are doing. We have been going through a lot of growing pains; we are very, very young. And I believe that the university, actually, if our recommendation is taken as well as it's stated, and I think it will rise to the greatness we can have.

And problems that were in this and we are concerned about getting worse will not get worse, they'll get less.

THE MODERATOR: I'd like to get back to what Ed was saying. I agree with you. That's right. The stable population is out there. And the people you want educated

out there, I'm not sure I agree with Rosie, but I know what she's saying. How do you come down on this? Are the community colleges out in the bush going to be better if they split?

Experience has instructed me that they will be better off separate from the university. Because the history is that the central administration goes in and raises their budgets. And there's nothing we can do about it as citizens, nothing the legislature can do about it.

THE MODERATOR: That's right. Can't the legislature do something?

No, sir, the university is governed by the board of regents.

MR. McGINNIS: Mr. Chairman, I'd like to discuss this one minute further.

MR. ECKHOLM: It's very important, I agree, so let's it discuss it for just a little bit longer.

MR. McGINNIS: The later few years I've seen a drastic change in what the legislature can and in fact is now doing. One example is we used to have medical assistance budgets. There are five or six pieces under it. Now they are appropriating by each title, separate, once they have said this is where it's going. So there are options to the legislature.

But the constitution does not say that the

Department of Social Health and Services shall be governed by somebody other than the legislature. It says it will be controlled by welfare. So they can control that budget. But they cannot control the University of Alaska.

MR. MERDES: They do now.

The way they do it is they pretend they don't know what the condition the books are. If you ask to see them, they'll say the books are so screwed up.

MS. SIMONDS: I would like to have added to our resolution on education funding for the literacy projects, especially the one at Anchorage. It teaches basic English.

MR. ECKHOLM: Let's finish the university discussion.

MS. SIMONDS: I'm sorry. I didn't realize.

MR. MERDES: I think this is a most interesting discussion so far. There's strong feelings about community colleges and really people have convictions. I think there's been a legal opinion. I think we ought to check it. The constitution says there's a board of regents of the University of Alaska. You may have a legal problem. You should consider a constitutional amendment if you feel that strong.

My feeling is this. I think we ought to have a strong statement coming out of this board here to the effect that community colleges are a vital and integral part of the Alaska higher educational system.

In the past everybody ignored it in many respects, especially in the rural areas, and that we urge the legislature to give the highest possible priority to community colleges and the work that community colleges do. I don't think we ought to increase a severance, because you lose the whole thing and cause all kinds of trouble. But I absolutely agree with you.

MS. PORTER: Why not stick your neck in it?

MR. MERDES: I don't think it's legal. As a matter of fact, Ed, I'd like to see you write something up, and you, Rosie. I'll help you.

MS. PORTER: I can write it myself.

MR. MERDES: You're going to lose the whole damn thing, because it's bitterly, bitterly fought.

MR. NASKE: I just don't think that we can build a strong or a recognized university in a State of 410,000 people that consist of three urban campuses, 12 community colleges and Heaven knows how many adult extensions centers. It cannot be done. We have to make a decision one way or the other. If we want to provide equal services, mediocre, in every area of the State, then that's what we should decide, or the recommendation we should make. If we want to create excellence, that takes a lot of money, and you can't do it in 20, 30 centers. You cannot build a reputation in Bethel or Kodiak or Mat-Su Valley.

MS. PORTER: But you can provide needed education that people are not going to get in the villages and in Bethel and in 57 villages and an area the size of Oregon because the university wants them on campus at Fairbanks and at class taking correspondence courses or your own village. That's a crime. We're preventing thousands of people from getting higher education by not separating the community colleges and the university.

MS. PILLIFANT: My children have to go to Fairbanks.

MR. NASKE: I graduated from high school in --

MR. MERDES: There were two possibilities. The legislature didn't come to me and rush to me and say, "Claus Naske, you graduated, you don't want to go to Fairbanks or Seattle; we'll establish a community colleges for you here."

MR. NASKE: They want you because you're a warm body.

MS. PORTER: I think that's a dirty argument.

MR. NAUGHTON: If Dr. McGinnis hadn't got the Methodist University to Anchorage, the university would only be in Fairbanks today.

MS. PORTER: We're talking about teachers aides which have gone on to get an A.A. in their own village. Women who are married, who can't afford to live in Fairbanks. What are they going to do? Drag their husbands and kids with them?

MR. ECKHOLM: Is there any way we can guarantee the

status of the community colleges, give them equal footing?

MR. MERDES: I think they can. I agree with what she said.

MR. POMEROY: We're going to get something or nothing at all. I strongly urge Ed that we accept in good faith what Ed Merdes said about adding something, wording there that will give us some direction and get the big thing we can get, which I hope will stimulate us in directions that will improve everywhere.

THE MODERATOR: We're not addressing this bush question, the community colleges.

MR. McGINNIS: I think one of the greatest ways to shortchange the student is to say he should be kept in the community school, to fragment and scatter him unduly. Surely it's more convenient to be nearby. But in the long run, the student is going to lose.

Across the development of this nation and every other nation in the world there have been centers of learning. What makes good education are three things: Good facilities, laboratories, good teachers, and good libraries.

MS. PORTER: I'm sorry.

MR. McGINNIS: And to the extent that you try to suffer from scatteration and have bad libraries and bad laboratories and mediocre teachers, it's not the budget in the State going to suffer, it's those students that will

suffer from education, and for their whole lives.

MS. PORTER: One example, the day they opened the community colleges, it has been too full in Anchorage, and it has been too full ever since. That isn't a great university, but it is getting education to the people, which is what it's all about. If you want to have a great university in Fairbanks, fine, I have no argument about that. Excellence is there.

But we're talking about common education for the common person who needs it. Vocational training, artistic, whatever they want. Academics they can get at the university colleges. These are people who can't go to Fairbanks that you're educating right here in Anchorage. You have a more informed, more educated population. We'd like to have that, too.

MR. ECKHOLM: Would you like to see a totally separate thing put in the Department of Education?

MS. PORTER: No. Totally separate.

THE MODERATOR: Your argument seems to me to be, if you get away from the junior colleges, you need more money. Would it be a recommendation to give more money?

MS. PORTER: It's not a matter of money. A whole administrative matter. Credits, as far as future education, it's a whole philosophical thing with the university, that they basically don't want people educated at a community

colleges.

MR. McCUTCHEN: Rosie, I disagree with you. When it opened up, it was not full. The Anchorage Community College, I don't know if anybody else was there, I was. I remember. The standards that we had at that particular time are far higher than the standards they have today in the community colleges system.

MS. PORTER: What is that?

MR. McCUTCHEN: Anchorage Community colleges opened up in West High.

MS. PORTER: I happened to be there.

MR. McCUTCHEN: What was the year?

MS. PORTER: 69, 70. I don't remember.

MR. McCUTCHEN: Long before 70. I was there, and I don't remember seeing you. But the point I'm trying to make here is that it's a question of the standards. We didn't have any professional teachers. They went out to the community and found people. The biologist came out of Dr. Rauch's office at the Arctic Research Center. Mathematics came from some engineering firm. All the way down the line. They picked them off that way and these people, all they could do is what did they remember when they were freshman in some big school somewhere and they made it just as tough. That's what counts. There's no entrance examination.

I think if you're going to get into it, somebody

who only needs two years, somebody who has screwed up and has to have a easy way to get in to prove himself to master the work. And you make that school just as tough a as university.

MS. PORTER: I'm not saying we don't have to have excellence in a community colleges. But I'm talking about shining, royal excellence, at the beautiful university.

MR. McCUTCHEN: I'd like to retreat going back more than most of you can go back in this room. That's back in the period of time in the 30's and 40's, also before my time. During the 30's and 40's, we built the best mining engineering schools in the work. And we were broke. It was sheer determination and guts that did it. And later on in the 50's we excelled in geophysics as a result of the mining engineering.

And so I just ask one thing: Don't throw money in it. That's what screwed up our school now.

MR. POMEROY: We must remember that we can't have all we want of everything for everyone everywhere. That's a problem that is with us continuously. We have 400,000 people spread over 327 million acres all the way from Ketchikan to Kotzebue. And I think that we would be screwing ourselves up in an opportunity we have upon this occasion of our being here these three days if we don't go ahead with the main proposition with Ed adding what he

thinks might help as an indication to the legislature.

THE MODERATOR: Perhaps the thing to do, then, is take up Rosie's recommendation, which is to divide the community colleges from the senior colleges and dispose of that. If you want to do that.

MR. ECKHOLM: Well, that's part of the recommendations. We'll come back to it. It's been a well fought battle and there's things to be said for both sides, and get a compromise approach, if we lose this.

Are there any other recommendations relating to the university?

MS. PORTER: Not to the university.

MR. ECKHOLM: Anything else relating to the university or community colleges systems?

Do you want to go back and ratify these universities ones?

MR. NASKE: One concern, and that's I just don't believe that even with the plethora of money we have right now that we'll be able to build 30 or 40 institutions that excell. It just ain't possible.

MS. PORTER: Maybe educate, not excell.

MR. NASKE: There's a difference, I suppose. You can adequately educate.

MR. ECKHOLM: Rosie, do you have another recommendation?

MS. PORTER: You have a continued support by the legislature for the expansion of community education, which is different again.

MS. STRASSBURG: Adult education?

MS. PORTER: You've got it here in all your schools.

MS. SIMONDS: Community school.

MS. PORTER: Community school. Legislature funds it through the local schools. Very important part of the --

MR. HARTLE: Did you say continued support? I'd like to make that a little bit stronger and say continued support and expansion.

MS. PORTER: I did say that.

MR. MERDES: I think you ought to distinguish it because most people will be confused in addition to community college. You got the word "community" in there.

MR. ECKHOLM: You have the specific community schools.

Other recommendations related to education?

MS. SPARCK: I think the State ought to do something about the pathetic high school, rural high schools. It's really pathetic. There are two teachers for the whole four-year high schools, and the quality is just really poor. The State ought to do something about that.

MR. ECKHOLM: What would you like to do?

MR. MERDES: Where is this?

MS. SPARCK: Village high school.

MR. MERDES: Any particular one? Is it all of them? What village are you talking about? Some of them are good.

MS. SPARCK: Hooper Bay, Chevak, Nunapitchuk, Kipnuk, Nelson Island.

MR. ECKHOLM: Are there some particular things that you perceive as being the biggest problems?

MS. SPARCK: There's no teachers. There's no teachers. The teachers that go out there teach whatever they can, even if it's not in their fields.

MS. SIMONDS: What's the population of the high school?

MS. SPARCK: What do you mean the population?

MS. SIMONDS: Of any, the smallest or the largest? In general.

MS. SCHIRMER: Under 15?

MS. SPARCK: Under 15.

MR. NASKE: I have a recommendation.

MS. SPARCK: What difference does that make? The quality has to be there if the high school is in existence.

MS. SCHIRMER: You can't very well have 12 teachers for 12 kids.

MS. SPARCK: Well, something ought to be done. I was saying telecommunications system to be utilized to telecast religious or whatever quality. But something should be done.

MR. NASKE: I'd like to put that in the form of a recommendation, that the legislature pursue methods of

fully utilizing telecommunications in the educational system, meaning from grade school through graduate school.

MS. PORTER: Where?

MR. NASKE: In the State.

MR. ECKHOLM: Go over that again, please?

MR. NASKE: That the legislature pursue the possibility of fully utilizing telecommunications in the educational system from grade school through graduate school.

MS. SCHIRMER: Down in Southeast where we have a lot of very small high schools. That I see quite closely, I think they're doing some really excellent things. Very often only one teacher for a high school, small high school group, that they're using a lot of packaged materials where the kids have stuff on a video tape deal and follow through the directions and come back and go on forward with it that are working very well.

MS. PORTER: That may work just beautifully in Anchorage, Fairbanks and Juneau. But in the rural areas of the State --

MS. SCHIRMER: I'm talking about Prince of Wales.

MS. PORTER: That's wonderful, because you all speak a lot of English down there. But I think if the State is going to enter into the program of educational T.V., that it must be regionalized, that it must not come out of one source.

MS. SCHIRMER: This is why I brought this thing up is because I think it's much more adapted to the two or three kids in the small place than a T.V. thing, where everybody has to get together at the same time in various places.

MS. PORTER: We have an incredible valuable resource in our hands. We must never fool ourselves that the television is going to replace the one-to-one of a teacher, particularly in a small classroom. Once in a while it's nice, but as far as pouring millions of dollars into it as the State has already spent, you realize five point some million dollars and then the State kicked in -- from the Feds, the State kicked $600,000 a couple of years ago to do an educational thing for the rural areas. 23 villages. There was no bilingual programming. We've got many, many scattered spoken every day by students in all the rural areas of Alaska and there was no consideration given to that at all or regionalizing them in any way. I think that's just a dead loss.

THE MODERATOR: I think the way Claus has worded his, though, it would include what you're saying.

MR. NASKE: It's a very broad mandate, really.

MR. ECKHOLM: I think that Rose's point is very important. I'm personally fairly involved in this field. And I think there are ways you can go about it, but I don't think we're talking specifically about T.V.

telecommunications, computer-assisted program. And the point is what you would be doing is you've still got the teacher there, but you're adding to the ability of that teacher to turn on the kids.

MS. PORTER: That's fine, we can use computers.

MR. ECKHOLM: It amounts to about 60 villages now.

MS. PORTER: Two or three villages in our area, about 60 villages.

MS. PORTER: That are getting the television demonstration projects. Unless it's going to be huge capital outlay and continued support for that --

MR. ECKHOLM: They're doing one experiment now at Northwest Labs that does a direct computer individualized program.

What I'm saying is that I agree with you in that in order for it to work it has to be purchased by a district, the district has to say, yes, this is good for our kids. I don't think the State should ever come in and mandate and say this is a program that every kid has to use it. They have to be good enough so they want to use them.

MS. PORTER: If the State has money to do that, I submit it will be much more human, better educationally to give the school district the money with the purpose of hiring traveling teachers, go out one on one, experts in math, the arts, English, whatever, science, to work with

the kids, to bring their experiments and do it throughly, where they can camp with the kids and the kids can ask them questions.

MR. ECKHOLM: There is no replacement for the warm body, but there is an opportunity through telecommunications to give that teacher more information and more resources. When you're out and you can see the evening news, that increases your understanding in the world and that is something that that teacher cannot give you.

MS. PORTER: That's true. Right up until the moment it fuzzes up on you.

MR. MORGAN: Can I address the concern the little lady has over here. And it's one of geography. You're apt to get a better degree from the University of Chicago than you are at Slippery Rock. You're apt to get a better high school education in Anchorage than you are in Delta Junction, for instance, not necessarily, but chances are.

One thing that has caused the quality of education in the bush schools to be not as good as it can be is that geographic fact. It's a little school a long way off. I came from a school where our graduating class was 12. And I never overcame that. And we have that until you get to the point where mechanically you can put, as the lady says here, 12 teachers for 12 students.

But in addition to the physical disadvantage, you have also a cross-cultural disadvantage. If you started to school in the first grade and everyone there spoke German, and you had to learn German automatically and scramble to get going to find out what was really going on, it would shake you up. And that is the case for many, many young native students.

MS. SPARCK: We also don't have -- today, like probably in your day, your teacher was more versed to teach in that setting than today. They're so specialized, like one teacher will be specialized in English, they're not really well versed to teach in all subjects.

MR. ECKHOLM: More recommendations on education?

MS. SIMONDS: Now? I'm way down at the other end, the bottom core of the monolith. It's a project to help people who do not read who are functionally illiterate. This Anchorage literacy project has basic education tutors, and there's English as a second language tutors.

And it's a one-to-one, and there are supposedly ten percent of the people on the national level are nonreaders.

So if you transfer that to Anchorage, it's maybe about 10,000 people. But even if you have that, it's 5,000. There are a lot of natives who come into the community and this would help with urban survival, to help with the reading if they needed English as a second language.

And a lot of people are Orientals, Hispanics, and they also can be helped. We had 100 requests for tutoring English as a second language which we had to turn out because we did not have enough tutors. What we need is funds. The tutors do it voluntarily. We have 45 basic English, but we do not have administrative help to go out and recruit. We should be getting to the prisons, battered wives establishment, halfway houses, McLaughlin Youth Center. We should be contacting counselors. One of my students is a high school graduate from an Anchorage high school, third grade reading level. There are many that we should be finding and helping to read.

MR. ECKHOLM: Would you like to make a specific recommendation?

MS. SIMONDS: Yes. I would like funding for this project.

MR. ECKHOLM: Just that one project?

MS. SIMONDS: This is what I'm involved with. I think literacy is a line item funding.

A VOICE: Where is it?

MS. SIMONDS: This one is in town, but there are others in the State. But I'm not familiar with those, but this one I feel we could do a lot more if we had funding.

MR. HARTLE: I'm familiar with the same sort of program, Literacy Council in Fairbanks, and I just know

that they're doing a tremendous job and one of these places it's a very small program, very inexpensive, they use all volunteer labor except for a very small staff in Fairbanks. The staff is three persons, and they're just doing a tremendous service to the community and it could definitely be expanded. And the fact that they use volunteer labor, it's like leveraging your money.

Secondly, this would meet with Representative Meekins' priority that he mentioned yesterday when he spoke. He said that when he writes the house version of the State budget, he prefers to start with the smallest projects first, then go to the larger ones. I mean, we've talked about buying into the gas pipeline, and all these --

MR. ECKHOLM: Would you like to make a recommendation?

MR. HARTLE: I'm making a recommendation that we fund as a priority in the State educational system these type of reading programs.

MS. SIMONDS: They are not taken care of anywhere else. ABE doesn't do it. Nobody else will take care of them if we don't.

MR. ECKHOLM: Ma'am, do you have your hand up?

MS. SPARCK: No. Are we getting ready to vote on this?

THE MODERATOR: It won't be called the Anchorage Literary Project, it will be called reading program, as he said?

MR. ECKHOLM: Funds to support basic literacy projects in Alaska?

MS. SIMONDS: Yes. You could do that. That's fine. All nonreaders. I'm happy to help.

MR. HARTLE: I have another recommendation that the State consider extending -- how do I say it? Lowering the minimum age at which we fund education. Right now we start with kindergarten. The child is five, we provide for all these kids; if the child is four years, 364 days, we don't provide for them. I think the State should look into funding pre-school education on a voluntary basis. I want to stress that.

MR. ECKHOLM: Any other recommendations?

MS. SPARCK: I have got one more. I would like for the State to consider funding some exchange programs for high school and to rural community colleges for their students to expose them to urban life, because they don't.

MR. ECKHOLM: This would be a transfer. So we should send some urban kids out to the bush, too?

MS. SPARCK: Right. Both exchange.

THE MODERATOR: I heard the other day, my wife was on the advisory board for the university, that she came home with the information that the highest number of drop-outs, first year at the university are native kids. Does that surprise you? I'm not sure it's true, but I think it's

what she said.

MS. SPARCK: I've heard it's true.

MS. SIMONDS: They do have a Denali Project now that's very flexible for native students. And it's really kind of tailored to their easing them into the educational system.

MR. ECKHOLM: It's still not just education. I think that's a very excellent suggestion, but I think that living in a small village in Alaska and living in a big city is worlds apart for many of us who have had the luxury of going to visit and seeing and understanding a little bit of both. There are many people in cities and villages who have no comprehension of the other world. So I think sending city kids out to the villages is just as important.

MS. SPARCK: I think it's a good survival kind of a thing, too. It has to be well constructed, though.

MS. STRASSBURG: Are we into right here the financial aspects of the student in education?

MR. ECKHOLM: Go.

MS. STRASSBURG: Because if we are, Ed is going to be mad at me. We talked, or I heard him speak the other day about free tuition for Alaskan students in the university. Personally, I would rather see a lowered tuition fee for those students who live in Alaska with a very liberal loan program so that they actually pay back the minimum amount of their tuition rather than giving it to them free. People

do not appreciate things they don't earn.

And simply living here is not earning it. This is a feeling that I have. And I really would like to throw it out to you, because it isn't that I want to take things away from someone who wants to learn, but normally the person who wants to learn, if he really has to earn the privilege he's much more apt to make a good use of his education.

MR. MERDES: I'd like to respond to that because I absolutely, as far as you go, express and feel the same way. But I want to go one step further. That's the reason I made the recommendation.

First of all, you're talking about a matter of $5,000,000 that the State gets now for tuition from kids. Now, let's figure out what the expenses are to a university.

Probably the least expensive thing is tuition.

MS. STRASSBURG: This I agree.

MR. MERDES: Let me tell you why my reason is. Food, books, the dorm. What you're doing when you waive simple tuition, which is pretty low anyway, you're telling every family in Alaska you're getting a special thing from the oil revenues. You still are sacrificing because you got to pay for the most expensive stuff. What it is is a round-about way to motivate Alaskan families to send their kids to the university in the first instance for economic

reasons.

Let me tell you, I talked to these kids, they say, "My goodness, just think, we can save $600, but we still got to pay for those books."

MS. STRASSBURG: If you may loan him enough money so he can afford to go and pay his board and room and pay it back later after he has acquired the ability to pay it back.

MR. MERDES: That's your argument.

MS. STRASSBURG: By the time of kid gets out of high school, if this is a low income or very low little income, the parent may have been able to struggle and beat his brains out and support this kid until he gets out of high school. He may be a brilliant child, but the parent cannot afford to support him any longer. He really needs to get out in the economic world and pay for his own way. I think a very low cost, very flexible loan program that would even help support him until he gets out into the working world and can pay it back.

MS. SHROYER: If I may say something, I'm a student at the university and we already have a very flexible loan program and it does cover room and board where I live on campus. It covers travel expenses, and I only have to pay back 60 percent of that loan because I'm over 20. I've been here over 20 years. I think our loan programs are already set as they are. But I still agree with Mr. Merdes.

Books even cost more than tuition. I pay $20 for one book, for one class.

I think that it's a good idea, because just get that little bit more incentive, I don't have to have an extra $600. Actually, it's really less than that for residents. I don't have to pay that extra little bit for tuition when I've got health to worry about and I've got books and room and board and travel expenses, and the necessary recreational expenses for the university students. I think it's a good idea.

MS. STRASSBURG: I was willing to listen, but I also want to put in the fact that I personally think people are much more appreciative of things they have to earn.

MR. MERDES: Don't imply we're not against that, see.

MR. HARTLE: I'm wondering if anybody knows how much this would cost. Just so that we're all aware of this, the University of Alaska has the ninth lowest in the nation as far as tuition. So we're already almost doing that. We certainly subsidize it to a degree.

MR. MERDES: I was one of 13 kids. There are a lot of people in this State who are poor. There's a lot of people in this State folks don't work. You're going to give the poorest kids and the kids that may not have a chance that one little thing that will make him go to the university. That's why I'm for that. It's also a human dimension, and

that's my point.

MS. STRASSBURG: I didn't understand.

MR. McGINNIS: I'm concerned about some of the things that have been spoken of here. I wonder if there is a mechanism by which we can create the sense of responsibility. If the University of Alaska ever moved to free tuition, I would hope that the mechanism by which it could be accomplished is that a check equal to the amount of tuition would be made out to that student and to the university, cashable by both so that student would know that somebody put up that money.

Education is not free. It is enormously expensive. I would even say equal to the full cost of his education would be transmitted to him or to her and the university. So they would have to endorse the check for $20,000 of taxpayer's money over to the university. It's a lot of paperwork, but at least it would say to that student,"what I'm getting is extremely costly. Somebody is paying, and I better appreciate it. And I better make good."

MS. SIMONDS: You might do that with a lot of things we do around the State. Put a price tag on everything.

MS. SPARCK: I have a question in my mind who is going to take over, like, say, you see Alaskan citizens for free tuition. And in order to be an Alaska citizen, all you need to do is stay, what, one month?

MR. MERDES: They have requirements right now at the university. They have regulations on that.

MS. SHROYER: It's 12 consecutive months.

MS. SPARCK: All right.

MR. MERDES: That's already pretty well established.

MS. SHROYER: I would also reemphasize the free tuition. My mother is a universit employee, so I have half of my tuition. If I did not have that privilege, I would not be able to afford to go to colleges because my mother doesn't make enough to support four kids by herself, which is what she's doing. And there's a lot of other families in the same kind of condition. I would not be able to afford that if I did did not work at the university.

THE MODERATOR: We're getting to the point where we've got to wrap up education and get to other things that I might want to say, and then we've got to go down this list, the finance, the first one, go through that, probably go through the others hurriedly in probably an hour.

MS. SIMONDS: There's one here that sounds very odd printed out.

MR. ECKHOLM: Any other recommendations on education?

I have one. We talked about excellence at the university. I think that the public school system promotes mediocrity in our kids from the age of five and that getting to the university and keeping a good brain is a

very difficult task. I think we ought to look at the small percentage of kids that are gifted and bright and devoting a lot of money to keep them bright.

MR. POMEROY: What has been done by the rest of these?

MR. ECKHOLM: They're written down as recommendations. We've got to go back.

MR. POMEROY: Go back and okay them?

MR. ECKHOLM: Do you want to take a little short break?.

THE MODERATOR: Do people want to take a five-minute break?

(A recess was taken.)

MR. ECKHOLM: What we hope to do now as quickly as possible is go over the education ones and we're going to go back to the wish list that we had the first day and that would be the final round of recommendations so that we'll go over that wish list, and if we haven't handled them, come up with a recommendations, any recommendation on any topic.

MS. PORTER: We're not going to go through transportation and communications?

MR. ECKHOLM: No. Make it then.

THE MODERATOR: Eric wants tomorrow to clean up language. If you go along here and want to clean it up, we can.

MR. ECKHOLM: We'll have it done by 8:00 so --

hopefully we'll have it for ready for you at 8:00. If you want to come in and look at the recommendations, I'll have them ready for you.

MS. SIMONDS: I'll trust you.

MR. ECKHOLM: Education. The first recommendation we had in education was to adopt Senator Merdes' opening remarks, including the free tuition for residents, and he was going to have that worked up for us in a form of a recommendation by 8:00 o'clock tomorrow morning.

MR. MERDES: You're sure putting the heat on us. By 8:00 o'clock tomorrow morning? I guess so.

MR. POMEROY: I move the adoption by unanimous consent.

MS. SIMONDS: Does it have to be printed up?

MR. ECKHOLM: No. We can type it. If you could give it to us so we have a chance to put it together.

THE MODERATOR: You've heard the motion. Unanimous consent has been asked. Is there any objection?

MR. ECKHOLM: The second recommendation was if the federal government abandons NARL, the State should consider adding that as a facility of the university.

MR. NASKE: Sounds good.

MR. ECKHOLM: Any objections?

Third was the separation of the community colleges from the University of Alaska.

MS. PORTER: Could I just change the words to grant autonomy to the community colleges system?

MR. ECKHOLM: Okay.

MS. SIMONDS: I think the community colleges people are working on it.

MS. SCHIRMER: Let's vote on that one.

MR. ECKHOLM: This is the biggest vote we got. The motion is to grant autonomy for the community colleges system.

THE MODERATOR: All those in favor.

It didn't pass.

MR. ECKHOLM: If you'd like to develop a minority report and submit that into the record, we'll put it into the record.

MS. PORTER: An extreme minority.

MR. ECKHOLM: Fourth recommendation, to develop excellence in vocational education as a basic function of the university system; to develop excellence in vocational education as a basic function of the university system.

MR. MERDES: It should be vocation and technical.

MS. SIMONDS: Wasn't that the university system?

MR. ECKHOLM: They're both the same, aren't they?

MS. SIMONDS: They are separate functions anyhow. They may be under a different board of regents.

MR. ECKHOLM: If it is all based, develop technical

education as a basis.

Any objections?

THE MODERATOR: That's all right.

MR. ECKHOLM: Five. Continued support for expansion of community education.

MR. POMEROY: Say that again?

MR. ECKHOLM: Continued support for expansion of community education. That's really not the right wording.

THE MODERATOR: Community schools.

MR. MERDES: See, I told you there would be confusion.

MS. SIMONDS: Say community school.

MR. ECKHOLM: Community school programs.

MS. PORTER: The system in itself as established by the legislature is an expanding program. In my original remarks I said continued support by the legislature for the expansion of community education.

MR. ECKHOLM: How about continued support and expansion of the community school program? We'll work on it.

Six: Legislature pursue methods of utilizing telecommunications in all phases of education, especially to support the rural school programs.

MS. PORTER: Only if it's on a regional basis. I will write a minority opinion on it.

MR. ECKHOLM: Can we incorporate that? How can we add that? The districts have to buy it. Nobody has ever told

any school that they have to use any sort of education. It's only provided at the request of the school district. And I think that's basic to our educational system.

MS. PORTER: Nobody has ever -- in this case, maybe not.

MR. ECKHOLM: That's a real basic tenet of our education system is that the local people have full control over the program. And there aren't any dictated programs, as far as I know, from the State.

THE MODERATOR: She's talking regionalism, more control, the language and the programs.

MR. ECKHOLM: That means if they've got control of their systems that they're not going to buy it unless they want it.

MS. SCHIRMER: Can't you put regional in there?

MR. ECKHOLM: How?

MS. SCHIRMER: Read the thing again.

DELEGATE: With regionalized programming.

MS. SCHIRMER: That's good.

MR. ECKHOLM: Pursue methods to fully utilize telecommunications in all phases of education, especially to support rural schools with regionalized programming. Is there any objection?

Next, that the State appropriate funds to support basic literacy projects in Alaska.

MS. PORTER: Could we add a word in there, not just funds, so they don't give them three bucks. Some kind of adequately funded.

MS. SHROYER: I have another amendment. I'd also like to add bilingual so we will continue to support the native language.

MS. SIMONDS: There is a separate program already. There is one. This English as a second language is a different concept.

MS. SHROYER: Thank you.

MR. ECKHOLM: Is there any objection to that? Okay.

Next. State provide funding for pre-school programs.

MR. POMEROY: What does that mean?

MR. McGINNIS: That's probably the most important thing we've talked about here tonight. I'll simply make this remark and shut up. More learning takes place between the years of three and five than at any other time in the learning career of the student. This is where we're missing the boat and we're cheating our kids. Because we're feeding them pablum with some of the television without substance. Whether he's an Einstein to an idiot, he learns more from three to five than any other time in his life.

MR. MERDES: I agree with you, Fred, a thousand percent.

MS. RICHCREEK: I would agree, but there is a problem for us on a travel system. They have to travel 50 miles.

MS. SIMONDS: It's not compulsory. It's optional.

MS. PORTER: We have an enrichment program for early childhood that's operating in our region right now. People travel from home. Because early childhood even before three is a very important time where they have stimulation.

MR. HARTLE: Could we make the wording pre-school education so that that could include programs that came to the home or telecommunications or whatever.

MR. ECKHOLM: State provide funding for pre-school education programs. Any objections?

Nine: Provide exchange programs between urban and rural students in Alaska.

MR. HARTLE: Could we go back it eight for a second. I want to make sure it means that we expand any program that we might have now.

MR. PARKER: You're spending a million-eight right now.

MR. HARTLE: I'd say as a high priority in our educational system.

MS. STRASSBURG: I would only have one question there. I'm afraid of this being -- and, granted, I agree with you that they learn more from three to five years old.

But, are we providing a babysitting service for mamma, who wants to go to the movie in the afternoon?

MR. ECKHOLM: Are we doing that in our public schools?

MS. STRASSBURG: No. What I'm saying is these little youngsters, they need to learn, but they also need their mother. This is something to think about.

MR. MERDES: I don't think potential abuses should be a reason in the program.

MS. STRASSBURG: I don't think so, either.

MR. MERDES: Abuses are have been possible.

MR. ECKHOLM: State provide funding to expand pre-school education programs as an educational priority.

Nine: Provide exchange programs between urban and rural students in Alaska.

Ten: Support expansion of programs for the exceptionally gifted students in Alaska.

That's it.

THE MODERATOR: For education.

Let me try this on you. Here's our wish list now. Let me just read it to you quickly. You can hear these words that you came up with. Remember, we are trying to spend money. We just heard from Belden Daniels and Williams and Russ Meekins. We said fishery loans, nonoil energy; money available to local bank in small Alaskan businesses, housing loans, stay away from big projects and support small businesses, use private enterprise rather than developing State programs with the money to compete with

private enterprise; reinvest in the veterns loan program, enter into great transportation system, invest in resource management, a rainy-day account for State government; invest in public works, especially alternative energy ports and harbors; lump sum liquidation of Alaskan native fund paid for by the State, 400 million dollars, improve communications, higher education and research, vocational and trade education; tax credit for homeowners based on energy use; direct distribution of funds based on residency, $100 per year from the age of 17 up to 50 years; don't repeal State income tax; rehabilitation of correctional system; money to develop the Capitol move; money spent on ways to reduce government and make it more efficient; tourism, massive national advertising; invest in the timber industry; consider investing more in rural areas than in urban areas; State sell lands for housing; invest in programs that are cost effective rather than subsidies.

Those are the 26 items.

MS. SIMONDS: We should cross out the ones we've already taken care of.

MR. ECKHOLM: Let's go from the top.

We've done fisheries loans, right? We've done nonoil energy.

Money available to local banks for investment in small Alaskan businesses.

MS. SIMONDS: I'd like to reconsider that. I think the banks might make a lot of money and I'm not sure what everyone else would end up with. They might give out a lot of loans just to make money on them without being as careful because it's not their money.

MS. SHROYER: I had the same kind of problem with it. But I went and I talked to a couple of people who knew more about local banks. And I believe that they would still want to distribute those monies even with regulation attached to them so that they wouldn't be able to have outrageous interests and some of the interests would go back into the State revenues. I don't know if you want to work that into the recommendation or what.

THE MODERATOR: It was my recollection that people were saying, but let's have the State direct where that money goes to a point. In other words, not just give it to the bank, but to tell the bank we want so much in this area, so much in that area.

MR. POMEROY: It was maximum feasible utilization for financial institution for the management of our loan funds, is that not right?

THE MODERATOR: I think it's like Milton Lipton kept saying, first make up your mind what you want to do before you make that decision. What is it you want to accomplish with your money, not the highest interest rate and the

security. That comes later. Make up your mind and then protect yourself.

MR. HARTLE: One thing we covered, is just what it says here, as small as Alaskan business is, I think that was probably what we were trying to express. We want to invest in small businesses. They provide the most benefit as opposed to huge projects.

MR. MERDES: I'm always worried about that. Because let me tell you the cost of this small business is enormous.

Natural growths that result from small businesses, they may call them small businesses. Take, for example, Matanuska Valley Co-op. They're everything. Is that a big business or a small business? That's the point.

THE MODERATOR: My experience tells me that in order to get into the Delta Barley Project or in order to get into the fishing business or in order to be a small oil operator up here you got to start at a half million and go up.

MS. STRASSBURG: But those are taken care of under your fisheries loans and under your other category, not under the small business loans. My feeling when I suggested this, go through the local banks, is not that that bank is going to just wholesalely support every small business that comes in and wants to borrow money. They're going to look at it and say they want to borrow 100,000 and by the time they

get done this with loan the State and the bank together are going to have a $50,000 profit. This is what I'm thinking about.

But the bank knows his local residents. He knows the people in his town, maybe not personally, but he knows their reputation, and knows whether the program that they're proposing is going to be feasible.

He knows what the economic situation is in his community better. If this man's banker is in Fairbanks or Wasilla, Los Angeles, he knows the potential economic feasibility of that project better than someone in Juneau.

THE MODERATOR: I think that was the philosophy. Use the local banks but direct to use them for small business.

MR. ECKHOLM: Money available to local banks for investment in small Alaskan businesses with specific requirements from the State.

Is there any discussion on that? That's the first one we've adopted on the wish list.

MR. HARTLE: What happened to one and two?

MR. ECKHOLM: We've already done them?

MR. HARTLE: Other places?

MR. ECKHOLM: Yes. Four. Housing loans.

MR. HARTLE: I think that wee need to make some stipulation on this. Some places in the State are totally overbuilt, and putting our money into this wouldn't be cost

effective.

MS. SHROYER: What do you mean by overbuilt? Do you think that Anchorage and Fairbanks should not have the availability of monies for housing just because they have a lot of people there?

MR. ECKHOLM: It would stimulate the housing industry more.

MS. STRASSBURG: No. We've got empty places.

MR. MERDES: Temporarily.

MR. ECKHOLM: But if you make a lot of money available, you're going to get more people building houses.

MS. STRASSBURG: With 60 percent of them sold last year not built.

MR. PARKER: Mr. Chairman, the problem is not overbuilt, but undersold.

THE MODERATOR: Now, the housing is a critical area. Do we want to deal with it, or is it enough? Because we're going to have to talk about it, if we do.

MS. SCHIRMER: I think it's appropriate to deal with it.

THE MODERATOR: Are we talking about housing for everyone? Low, moderate income people?

MR. MERDES: For Alaskans. I like to get on the pioneers and get everybody.

MS. SHROYER: I don't know about the rest of the State, but our Fairbanks Borough just sold bonds to make loan

monies available for housing. I don't know if there's other programs already in practice. Maybe it's just superfluous.

MR. ECKHOLM: There have been programs in the State, but it is a big area and there are a lot of --

MS. SIMONDS: I think that the real estate people work for this, so I don't think we have to do it, and that's private enterprise. I think it will be taken care of through the private channels.

MR. HARTLE: I agree with that. What we're doing here is deciding our priorities for State monies, and that where there are -- I think in some places housing loans are tremendously valuable and needed and that where they are and private enterprise is not now doing it, the State, it's a legitimate reason for the State to do it. But in some places in the State, this is too simple for me.

You need to say where it's needed.

MS. SCHIRMER: Where otherwise not available.

MS. SHROYER: I like that.

MS. SCHIRMER: Because there are places where you don't have a sewer system and you don't have public power and this and that and the other.

THE MODERATOR: Where private housing funds are not available, the State should enter.

MR. POMEROY: This is a program. This matter of housing is something that Russ Meekins is making a high

priority on his. And I think what you said earlier, or somebody said, is important. What sort of purpose are you going to serve?

One of the questions that's been raised is that interest is too high. Are you going to give everybody low-interest loans, or give them low-interest loans up to $100,000 houses or $60,000 houses? I just don't think we can handle it unless we have hours to discuss it.

THE MODERATOR: But if we say where private funds are not available, the State should enter?

MR. POMEROY: Where private funds are available, except for a very few rural areas, private funds are available for a price.

MS. PORTER: They are not available in many, many rural areas.

THE MODERATOR: At any price. Yes.

MR. HARTLE: I agree with your concern there. I just don't think -- I want to be more specific than this, but I want to be less specific than state the interest rate. But I don't know what's going to happen in ten years with interest rates. I think if we say housing loans where otherwise limited and available or where otherwise not available would cover it. If we want to cover all night talking about housing.

MS. SCHIRMER: We're not making the law, we're just

giving some suggestions to the legislature.

MR. POMEROY: Suggesting that broad wouldn't give me anything. Otherwise, where it isn't available, then you got to figure out what interest rate is. If they're making loans available here, because there is money available in agricultural at 13 and a half percent, what are you going to do in Bethel. You're going to decide it ought to be seven and a half percent?

THE MODERATOR: Maybe.

MR. HARTLE: I don't know. I'm not an expert. I want to leave it to the experts.

MR. ECKHOLM: We have a recommendation. Housing loans where private housing funds are not available. Is there objection?

MS. SHROYER: Yes. Private housing funds, if they're by the Borough, then they're not private.

MR. ECKHOLM: Where other housing funds.

MS. SCHIRMER: That's better.

MR. ECKHOLM: Other.

DELEGATE: Other than what? Other than the State.

THE MODERATOR: But actually, the Borough money is used to buy mortgages that are private.

MS. SHROYER: Right. There is a bond sale, but other funds.

MR. ECKHOLM: Okay. Make State housing loans available

where other housing funds are not available. Objections?

That's adopted.

MR. POMEROY: But it's adopted just the same. Go ahead.

MR. ECKHOLM: Five. Stay away from big projects and support small businesses.

MR. POMEROY: I don't like that.

MS. PORTER: That's an investment policy direction and unless we're going to give them a list of investment policy directions --

MR. ECKHOLM: It is a broad category and it could tell the legislature a lot about where you're going to put the money. Because they're going to be asked about going into a couple billion dollars of projects.

MR. POMEROY: What Milt Lipton was talking about, these great projects, they can get their money. You're not going to have to worry about it. You're not going to have to finance Gulkana.

MR. ECKHOLM: They might come to the State, because they might figure they can get it cheaper.

MR. NASKE: It depends on the method of financing. Like the Suisitna project. It's going to be tax exempt bonds. But the State is going to sell those.

MR. ECKHOLM: There has been a motion to table this one, to scratch it.

MR. MERDES: Don't vote it, just ignore it.

MR. ECKHOLM: Does anybody want to include it?

MS. SCHIRMER: Kind of. I really do. I think the Suisitna project is a case in point. I would hate to see us say go and take on the Suisitna project and not be able to fund any of the other small hydroelectric things. I think this would be a mistake. I think we've all sat here and we heard a little bit about the Suisitna project in the background and I think a lot of us are kind of feeling that we kind of worried about it unless we know more than we do.

MS. SHROYER: I think that if something like that would also preclude a recommendation we made earlier with oil and gas, that if we want to be a partner in something like the gas pipeline, that recommendation would exempt that kind of investment. I also trust my State government, my legislature to make good investments and good expenditures with our monies. They haven't always, but for the most part, with our public watchdogs or whatever, I think we'd be just fine, I think.

MS. RICHCREEK: If we do anything, I'd say stay away from corporations and support independent businesses.

MR. POMEROY: No.

MS. PORTER: Can I make a suggestion? That we just table it until tomorrow morning, then we have a little bit of time, we can do up a little philosophy on how we'd like to see them invest the money, just on the investment

portfolio.

MR. ECKHOLM: Would you do that for us, until the morning?

Six, use private enterprise rather than developing State programs with the money to compete with private enterprise.

THE MODERATOR: Adam Smith.

MR. ECKHOLM: Does anybody want to include it?

MS. SCHIRMER: Sure.

MS. SHROYER: Yes.

MR. ECKHOLM: Does anybody want to change it?

MR. RODERICH: Read it again.

MR. ECKHOLM: Use private enterprise rather than developing State programs with the money to compete with private enterprise.

MR. MERDES: That's absolutely ambiguous.

MR. POMEROY: We do have several directed like that.

MS. PORTER: I'm all for dumping it.

MR. POMEROY: Table it.

MR. ECKHOLM: Okay. Scratched.

Reinvest in the veterans loan program. Is reinvest the right word?

MR. MERDES: Reinstate.

MR. POMEROY: Seven percent interest, because I'm a veteran.

MS. SIMONDS: So am I.

MR. ECKHOLM: Is there any discussion about that?

MR. HARTLE: Somehow I'd like to at the same time expand other loan programs that are available to nonveterans.

MR. MERDES: They're doing it.

MR. HARTLE: I don't want to fight this, I just want to say that we need at the same time otner programs. Because veterans are a limited group and, you know, I don't want it to be our policy to fund limited groups of the population.

MS. SHROYER: I like the idea of the basic veterans loan program, but I have the problem basically with the young people who are not drafted. I'm not a veteran, I never will be a veteran because I don't want to join. I think, even though it's good to have the loan program especially for our Viet Nam veterans, that there should be an end.

MR. MERDES: That will end when you don't have any more wars and the veterans go away.

MR. ECKHOLM: Good luck.

MR. ECKHOLM: Could we add to that and their surviving spouse?

MR. MERDES: Veterans and their surviving spouse. There could be male surviving spouses.

MR. ECKHOLM: That's right.

MR. ECKHOLM: Is there any further discussion? You can make a motion later on other fund programs.

MR. MORGAN: In regards to the veterans loans, the veterans loans were set up to somehow or another attempt in some small measure to repay the sacrifices of the veterans who fought for their glorious country. Now, to say everyone now should have a loan because they are a human being, I don't see anything wrong in giving a guy a chance to borrow some money for just the reason that he's a veteran.

MR. ECKHOLM: And some of those people sacrificed their prime earning money and made little money.

MS. SHROYER: My point earlier was for those people who joined the Army and have not had to fight, got good GI pensions. I'm serious. These people are not going to be fighting.

MR. ECKHOLM: If you spend six years in the service from age 20 to 26, --

THE MODERATOR: We're getting too much detail here.

MR. ECKHOLM: Is there any further discussion? Is there any objection? It's worded fully reinstate and fund the veteren's program including the surviving spouse.

MR. ECKHOLM: They closed it down. They closed all the offices.

A VOICE: Alaskan Housing Finance Corporation? The Vet State Loan Program. The provisions to accommodate the

veterans has been moved to Alaska housing finance corporation.

MR. ECKHOLM: The corporation no longer has outside funds.

MR. ECKHOLM: Let's move on. If it is existing it won't matter anyway. If it isn't, it will do it.

MR. MERDES: Can I have one word reinstate and retransfer back. He's right. One at a time.

MR. MERDES: He's right.

MR. ECKHOLM: They did transfer it over?

MR. MERDES: Yes. But they did it by words so let's just put that word in.

MS. PORTER: And return to original whatever it was.

MR. MERDES: Right. Just say reinstate. They closed all the offices.

MR. ECKHOLM: Reinstate does that. And fund.

MR. MERDES: I think that will do it.

MR. ECKHOLM: Fully reinstate.

MR. ECKHOLM: Eight, integrated transportation system.

MR. MERDES: What's that mean?

MR. ECKHOLM: That's so vague.

MS. PORTER: We are going to take up transportation, right?

MR. ECKHOLM: This is it. Maybe you want to be thinking about a specific recommendation.

MR. NASKE: I'm the one who proposed that. What I mean by that, really, is we should look at the whole State and think beyond roads to see if maybe in some areas air transportation is the only feasible way, or trails, roads, maybe barges on the big rivers ought to be considered again, maybe railroad. But we should get away from thinking about just, you know, putting roads everywhere. What I mean by integrated is try to adopt the system of transportation suited to the particular locality.

MR. ECKHOLM: Move on. Invest in resource management. We've done that with the university. Is that what we were talking about?

Ten, a rainy-day account for State government. I think what we had there is equaling one year State operating budget.

MS. SIMONDS: Russ Meekins suggested.

MR. MERDES: He'll do it anyway.

MS. SHROYER: I think that the permanent fund is pretty much a rainy-day account.

MS. STRASSBURG: No.

MR. POMEROY: What the hell is a rainy-day account?

THE MODERATOR: In an emergency, in a crisis.

MR. ECKHOLM: Let's take a vote. All those of favor of providing a rainy-day day account equalling one year budget raise their hands.

All those opposed.

We got a split.

MR. ECKHOLM: Let's vote again.

MS. STRASSBURG: People are asking what that rainy-day account was. Russ Meekins said in case of the break in the pipeline, the income from the pipeline were to immediately stop, that pipeline oil money is what is providing some of these services. And those services cannot continue without the income from the pipeline. So we need a 12-month backlog just like you're supposed to have a savings account that would feed you for six months if you're being smart.

What they're talking about in the rainy-day thing where we could use it in case of an emergency, where the permanent fund, we can't touch it.

MR. McGINNIS: Constitutional provision states every appropriation shall lapse at the end of the year into the treasury.

MR. POMEROY: That doesn't impress me a bit. We're going to have $4,000 per capita per year from the pipeline for about the next ten years. And if we haven't saved money and saved a lot more than goes by the constitution into a permanent fund, then God help us. I don't think we need an additional thing.

MR. McGINNIS: The thing is, in case of an emergency, the worst that can happen, you'd have to convene the

legislature. And I've thought of worse things.

MR. ECKHOLM: One final statement, then take another vote.

MR. HARTLE: As a procedural matter with a vote this close, we should table it. It's obviously not the group's recommendation. I voted for it, but I'll change my vote.

MR. ECKHOLM: Scratch it.

Invest in public works, finish.

MS. SIMONDS: We've already done that.

MR. ECKHOLM: All the national energy, ports and harbors.

MR. MERDES: I guarantee you're going to do that.

MR. ECKHOLM: 12: Lump sum liquidation paid for by the State immediately.

MS. STRASSBURG: That is when we owe on leases, et cetera.

MS. PORTER: When is that deadline?

MR. MERDES: Two percent override.

MR. HARTLE: I'm afraid we need an expert on this.

MR. ECKHOLM: I just wanted to add I heard the same thing discussed in another group. They said there were payments already being made.

MR. ECKHOLM: They wanted to speed this up. Does anybody want to vote on it? We don't consider that.

THE MODERATOR: Harold?

MR. POMEROY: Mr. Samuelson was here, he said he had all the back up material.

MR. ECKHOLM: He gave it me to give to Russ.

MR. PARKER: The idea behind speeding it up would be simply to put more money quicker in the corporations during a period of recession. That was the basic thought behind it.

THE MODERATOR: You pump 400 million through the 12 or 13 corporations invited into the economy, is the theory. If we've got this excess, would it not be wise to pump 400 million right in?

MR. POMEROY: No, it wouldn't.

MR. MORGAN: If it's a good business deal.

THE MODERATOR: We owe it.

MR. MORGAN: Some kind of discount or something.

MR. ECKHOLM: The comment I heard today was they were making payments in advance.

THE MODERATOR: Not in advance. I don't think they can do that under the law, but they are making payments.

MR. ECKHOLM: Would anyone like to take a vote on this, or consider it.

A VOICE: Yes.

MR. ECKHOLM: All those in favor, raise your hands, of lump sum liquidation of Alaska Native Fund.

MR. HARTLE: It would benefit the corporations, I believe.

MR. NASKE: And the local economies. For Christ sake --

MS. SHROYER: We're voting.

MR. ECKHOLM: All those in favor raises your hands.

All those opposed?

It passes.

13, improve communications. We dealt with education a little bit. We got Walt Parker telling us, but do we want to deal with it?

MS. PORTER: Yeah. I've got a couple recommendations. Number 1 is regionalization of the telecommunications system. That means uplinks and downlinks. If the system is going to be expanded, then it should be regionalized.

MR. ECKHOLM: You mean uplinks?

MS. PORTER: I mean full regionalization of the telecommunications so that, as an example, Nome, if they had a television station, could broadcast so that the villages surrounding them or whatever local program. Bethel could go into the same thing. Dillingham, et cetera.

My second recommendation is the telecommunications office should set as a first priority the installation of emergency and medical communications system. We've delayed that too many years and it's just a critical need in the rural areas. In fact, the whole thing is touted as a communication system. This is what is needed first.

MR. ECKHOLM: I would like to consider that as a recommendation that you'll draft better and give to me but we'll vote on it as a concept. I didn't write it down. Did you write it down?

MS. PORTER: I'll rewirte it.

MR. HARTLE: I am speaking in total support of the idea. I think that Alaska should have and especially now that we can finally afford it, the best communications system in the world. In many areas of the State we're very lacking in this regard, as I'm sure all of us know. Now we can afford it and it's a high priority.

MS. PORTER: I think you best beware. Can we afford to maintain and it pay the line charges. We can't. The villages don't have the pay the bucks to pay the line charges. They just can't do it. The State had a program in an increasing amount the villages would pick it up every year. We have to tread very carefully with that.

MR. PARKER: Mr. Chairman, that's why I recommended in the paper the concept of the single toll area. Only by spreading the costs across the whole State that you're going to be able to let the villages can afford it. Otherwise, you're right. The charges will be such that, as now, it will take 25 percent of most people's cash bubbling jet to do a reasonable amount of telephoning.

MS. SCHIRMER: I think the idea of a single-zone or

whatever, that he wrote about would do more for connecting the people in the State than almost anything I can think of. Because you sit in the small community and when you are thinking it's got to go through long distance and how much is it going to cost per minute, you don't make as many telephoning calls as you ought to. And talking to people just makes so much difference in how quickly you can get things done and you don't do it when you're at the end of a long distance line.

MR. ECKHOLM: How would you word that as a recommendation? Create a single toll zone for the entire State?

MR. PARKER: Yes. Single toll area.

A VOICE: I'd like to know your objection.

MS. RICHCREEK: My objection is being a small business relatively close, but yet we're paying a long-distance charge. Let's say you lived in Kotzebue. How many construction businesses are out there that have no choice? There's only one way to get an answer to your question whether you're going to bid a job or finding materials or finding something. How many businesses are there out there versus, say, Mat-Su Valley, Valdez, accident those closer areas.

MR. ECKHOLM: We are as Alaska receiving the same -- we receive 50 million dollars a year subsidy from the

Lower 48 for our phone calls. We don't pay the rate that we call 48, the people outside are supporting us.

MS. RICHCREEK: But we're paying more than we would. I heard RCA talking the other night.

MR. ECKHOLM: Walt, is there any other discussion on that?

MR. PARKER: No. The cost of spreading it by eliminating a lot of Alascom's bookkeeping charges and what have you, why, there should be real savings to each individual and the only person who would be suffering would be the person who makes no long distance calls at all. And I doubt that there are very many of those.

MR. ECKHOLM: Recommendations to create a single toll area for the entire State.

MR. POMEROY: How is that?

MR. ECKHOLM: Create a single toll area for the entire State for telephoning communications.

MS. STRASSBURG: Are we saying, Walt, say now it costs 45 cents to call Houston into Anchorage for three minutes. Then it would cost 80 cents to call Anchorage.

MR. PARKER: You're saying no long distance charges. You've got half the population in the State in a single toll area now in Anchorage. You're doing is putting the other 200,000 people into the same toll area, which 400,000 people is a very small toll area. Satellite communications

makes meaningless the concept of the line charges in any case, because they're all going 22,000 up and 22,000 back. So you're just funding -- you're just putting the kind of rate that should have been put in to begin with.

MR. ECKHOLM: Is there objection to the recommendation?

MS. STRASSBURG: No. I think that's great. My telephoning bill will be $55 a month instead of some months it's 150.

MR. ECKHOLM: Without objection, it's adopted.

Higher education and research we've covered.

Vocational and trade education we've covered.

Tax credit for homeowners based on energy use we've covered, I believe, haven't we?

MS. SHROYER: Yes.

MR. ECKHOLM: Direct distribution of funds based on residency, $100 per year from the age of 18 up to a maximum of 50 years.

MS. SIMONDS: I don't remember that one.

THE MODERATOR: I don't remember that one.

MR. ECKHOLM: That was the guy who --

MS. PORTER: That was McCutchen. And he wanted it.

MR. NASKE: Let's vote on that.

MS. SHROYER: I have a question first. What is the longevity bonus plan?

MR. ECKHOLM: You have to be here before statehood and

how much do you get?

MS. SIMONDS: You have to be 65 years of age.

MR. HARTLE: And 25-year resident.

MR. ECKHOLM: All those in favor of this, direct distribution of funds based on residency $100 per year from the age of 18 up to the a maximum of 15 years.

THE MODERATOR: Anyone in favor?

MR. ECKHOLM: All those in favor raise your hand.

18. Don't repeal the State income tax.

MR. NASKE: No objection.

MS. STRASSBURG: I'm totally in favor of don't.

MR. ECKHOLM: Is there anybody who objects to this motion? Adopted.

19. Rehabilitation of the correctional system.

MS. SIMONDS: We covered that in the health and welfare.

MR. ECKHOLM: 20. Money to develop the capitol move.

MS. STRASSBURG: No. Let me make a recommendation and let you look at it.

We recommend that the Capitol Site Planning Commission be reactivated. This was in the initiative. The Capitol Site Planning Commission be reactivated with an appropriation of $100,000 to consider a central co-relocation plan to the Willow site, retaining regional offices in Juneau, Fairbanks and Anchorage. That's what we've been talking about. Evaluate the administrative

savings in travel, per diem, telephoning and communications, which is included in this paper that gives you the information we need. This is not saying that we're going to move it tomorrow. This is saying that it was a part of the initiative that there would be a capitol planning commission and it has been allowed to semi-die. It still has six people, but there is not enough to do anything.

MR. POMEROY: I'd like to add -- discussion before voting?

MR. ECKHOLM: I don't want to open up a great big ball. We have two items here, 20 and 21, monies spent on ways to reduce government and make it more efficient. And I think that the two topics can be combined under the auspices of the capitol site planning commission to evaluate these things.

Now, we're talking about whether the capitol is relocated to anywhere. And I'm sure that everyone is familiar with the present circumstances in Juneau. We are leasing about 37 buildings from a lot of different private sources there. And in fact the Frank initiative does address that a commission should be formed to evaluate the relocation expenditures, and does not even stipulate to the willow site. But I am saying that in Juneau, if another building is constructed in Mendenhall Valley or whatever, this is still relocation and expansion in that area.

MR. ECKHOLM: Can we take a vote on it.

MR. NASKE: It's just a divisive issue and has been voted up and down so many times. I would like to have a ruling.

MR. ECKHOLM: I agree.

MR. ECKHOLM: the thing I would like to add at this point is you've been talking about funding a lot of other things here, including 400 million dollars is due now to the natives, which they're entitled to it, I feel they are entitled to it. I do feel that something as important as our State government through this is next ten years to fund a committee that will evaluate this, and I don't mean the legislature as a political football or the governor with a personal opinion or anyone else here with a personal opinion, rather that a R an independent committee may evaluate a responsible study, $100,000.

MR. NASKE: They've got studies up the kazoo.

MR. ECKHOLM: Let me say this: That if the planning committee evaluates and approves, say, the relocating of the central core of government, this can be implemented either by the State and presented to the voters for a bonding issue, not the billion dollar thing that was turned out. We're not talking about a city of 30,000. But then even the Mat-Su Borough could go ahead and implement this move under their own responsibility at absolutely no cost

to the State. Or are you saying that 30,000 people should be moved from Juneau?

MR. ECKHOLM: Let's call for the question. This discussion has been debated off and on. I think you presented a good case.

MR. ECKHOLM: One more thing.

DELEGATE: No.

MS. SHROYER: Let's vote.

MR. ECKHOLM: The question is to adopt Pearlie's.

MR. ECKHOLM: I do have one more thing to say.

There has been an engineered report, and this is based on a report that was commissioned by the State administration. And in the report it clearly shows that the continuing capitol expanding costs will be much greater in Juneau than they will even with relocation. And I think it's only fair, unless you say we want to close our minds, we don't care how much it costs to keep it there, then you're not interested in financial responsibility.

MR. NASKE: Other parts of the State have a right to live also.

MR. ECKHOLM: The question is to adopt Pearlie's recommendation.

MS. STRASSBURG: The campus site planning commission to be reactivated with an appropriation of $100,000, to consider a central core relocation to the Willow Burough,

retaining other offices in Juneau, Fairbanks and Anchorage, which would not damage these offices. Administrative savings in travel, per diem, telephoning and communications. This is in the realm of you're trying to save money on State government.

MR. ECKHOLM: All of those in favor --

MR. POMEROY: May I make a suggestion to you, a very simple one. Wouldn't it be simple and more direct simply to recommend that the State capitol relocation commission be reestablished and that the legislature, without delay in accordance with the provisions of law with respect to the move of the capitol?

MS. STRASSBURG: Absolutely.

MS. SHROYER: It was never dissolved. It's still there.

MR. POMEROY: Reactivate.

MR. ECKHOLM: The commission cannot act without funds, and without the remaining two or three seats being appointed.

THE MODERATOR: I think what Harold is trying to say rather than the details, the concept is you want to get this thing back on the road.

MS. STRASSBURG: As according to law.

THE MODERATOR: That's what we're talking about.

MR. POMEROY: As provided for, as required by law to

proceed.

MR. ECKHOLM: That is right.

MR. POMEROY: Connection of relocation of capitol, period.

MR. MERDES: Would that provide for the Frank King (phonetic) Provision?

THE MODERATOR: So we're voting on the concept shall we get the capitol site selection reactivated again.

MS. SHROYER: In the rewording is the dollar figure still there?

MR. ECKHOLM: No.

MS. SHROYER: As long as that 100,000 is out.

MR. ECKHOLM: Let's restate it again.

MR. POMEROY: That the capitol State commission be reactivated and the legislature without delay proceed with all of the requirements under the law for the relocation of the capitol.

MR. ECKHOLM: Capitol site planning committee.

THE MODERATOR: Everyone understand the gist of that?

MR. ECKHOLM: All those in favor of the motion raise your hands.

All those opposed.

The motion passes.

21: Monies spent on ways to reduce government and make it more efficient.

MS. STRASSBURG: This is a part of that thing that we were trying to get through.

MR. MORGAN: May I remark on something the lady said regarding giving the natives 400 million dollars.

We're not giving the natives. The idea here was either pay off or not pay off.

MR. ECKHOLM: We already accomplished that.

MR. MORGAN: I know that. I just want to --

MR. ECKHOLM: 22: Tourism. Massive national advertising. I think that's pretty clear.

MS. PORTER: I object to that. I think we've done a lot of massive advertising the last year.

MS. RICHCREEK: Do we want to quit?

MS. SCHIRMER: This thing insinuates what they've done isn't massive.

MS. PORTER: If I may suggest that --

MR. POMEROY: When do we come to the matter of money?

MR. ECKHOLM: Whenever you'd like to. Did you want to say something?

MS. RICHCREEK: I just said that I was the one who put that in and my meaning behind it was continue, not that I had thought it had stopped or anything like that. Just continue the advertising.

MS. PORTER: Maybe we should say continue an aggressive tourist advertising campaign.

MS. SCHIRMER: That's better.

MS. STRASSBURG: Could I have just a little bit here, I presented a paper to Mr. Meekins and in that paper I suggested that we expand our ferry system to the point where maybe we put on one more ferry, maybe put on two ferries. But when the ferry gets to Ketchikan, you have a six-day lay-over with tours because there are no buses there so you can go out and see the City of Ketchikan. If they were in a hurry, they'd fly. So they get to Petersburg and Wrangell.

Since Ketchikan is a unique Alaskan city, those people coming up on the ferries should have four- to eight-hour layovers so they can see those things. And this goes along with your tourism promotion. But otherwise they're never going to see them unless you do something through the marine highway system. You're not going to see these uniquely Alaskan cities by coming up the Alcan.

MR. McGINNIS: I thought those Ketchikaners were clever enough to develop tours companies.

MS. SCHIRMER: They do. But she says making the ferris stay long enough.

MR. NASKE: They can catch the next one.

MS. STRASSBURG: No, they can't, because they have to have a reservation eight months in advance before you can get on in Seattle. You have to have a reservation in

February to get on in August.

MR. POMEROY: I don't think we're capable here of saying cost effective and economically feasible.

MR. ECKHOLM: We have a motion before us on tourism to continue an aggressive national advertising campaign to promote tourism.

Any objection to that? Would you like to make a motion to expand the ferry system?

MS. STRASSBURG: Yes, I would. I don't believe the ferry system was ever intended to be a profit making thing. I think it was intended to be a service to the people of Alaska.

MR. ECKHOLM: Is there any objection to expanding the ferry system to stimulate tourism.

MR. MERDES: For example, having fast food lines and just lowering the quality. It should be expanded and raise the quality of service.

MS. STRASSBURG: Yes.

MR. ECKHOLM: Expanded and upgrade.

MR. MERDES: Upgrade the quality of service.

MR. POMEROY: Here's something we know so little about and how much it's going to cost. I can't see --

MS. STRASSBURG: We can recommend the legislature investigate the possibility of the expansion and upgrading of the system.

MR. ECKHOLM: Is the motion for the legislature to investigate the possibility of expanding and upgrading of the ferry system.

MS. SHROYER: I don't think we need to say tourist and to increase traffic.

MS. SCHIRMER: And maybe in Bristol Bay.

MR. ECKHOLM: The motion is to investigate the expansion and to upgrade the State ferry system. Any objection to that?

MR. POMEROY: Yes.

MR. ECKHOLM: Let's take a vote. All those in favor raise your hand.

All those opposed?

Consider investing more in rural areas than in urban areas.

MS. PORTER: I think that's poorly put.

MR. ECKHOLM: Invest in the timber industry. We've done that in timber.

24, consider investing more in rural areas than in urban areas.

MR. POMEROY: That's too vague and meaningless, drop it.

MS. SHROYER: What was that again, please?

MR. ECKHOLM: Consider investing more in rural areas than in urban areas.

MR. McGINNIS: Drop it.

MS. SHROYER: Drop it.

MS. PORTER: What was that?

MR. ECKHOLM: Sell State lands for housing These are concepts that if you want to rework, the wording is bad.

MS. RICHCREEK: That was mine, too. What it is is land that is -- think a minute. There's no such thing in our area, but land that you can get to, let me put it that way, accessible.

MS. PORTER: I have an amendment to that, that where the State does not own land in an area, as an example, in the Calista region, the State doesn't own any land, so no land is going to be made available to the people who choose to live in that area for housing, that they should negotiate with the natives corporations for maybe an exchange of land. I'm sure Calista would like more land for the valley, it may be they could exchange for liveable, buildable land, not swamps or the sides of mountains.

MR. ECKHOLM: Could I here hear a recommendation?

MS. PORTER: That goes for the entire State.

MR. POMEROY: The State negotiates, and then what?

MS. PORTER: To exchange land.

MR. POMEROY: What do they do with the land?

MS. PORTER: Open it up for home sites just as they're

doing every place else in the State.

MS. SHROYER: How about a recommendation that the State either make available it's own land or negotiate with the natives corporations and the federal government, where applicable, to make housing land available to Alaskan residents.

MR. POMEROY: Holy smoke. We either have land or we don't. And if we don't have land, and if I had a house on the Kenai Peninsula, I buy a piece of land for it. I feel pretty strongly about that. I'll be damned if I --

MS. SHROYER: You can't buy land that's owned by the federal government. They won't sell to you.

MR. POMEROY: I'm talking about tens of thousands of acres of land on the Kenai Peninsula privately owned. Should we turn around and give it to me?

MS. SHROYER: I don't think anybody is saying give it to people.

MS. PORTER: You understand that the State has just had the land lottery and they've offered many, many acres of land all over the State to residents on a lottery basis. No land, however, was opened up in a good portion of western Alaska because the State simply does not have any land there. Is it fair to those Alaskans, some life long Alaskans, who may not get in on the lottery because there is no land in that area?

THE MODERATOR: Let's be careful. We're talking about land for residential. Now, when we're talking about swapping land, people need land where they live, right?

MS. PORTER: Well, in a general area, yes.

THE MODERATOR: Okay. If you --

MS. STRASSBURG: But if it's privately owned by the natives corporation, and they're not federal, can't we get the same thing there by just saying to the natives corporation, gee, I'd like to have five acres here, will you sell it?

MR. POMEROY: That's what they're doing in Cordova and various other places. They're selling land when there's a demand for land in the market.

MR. PARKER: I don't know of any corporation that's reluctant to sell land like you say where there's a market. It hasn't developed yet.

MS. RICHCREEK: Another thing is that our area is facing is University of Alaska. Copper Basin, not just Glennallen.

MR. POMEROY: We face a lot of problems in southeast Alaska where a lot of communities is surrounded by federal land and the State works all the time figuring out where they can get some land to monopolize sites for people to buy.

MS. RICHCREEK: How about adding the University of

Alaska?

MR. POMEROY: What do we trade them?

MS. STRASSBURG: There's a great deal of pressure by the State board of realtors to get the State to let loose of some of their own lands and put them on to public sales. So I think maybe not in the Glennallen area right at this point, but this is a program that is being implemented all the time and the State board of realtors is pushing, believe me, because they want it to get into private hands instead of State owned. So I think basically this is being implemented now.

MR. NASKE: That's my language.

MR. ECKHOLM: All those in favor of the motion raise your hands. All those opposed.

26, another concept that might need to be reworded a little bit. Invest in programs that are cost effective rather than subsidies.

THE MODERATOR: We've been waiting for that one.

MR. MERDES: Other than the amount of the return, or the security, because that will just be tricky. Maybe times you will want to do something, like for example fisheries or tourism, or vet loans.

MS. PORTER: Could we put that on our investment thing and works it over in the morning?

THE MODERATOR: That's like number four. In the oil

and gas.

MR. ECKHOLM: Okay.

THE MODERATOR: That's it.

MS. PORTER: You're still open for areas that you didn't cover.

MR. ECKHOLM: Did you write out the communications? Ms. Sparks asked me to give you hers on transportation, and that is runways for villages, safe under difficult weather conditions, lighted with beacons and means of maintenance.

MR. NASKE: Wouldn't that be covered under the integrated transportation system?

MS. SCHIRMER: What they're saying is they're really urging upgrading of the small airports, with particular attention to making sure that maintenance is available. I think they would like, from what they're saying, to have them be 24-hour airports.

MS. PORTER: Not 24 hour airports, maybe six-hour airports. Right now in the middle of the winter, you take off from one village, it gets out there in ten minutes.

MS. SCHIRMER: You're going to have to bring planes in the dark. Isn't that what you're saying?

MS. PORTER: Dark, poor weather, it's sometimes difficult on find the little runways.

MS. SCHIRMER: I realize this, but -- I don't know.

MR. ECKHOLM: How about something like upgrading of

State trunk airports to make them more fully operational?

MS. SCHIRMER: Not trunk.

MS. PORTER: We really don't have to adopt this because it has to go to the division of airports, go to the legislature, anyway. If you want to go ahead and support it, fine.

MS. SCHIRMER: I think we should support it.

MR. PARKER: I don't think the division of aviation is going to be that strong. I think you should support it.

MR. ECKHOLM: How should I define the airports? Small airports --

MR. PARKER: Rural airports.

MS. RICHCREEK: You mean to support it clear down to the lights itself? Lighting itself?

MS. SCHIRMER: They're trying to say just upgrade there.

MR. POMEROY: This has been too far. We've got a doggone good Division of Airports, it's working all the time with the hundreds of places all over the State to improve. For us to works with this I don't think makes any sense. I've got a homestead on our airport and it's lit and I've got radio communication and I pay for it. Planes don't come in if it's in the dark unless I put a lantern out.

MS. PORTER: I'm sure that people in California said that about Anchorage, when they were first trying to get planes down here, and you're saying what our outsiders said

to us then.

MR. POMEROY: I tell you what, I'm concerned somewhere along the line we're going to find out we ain't got no money.

THE MODERATOR: Let's listen to Walt here, that's his field.

MR. PARKER: Rural airports haven't improved any except since World War II, except for what the Division of Aviation can accommodate with the fat funds. We get 17 million a year in fat funds and most of that gets spent on the nonbonded airports and upgrading those. There's been a couple million a year going out to the airports. But that's the first time we've been able to afford them. I've landed once every five years. Some of them don't change in between. They're dangerous, and it's simply a question of whether you want dangerous airports or not.

MR. MORGAN: I've landed on almost every village in Alaska at one time or another over the past 20 years, and I agree with you they are crude. We're not talking about a luxury, we're talking about a life-endangering situation where a plane can't get in to get a person out who is mortalally wounded.

MR. ECKHOLM: We're also talking economics, too. rural airports, if you can go another 100 feet, you could cut cost of transportation of foodstuffs which is real

expensive, and you can carry out planeloads of fish in Bristol Bay.

MS. PORTER: That's my second recommendation, is that major centers and fishing areas in rural areas should have their runways expanded. This is a great economic need for those areas. You heard about the Bristol Bay fish, two and a half million fish dumped because the runways are not long enough for a plane to get off.

MR. ECKHOLM: We should discuss about whether or not if whoever can last the longest can recommend everything at once. Because we may get to a point where we can render not a group any more.

MR. HARTLE: On these small airports.

MR. ECKHOLM: Recommendation is to upgrade rural airports to make them more fully operational.

MR. HARTLE: I want to speak in support of it. Many places in the State we spend fortunes on roads, and it's transportation, okay?

So, in rural there's a State, there aren't roads to spend the same money. I mean, it's not like we're doing something drastically radical by doing this.

MS. PORTER: Also we heavily subsidize the losing ferry system, which distributes mail to southeastern. There's no subsidy to western Alaska, nor transportation. We're asking for a few safety measures.

B. Conditions, sun lighting, in the form of sunlight, when it's possible. Reflectors and safe runways.

MS. RICHCREEK: I'd like to bring up one point, and that is the safety, such as if there are other airports in a situation similar to Valdez where there would be side mountains, I don't feel we should put in lighting systems there, and I tell you why. The pilot just out in their own and supposedly the State ended up paying for it. But they all know that they can go right into that mountain before they'll ever land. And if we put the lighting system in, the State does it, I would feel that the State is the one that is held responsible in the long run. Maybe you're wrong.

MR. ECKHOLM: The recommendation is upgrading of rural airports.

MR. HARTLE: And safe? That would eliminate situations that you're talking about.

MR. ECKHOLM: And safe. Is there objection to the recommendation? It's adopted.

Rolling along, Rosemary?

MS. PORTER: Under government--

MR. ECKHOLM: Do you want to do something about expanding airports?

MS. PORTER: Okay. I thought I gave you that one.

The legislature support the expansion of Kenai

fishing area rural airports so that large planes can carry a full payload of fish or whatever to market.

MR. POMEROY: Is that a commercial thing or that --

MS. PORTER: All the time. They can't get off. It's a short runway, it's in a bad spot and they cannot get off the round.

MR. POMEROY: Moving them regularly?

MS. PORTER: Oh, yes. Flying night and day.

MR. POMEROY: As a total method?

MS. PORTER: Not total. There are processors there. But fly them out of Bethel and out of Saint Mary's and out of Dillingham.

THE MODERATOR: Don't you think, Rosie, that that's the keystone of almost all transportation in the bush, expanding the airports? When you tie it to fishing, I wonder if you're not defeating the purpose.

MS. PORTER: That's a multi-million dollar industry right there in Bethel and Dillingham.

MR. PARKER: Fishing is kind of a special case now. War is a good analogy, but normally the mind has the equipment to put in its own strip

THE MODERATOR: I was thinking groceries and fuel. I can see all these areas being supplied eventually by an airplane.

MS. PORTER: Fuel of course is barged up. Fuel is a

really bum thing.

THE MODERATOR: I know it is now. I'm talking about ten years.

MS. PORTER: But it is akin to the expansion of the area. Still, cheaper, still eight cents a pound to barge things up and it's 10 cents to fly things in.

THE MODERATOR: Is that a jet, instead of a little one?

MS. PORTER: No. This is a jet.

MR. PARKER: With the regular needs of villagers, you can serve those with short runways with the next breed of Stoll aircraft, they'll be carry 50, 60 passengers, but with the fish you're talking about heavy operations.

MR. MORGAN: Other places where you wait around to sigh if the pilot is going to make it before before you leave. Yen has willows on his landing gear. They're pressing that.

MR. ECKHOLM: Something like expanded Kenai fishing area airports to --

MS. PORTER: Or Kenai trade centers.

MR. NASKE: Or commercial centers. Expanded Kenai trading centers -- Kenai commercial

MS. PORTER: Expand the runways.

MR. ECKHOLM: Can I add a question about this rural airways you're talking about some? Some airports that I can think of that are not exactly -- they are definitely not

urban, but I'm not sure what's being classified as rural.

MS. PORTER: Under 50,000, isn't it? Who said that earlier?

MR. ECKHOLM: The airways is such akin to the transportation all over the State. I do a lot of flying. And I hate to think of some little air strip being excluded because you're just pointing certain areas.

MS. PORTER: We did one for rural.

MR. ECKHOLM: That's what I was questioning. What would you classify as rural? What is the criteria of rural? Not in a populated center?

MS. PORTER: We've got Kenai commercial centers, Bethel, Dillingham, McGrath. And we've got rural like a rural airport.

MR. ECKHOLM: I'm thinking of some areas that are areas that are, say, maybe around the Copper Center area or even in places further out in the Matanuska Valley.

MR. ECKHOLM: That's rural.

MR. ECKHOLM: We have a recommendation to expanded Kenai commercial center airports to provide for more economic transportation systems. Is there any objection to that?

MR. HARTLE: Didn't you leave out in rural areas?

MR. ECKHOLM: There was no mention of rural areas in that.

MR. HARTLE: Won't this just mean Anchorage and Fairbanks?

MS. PORTER: Talking about Kenai commercial centers within rural areas.

MR. ECKHOLM: Okay. Kenai rural.

MS. SCHIRMER: Some people might not --

MR. ECKHOLM: Expanded Kenai rural commercial center airports to provide for more economical transportation systems.

MR. POMEROY: As long as you include Bear Cove in that.

MR. ECKHOLM: Is there opposition to that? Without opposition, that's adopted. Is anyone going to make a motion to adjourn.

MS. PORTER: I've got another one.

On government, I think there was one specifically on local government.

That the legislature delay any attempt to organize the unorganized Borough and studies can be made of the economic and geographic feasibility of that region.

MR. ECKHOLM: I didn't write that.

MS. PORTER: That the legislature delay any attempt to organize --

MR. ECKHOLM: Why don't we just vote on it.

MR. POMEROY: The unorganized Borough there's one unorganized area.

MR. ECKHOLM: In the unorganized Borough.

THE MODERATOR: Read the question back.

MS. PORTER: That the legislature delay any attempt to organize the unorganized Borough until studies can be made of the economic and geographical--

MR. MERDES: Social and cultural effect.

MS. PORTER: -- feasiblibility of that organization. The State doesn't care too much about social and cultural.

MR. MERDES: I'm doing it for your benefit. I think they should take into consideration cultural impact of levying taxes and making buroughs out of the bush. You don't have to put it in.

MR. ECKHOLM: What were your words?

MR. MERDES: If she doesn't want it, fine.

MS. PORTER: Until studies can be made of the economic and geographic feasibility.

What they want to do is they want to make bush Boroughs. Economic and geographic would put buroughs in common social, cultural, economic areas that already have established ties. That wouldn't be as large and unmanageable.

MR. ECKHOLM: The motion is to delay any attempt to organize the unorganized borough until studies are made of the economic and geographic feasiblibility of that organization.

MS. PORTER: You can add social and cultural.

MR. ECKHOLM: Is there any objection to that?

MR. POMEROY: I note that there is just one other feature involved in it. The Borough wall provides that the legislature may activate the unorganized Borough and itself become the --

MR. ECKHOLM: They are the --

MR. POMEROY: Assembly. They are the assembly. It is not organized now. They are doing nothing in it at all.

MR. ECKHOLM: Right. Is there any further discussion of that? That has been adopted.

THE MODERATOR: Any others?

MS. PORTER: Yes. Under law. I'll just make it short.

Expand the magistrate system in rural Alaska.

MR. POMEROY: Do what?

MS. PORTER: Expand the magistrate system in rural Alaska.

MR. MERDES: You mean appoint more magistrates? Don't you want to upgrade the quality of the magistrates? Some of them are horrible.

MS. PORTER: And improve.

MR. ECKHOLM: Expanded and improve the magistrate system in rural Alaska.

MR. MERDES: Improve, upgrade the quality. Improve

MR. ECKHOLM: We already said expanded.

MR. ECKHOLM: Is there objection?

MR. POMEROY: What else you got? I got one.

MR. PARKER: I'm not sure that --

MR. ECKHOLM: Pardon me?

THE MODERATOR: Come on, now. It's 11:30. Going on 12:00.

MR. POMEROY: What else you got? Anything?

MS. RICHCREEK: I have one. Bring the highways and roads up to decent standards.

MS. STRASSBURG: Isn't this taken care of in our improved network transportation throughout the State.

MS. RICHCREEK: It was passed by a moment ago.

MR. ECKHOLM: That was eliminated because it was too vague. So what is the recommendation? Ma'am?

MS. RICHCREEK: Bring the highways up to a decent standard.

MR. POMEROY: Do you mean provide better maintenance and upgrading existing highways system?

MR. RICHCREEK: Upgrade the present highways.

MS. PORTER: Couldn't we make just one good energy statement?

THE MODERATOR: We've got some in oil and gas.

MS. PORTER: We've got some in oil and gas.

MR. ECKHOLM: The motion is to upgrade the present highway system. Was there any objection to that?

MR. HARTLE: What was that again?

MR. ECKHOLM: To upgrade the present highway system.

MR. POMEROY: Improve means that its upgrading. You're always doing both with those things.

Before everybody goes home --

MS. RICHCREEK: I got another one.

THE MODERATOR: I'm ready to go home. Highways?

MR. McGINNIS: I would like to say, Mr. Chairman, that we appreciate our appreciation to chairman and our facilitator and--

MR. MERDES: And somebody more important to that in addition.

MR. POMEROY: Before you go home, does anybody care at all the rate at which we're increasing State spending annually? Is there any concern about whether we cut the rate at which we're increasing?

THE MODERATOR: We'll know on Tuesday.

MR. POMEROY: That's exactly what I'm afraid of.

(The proceedings adjourned at 11:30 P.M.)

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SCOMM

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

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Anchorage, Alaska

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CSR #2147

EPSILON GROUP PROCEEDINGS

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

THE MODERATOR: Ladies and gentlemen, I think we're about ready to begin Epsilon Group. My name is Dick Maddox. I'll be your facilitator for the meetings the next few days. I'm on Senator Hohman's staff, and as I see it, my function will be to assist you in any way I can with whatever expertise I have at my disposal. I have assisting me three of our legislative interns who are far more knowledgeable than I going through a crash course in how to be an administrative assistant. They're all just graduating at this point.

Where is Amy, Amy Adams? It looks like I've been deserted again. In any event, they'll be here to assist you, your concerns, in particular, for example, in your book of white papers if you're dealing with that problem, our interns are available to track down the appropriate person of the author of that article or another expert witness and literally subpoena them, to bring them here to amplify it or to argue with you with why they took that particular tack with regard to that issue.

Now, this is not going to be an easy process. This is a working conference, although tonight will be our

one big break listening to Buck Fuller. But this is a working conference. All of us are charged with two responsibilities. The primary responsibility is to determine what sort of Alaska we want, the goals of Alaska need to be known. Until we know where we want to be ten years from now it's virtually impossible to order our priorities. You have to know where you're going to get to before you plot your course on the map. That's our overall goal. Our second goal of equal importance is to come up with solid recommendations for legislative action during the coming session, and those recommendations should deal with five primary subjects. This, of course, is light of the unanticipated revenues that our speakers talked about this morning. Three and a half billion dollars this year and probably over the course of the next ten years somewhere in excess of 30 bill Monday dollars in unanticipated revenues will be at the disposal of the State Legislature. How they spend it is largely going to be determined by your consensus here. We have the financing of Alaska to consider. The permanent fund is the key issue. What do you want to do with it? We need an oil and gas policy, a very solid oil and gas policy. We need to develop our transportation system, our educational system is in need of revamping. That's four. And our primary renewable natural resource, our fisheries needs to be

addressed. Primarily the bottom fish industry.

There are a couple of countries in the world, Iceland and Fairwell Islands, for example, who have a single item. Fisheries, fisheries are all important to those two places as they are going to be all important to us. The judicious harvesting of bottom fish can make Alaska anatomically autonomous. Our oil is going to run out some day, we all know that. One thing we do have going for us in the energy field is the fisheries. We have the richest fisheries in the world. What we do with those five things, financing, i.e. the permanent fund, oil and gas policy, the development of our bottom fish industry, transportation and education are your five primarily responsibilities, solid recommendations in that area.

However, this morning, to start out our meeting, I think the best place to start and all the groups will be starting at the same point is to develop a philosophy; that is, the subject of the first section of the book you were given, Alternative Futures for Alaska, and simply because they're in the book doesn't mean those are the only alternative futures. Those are the things we're going to have to develop.

In a short while, a questionnaire will be distributed to each of the groups, and that's going to take up a good part of our time. In the interim, while we're

waiting for the questionnaires to arrive we can probably kick off with a discussion of what we see as alternative futures for Alaska.

To start it off, I'd like to give you a quote from Alpha Group in 1969. This is one that appeals to me greatly and I think that might give you the inspA.iration to parallel their reference.

MS. WOkL: Before we start off, maybe the members of the panel --

THE MODERATOR: Yes, I'm going to read this one quote and ask you to introduce yourself. This is the summary from Alpha Group the Brookings Conference.

"Alpha Group invisions a future for Alaska as: One which maintains, as we have agreed on, a harmony between natural environment, with strict controls on pollution and environmental degradation...

"One on emphasis is on living, not just making a living...

"One which places technology and the material development in the service of man, not vice versa...

"One where ethnic, racial and cultural diversity is a proud and cherished accomplishment....where discrimination has been eliminated and minimized and where the individual or minimized and where all men are truly brothers...where the individual is freed from the terrible

psychic burden of feeling "superior" to his fellow man for reasons of race, creed, wealth or position...

"One where good health is assumed as a right and men are not expected to compete to achieve it...

One where the arts, the contemplative life and our cultural pursuits receive equal attention with material activity...

"One where the political process achieves a deserved respect through participation of an alert, active citizenry."

That's one that Alpha Group envisioned in 1969, and I think we're coming down the home stretch to achieve those goals.

Now, if I could ask you to identify yourself by name and place as we go around the room starting with Jeff.

MR. STEPHEN: My name is Jeffrey Stephen, Manager of United Marketing Fishermen's Association in Kodiak, and we're primarily involved with the fishing industry, and as equally involved with community development in the City and Bureau of Kodiak.

MR. CHITWOOD: Jeannie Chitwood, Alaska Municipal League.

MR. MONTAGUE: Richard Montague, Director of the Alaska State Division of Tourism.

MR. WOODS: Just a fisherman of Bristol Bay.

MR. HERMANN: Gerald Herman, fisherman, Bristol Bay.

MS. WILKE: Jennifer Wilke, Department of Education in Juneau.

MR. WHITE: George White, Superintendent of the Northwest Arctic School District.

MS. STOKES: Wilma Stokes, Adult Basic Education teacher.

MS. WIESE: Marian Wiese, business owner and housewife.

MS. EASLEY: Paula Easley, I'm Executive Director for Resource Development Council, a statewide citizens group in orderly development of Alaskan resources.

MS. CONVERSE: Maria Converse, A good teacher in Anchorage.

MS. SANDE: Jeanne Sande. I'm a housewife and part-time writer and I'm Chairman of the State Land Disposal Study for the League of Women Voters and I'm from Ketchican. I'm State to know I'm a businessman in Alaska and vice president of our corporation. And I sit on the Unitis advertise Board for the Development of Fisheries for bottom fish.

MS. TROLL: I'm Kate Troll, I work for the Alaskan Division of Parks and I've also just started my own business in trees transportation.

MR. TIPELMAN: Dennis Tieplman, President of Maunel,uk

Association, a non-profit corporation.

MR. WELTZIN: My name is Jeff Weltzin. I'm an instruct technician in Fairbanks.

MR. SWAIN: Michael Swain from Bristol Bay Borough Assembly.

MR. URCHITEL: I'm Bob Urchitel, I've got a construction company here in Anchorage and I'm Chairman of the Board of Multi-Divisions, Communications, Cable TV and I'm also Chairman of the World's Fair here that we're talking about called Alaska 1984.

MR. GARVIN: John Garvin, Director of Alaska Children's Services, private residential child care and President of the Alaska Association of Homes for Children, Anchorage.

MS. YAMASHIRO: I'm Jane Yamashiro, Research Associate Institute for Social and Economic Research.

MS. WROL: Rosita Wrol, Commission on University of Alaska, Anchorage and also AEDIC.

MS. STACHELRODT: I'm Mary Stachelrodt. Owner of Sunworks, I'm from Bethel but recently moved to Palmer.

THE MODERATOR: Ladies and gentlemen, I suggest that we have a very fine representative sample of Alaska's population around this table in terms of occupation and place of residence and I call my home Bethel, too.

Now, two things I'd like you to do. As you speak,

please ask the chair to be recognized and introduce yourself again by name so we all become familiar with one another.

I'm going to turn over the chair to two people to moderate this session.

This is an arbitrary choice on my part simply because I know something of the two people personally and feel that they can handle the job. One for the morning and one for the afternoon.

If you find that noses are getting bloody and we're coming down to a hard case, feel free to elect new moderators. I'm going to suggest that Bob Tiepelman share that responsibility.

Is that all right with you, both of you?

MR. TIEPELMAN: Sure.

THE MODERATOR: With that, I'll turn the chair over to you and you can start sailing on alternative futures.

One other thing. I would like to introduce the three legislative people who are assisting us, Crystal, Amy and Lali.

MR. UCHITEL: Well, first of all, can I see a show of hands of the people that read the first section that we just talked about. Has anyone read it entirely? I did. Anybody else?

MR. STEPHEN: Partially.

MR. UCHITEL: I'm sorry. I'm speaking of this book and I'm just -- can I see a show of hands so I can get a feel for it?

Well, I guess I won't go into it too much because I just read it yesterday on the plane and everybody here hadn't seen it. The thing that I got out of it the most is that we have a lot of very talented people here in Alaska. We have a lot of people here that have a lot of good ideas. I think sometimes we all have a tendency to sit on the sidelines and wonder where the good ideas are going to come from much less than how we're going to implement them.

In the observations that I've seen in the recent months we have some talented people, some people that care. We don't have to go too far to find the questions and the answers. It's a matter as I see it of implementing them. And this is the purpose of this conference. I think it's a shame personally that in 1969 when the Brookings Conference was, had taken place that I had never heard about it until we talked about this one. The PR hadn't gotten out. They may have gotten 75 percent of their things done but they did it very quietly, and I think to a certain extent I personally would like to see a little bit more, a bit more of what we do know in general and it's not implemented every ten years and apply a fashion, but the people throughout the State are much more involved in what we do,

and so what I was going to start off is by saying that in terms of the goals that we perceive our State needing for the future, I'd like to ask notwithstanding all the good things we've heard about, does anyone have a comment before what we haven't accomplished yet and where you feel we're quite weak and where we might want to look to first in terms of a goal that either we haven't thought about or haven't been able to implement as yet? Does anyone have an idea with regard to that? I'll bring one up.

MR. WELTZIN: My name is Jeff Weltzin. I think what will happen with .5 billion, the centralization, this isn't making progress in Alaska and the wealth that is concentrated in Juneau and the State government will have a tendency to make people less aware or responsible for their own environment and their own decision making process, and my biggest fear is the alienation of the average person towards his own responsibility for the State of Alaska.

MR. UCHITEL: What you're saying is what's been left in the sidelines is the individual, the spirit of the person here.

MS. YAMASHIRO: I'm Jane Yamashiro. One of my concerns is when we look at the recommendations for the future, that we're really facing at this time the situation that many developing countries are going through, and we need to look at what is happening to our human resources,

the fact that violence is so high, we're hit with all the top numbers in areas of help, and I think we need to consider the safety of the people as well as some of the other resources.

MR. TIEPELMAN: I'm Dennis Tiepelman. Some of the statements made of these two people so far, I'd like to give a different perspective of what may be a better attitude of why those things might occur. One is the centralization of the State government. I think we're talking about money and we're talking about a geographical area in Alaska that in some way is going to preclude that from happening in these workshop groups. For instance, the centralization of the government can be precluded from occurring and be a negative factor if we look at the possibilities of those geographical areas in the State of Alaska as being vital and determining some of their own affairs as far as how the money can be better spent, and I think the other thing, too, is they all have their unique individual needs and they represent geographical areas because they do have certain ways of doing it themselves so that we don't have to be too overly concerned about whether or not this money will decrease individual responsibility because I think the statement of the conference ten years ago delivered the concept of revenue sharing, and that's still a viable way of doing it. However the decision of

how revenue gets spent once it reaches the areas, I think these workshops will give the legislature an idea of what different ways it is important and there will be priorities only after the groups have gotten together, and there's not going to be a consensus until that report to the full body is made.

The other thing, too, is I disagree this morning with Merdes and the groups at the podium for my personal reasons that I don't think you can unify all of Alaska and say that we're going to meet here as one body, one group, and one mind. All of us represent provisional and territorial areas that have our own interests and because we have certain interests and how we wish to express to make those interests work for us, then, it's at the end of the conference where we can note a movement of unity and how it may come about.

MR. UCHITEL: With regard to that unity, I think we have to establish and I'll play the devil's advocate here. There are economies of scale on these things. If somebody would like to talk about besides the individual is lost and we know that, and putting that aside for the moment, are there other things that are lost by centralization?

MS. SANDE: It seems to me after reading the book and listening this morning, the people talking to me, it seems to me Alaska faces a loft of divisions. Fear of government

seems to be an almost overriding thing in my area. Native versus white is one of the issues that we face in the future. The whole idea of the economic differences in these areas, transportation differences, it seems to me that communication has got to be the key and maybe we have to through education, through communication, somehow we have to understand what the other guy's problem is so we can even discuss on equal terms.

MR. UCHITEL: My question is what's really wrong with centralization? You talked about how we might implement it but why is it bad? Because if we're going to come out of this meeting this morning or make a statement, we've got to get on with it and no more questioning about it. So I think it's important that we address the problem of centralization.

THE MODERATOR: I'd like at this point to introduce the questionnaire. I think it will be helpful to solidify your thinking and it will take about twenty minutes to go through this and the questions are designed to elicit two things. A profile of you as a cross-section of Alaska and to elicit clearer thinking on your part as you address these issues. So if I can now ask you to do that, I'd like to read the instructions. Is that all right with you, Mr. Moderator?

MR. UCHITEL: I guess so. I would say this: Since

people are starting to talk, maybe if we can hang onto that just a second, people are saying something now, and I don't want to lose that.

MS. WORL: First of all, I have two things I'd like to talk about. One is in terms of organization of our panel here, and my feeling is that we should have at least loose ground rules, and I think that the Moderator, might best act as a moderator and if the Moderator would want to participate as a participant, there should be some mechanization for that participation. But the thing I'd like to talk about and we've heard some references to it this morning. We always hear about cultural plagiarism or the necessity of protecting the rights to have cultural differences of those societies.

We speak of them in high ideals. However, we never do anything structurally to allow for the protection and the survival of the different cultural groups that we have, and I think we need to address ourselves in terms of how do we go about developing government to protect the cultural diversity, the cultural groups that are in Alaska, and I think the most immediate thing we have to face is the matter of representation. We see in Alaska we're going to be going through reapportionment and we see that in Alaska representation is going to be coming from a very specific locale, and I think if we're going to talk about survival

of cultures and groups and individuality in this State, then, I think we need to look at the mechanisms that allow for a broader, greater participation of all people in Alaska in our government. I'm speaking specifically right now of Legislature. I think we need to address the problem of reapportionment and how that's going to affect our participation in our government.

MS. STRINGER: Sandra Stringer from Fairbanks. I think centralism is going to be the main topic here. It's something that concerns me greatly. I think government is more and more centralized. We're having problems with maintaining the cultures in various areas, but what concerns me in Fairbanks at this particular time and having lived here for the last 17 years is an increasing economic centralization. It seems to me one of the things we ought to discuss is to make arrangements with the State outside the greater Anchorage area adequately viable.

MR. UCHITEL: Now why don't we go ahead?

THE MODERATOR: These are the instructions for the questionnaire. I'll just read it verbatim. "A questionnaire has been prepared for each delegate to self-administer now. It will take about 20 minutes for you to fill it out. After completing the questionnaires, the data will be tabulated and we will report back to you tomorrow on the results.

"The questions were drawn from the ideas, conclusions or proposals put forward by the three-dozen papers prepared for this conference. If you have not read all the papers, you may find it difficult to understand, or answer, some of the questions. If that's the case, please leave the question blank and go on to the next question.

"From time to time, the name of the writer from whom the question was drawn is also mentioned, for your reference.

"Please circle the appropriate numbers for each question, as you proceed through the questionnaire. In ranging questions, 1 is always the lowest rank, and 5 or 10 is usually the highest ranking.

"The responses to question 25 should be one, cooperative, or two, develop an independent plan.

"In question 72, we mean intercommunity roads, that is roads between Alaska communities; in question 74 we mean intracommunity roads, that is roads inside the community.

"Some questions ask for an open, volunteered remark, but feel free to write in anything you want on any question. Please make a clear mark on the questionnaire so we can code and process them simply and rapidly," and then we'll collect them up and take them to our data processing center.

MR. HERMANN: Of these questions that you have, it seems if we went through them, people have them ready one to ten. I can start sitting down and putting numbers down, but I don't know how you think or she thinks. I think if we went through them as a group. We're asking for an individual response, and what we're going to do in the data processing center is put together a picture of how the body seems to feel as a group. They will be ranked in that order.

MR. HERMANN: It seems that we always do this, and when we make a statement to sit here and talk and we send them to Portland, but the thing that goes in precedes that and not every time is what the group feels in the discussion, it's what's going to be put down in here.

THE MODERATOR: No, if there is a minority position that is going to be spelled out, too, very clearly. You'll see later on we prepared recommendation forms both for the minority fee and majority position, and I assure you that this conference will go the long way around to make sure that everyone's attitude is carefully represented.

MR. WOODS: My question is this essentially tests our attitude going into conference?

THE MODERATOR: That's correct.

MR. WOODS: What tests our attitude going out of it?

THE MODERATOR: We may devise one during the course of

this conference. That's a distinct possibility. Let me pass these out, take a few minutes to look them over and get going on them.

I think you'll find it useful.

MR. HERMANN: I hope so.

MR. WOODS: Do you want names on this thing?

THE MODERATOR: No, completely anonymous, please.

MR. UCHITEL: You said these are anonymous?

THE MODERATOR: They're completely anonymous, please.

(A short recess was taken for the purpose of filling out the questionnaire, and the following proceedings were had:)

MR. UCHITEL: Excuse me. May I interrupt this so that we can get on with it. Apparently at twelve o'clock we break for something.

THE MODERATOR: For lunch.

MR. UCHITEL: And we come back at one. So perhaps some of you that aren't finished, perhaps you can finish it at lunchtime --

THE MODERATOR: No, I'll need them now.

(Noon recess.)

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Afternoon Session

MR. MADDOX: Let me make some introductory remarks so we can get going. Before we broke for lunch, one that was not passed out was a proposed agenda as far as how Alpha and Epsilon Groups will get to the subjects. What we have proposed this afternoon is that the Epsilon Group deal with the issue of resources, and that beginning tomorrow at nine a.m., our group will discuss the issues of direct services, and one p.m. tomorrow afternoon, Epsilon will deal with the issue of finances. What we have placed on the board is, in the absence of this agenda, we're trying to figure out the schedule of activities that will work, so right behind me we have roughly 14 hours of discussion time to deal with the whole issues, and we tentatively made some subgroupings of where those discussions could possibly go, and then we kind of stopped that any further what's exhibited there. So that's kind of a reminder of the different issues that we can get into, and there was heated discussion as far as whether or not that should be appropriate or whether that was too broad or some important aspects left out. I think both sides of the issue merit some sort of concession, and if anybody gets the idea that a conference like this does not have its falacy, one thing is we're just going to run out of time if every aspect gets discussed to the point

that we think is long enough or appropriate to feel comfortable with.

The other chart that we have with the big question mark, the yellow pad, is the discussion areas as they are proposed in the yellow hard out book that you have. Item I was the alternative futures and then Roman Numeral II, III, and IV, resources is item IV listed there, and within the discussion of resources, we have those broad areas, and I don't think they're necessarily limited to that area, but it serves as a starting point for some discussion to determine what direction we think this group is heading. And some other groups throughout the next couple of days will also begin with those issues and I think the general report might indicate what happens from there on out. I'm not familiar if there are any other things to be made. Do we have any more remarks or instructions to this group?

MR. MADDOX: No, you're doing fine. Thank you. My role here is to interfere as little as possible unless you come to loggerheads over something or the information.

THE MODERATOR: The Group's discussion, then, on resources, just in the order of priority, we have oil and gas policy. I think how the discussion goes and in what areas should be discussed, does anybody want to make beginning comments at this time on their feelings? I think

some, Kosita Worl, what we need to know is whether there's a general pattern towards how the rest of the conference will go based on how we feel comfortable right now. Why don't you make your remarks.

MS. WORL: Mr. Chairperson, we are going to begin our discussion on oil and gas, I assume? Was that your decision? .

THE MODERATOR: It's not my decision. If there is no objection, we might go with what we have listed of the order of things that have to be discussed, what we're given as the areas of issues that we feel comfortable in discussing.

MS. WORL: Mr. Chairperson, before we get into a discussion of the topics, I would like to for a few moments discuss the questionnaire that we just took, and I understand we're going to be taking it again.

It is my feeling that the questionnaire should be used solely for the purposes of discussion, but not to reflect the position of any individual or as the material is interpreted as the position of the group. I have serious difficulties with the questionnaire, and I think that rather than getting into a whole lot of discussion about the questionnaire itself, I would just like to either make that recommendation or make that note that it be used solely for purposes of discussion, but not to reflect the

position of individuals or interpreted as a group decision.

MR. MADDOX: Mr. Tiepelman, may I speak to that?

MR. TIEPELMAN: Yes.

MR. MADDOX: It was never our intention to allow the questionnaire to be reflective of the Group's issues. This was strictly for in-house analysis of where the delegates were coming from, where they were when they arrived. Our final product will be your recommendations, and that's the only group concensus that we're looking for, your final recommendations on the issues that you're going to deal with. The questionnaire will have no bearing whatsoever and it was never intended that way.

MS. WORL: Mr. Chairman, I'm really being a researcher myself in knowing how questionnaires are used. I want to make that as part of the record that it not be used as a reflection of anyone's position.

THE MODERATOR: Those will be noted as part of the transcripts that will be available. Frank?

MR. WOODS: I feel the same way she does.

THE MODERATOR: Let me ask this question: Is there any way that this group is going to have, say, an indication of any portions of the questionnaire as far as how the attitudes are reflected without say --

MR. MADISON: You'll get a report tomorrow, and it's being analyzed right now.

MR. WOODS: Let me comment on your list here. A reason of mine is that during the oil and gas, I don't think that's really the thing we're looking at. We're looking at renewable land, timber, fisheries, and game and agriculture. It seems to me the only discussion we want to talk about is oil and gas. I think oil and gas is secondary. I notice on that list, you've got oil and gas, and on this list we've got oil and gas.

THE MODERATOR: The way it's listed, I took it off the order of agenda, and that's why I didn't put any numbers as far as priorities.

MR. WOODS: You mentioned the priorities, the first one is oil and gas. Myself personally, I'm prejudiced. I'm a fisherman. I don't think of it as a priority.

THE MODERATOR: Any members want to respond on resources?

MR. WELTZIN: I would say that it's not important to me, but it has far reaching implications on the State as a whole and the one issue concerning the oil and gas issue is the rate that we use and exploit these resources, and I'll start out with the statement that I think the state of Alaska should take a slow pace towards oil and gas and exploration in the future because of the 3.5 billion dollars sitting around right now, and we should really preserve some of these for use in the future.

MR. McCUTCHEON: I'll add to that. We have to go slow because the oil and ground report is going to be produced.

MR. MADDOX: Would you identify yourself, please.

MR. McCUTCHEON: Jerry McCutcheon.

MS. TROLL: One thought I've had about oil and gas in regard to the taxation is I would like to see some of that tax going directly into alternative energy programs and kind of like a transition tax used in renewable resources. It's not a renewable with resource, it helps carry us over to the renewable state. So it would be some kind of a transition tax that would go directly into ongoing projects, energy out in the bush and put it in the programs here in Alaska.

MR. WOODS: Would that include such things as small hydro projects in the southeast?

MS. TROLL: Yes, because I think the insight I've gotten into in the alternative energy program, there's a lot of effort that's being generated, and when one generation gets small hydro projects or something like the Alaskan Resources Project, to put that money into alternative projects.

MR. McCUTCHEON: A lot has happened to Alaska from the renewable corporation which is a non-profit corporation probably a decade or so. At some juncture, it will produce energy which is cheaper. We're discussing the Susitna

Project and the Alaskan Renewable Resources Corporation and the Alaskan Renewable Resources Corporation as I understand it has to be a profit making venture and something like the Susitna Project is going to produce low cost power, and it may be a decade or so before it will be able to pay its own way, but at some point it will present a ceiling as to what the power costs will cost us in the rail belt area, and at that juncture it will then turn a profit and so on for the next 500 years.

THE MODERATOR: This is Dennis Tiepelman speaking again.

Let me give you a scenario and see whether or not there's opinions you can react to and this involves not only the resources category but it gets into the specifics of probably the implication of oil and gas policy as well as fisheries, and this happens to be in the area of say coastal zone management. We're talking about fisheries competing with the need for further oil exploration to be developed on the offshore basis, and what's happening right now in this State is the pending Beauforth oil lease sales that are to be next week, and at the same time, there is the lawsuits filed to prevent that from occurring. So that both sides of the issues can be argued, and on the one hand, you have the people in those various communities expressing the need that certain kinds of life-style and resources

such as the whales and the coastal areas need to be looked at a little closer. And on the other hand we have the energy crises of the oil companies and other people needing to address that situation.

In the area of competing resources, what opinions from the various group discussions here can we state to try to see whether or not here's a better understanding of how that's going to affect the long range Future Frontiers' concept of looking at it with also the thought in mind that in some ways financing or legislative action has got to address that whole area.

Does anybody wish to respond? Rosita.

MS. WORL: Rosita Worl. I would like to throw out a recommendation that come from this body and also throw it out for discussion.

I recommend that no state oil and gas leases be let until the coastal zone management plan for each region has been enacted, and I'd like to just discuss that for a few moments, if I may.

THE MODERATOR: This is Dennis Tiepelman. As a further clarification of that recommendation, can you state the basis of why that recommendation would be made for clarification of other people that might want to know the issue. For instance the CZM law versus OCS strategies.

MS. WORL: I don't understand all of the legal

implications of it all, but I'll share with you what I know or what someone else knows about it.

As I understand it, there is a federal law that is called the Coastal Zone Management, CZM, and under that law, communities, and that's undefined, are allowed to develop or allowed to develop a Coastal Zone Management plan. And under that plan, they develop an inventory of their resources both in terms of its natural resources such as fisheries or in some areas, subsistence resource areas.

Anyway, the local community defines what is important to them and how do they want to plan for oil and gas development.

So the communities meet, they discuss, they formulate plans that protects their interests as a community. And then some may act formal, if they're organized as a bureau government, they formalize a plan or ordinance plan that's adopted by their local government, their bureau government. That plan goes to -- I'm not sure an order, a coastal zone council which is a statewide council. That council reviews the local plan and has the opportunity to respond or change, amend, and I'm not too sure of the order. It may go back to the community. There is further negotiations. Then it also goes to the legislature. The legislature also reviews the plan.

Well, the purpose behind this plan is to develop

local participation, local input, and local decision making however that, you know, there are two levels that it must go through. I think it's a federal law that's already been enacted.

Here in Alaska, we pit ourselves between national interests, state interests, and local interests, and I think all of us who are from Alaska know that we are tired of being ruled from a government that's somewhere farther away from us.

So the concept of local government, local management is basic and an inherant part of this Coastal Zone Management. And like our Fairbanks delegate said, oil and gas is here and if we're going to have develop -- we are going to have development, there is absolutely no doubt about that,, but at least what we can insure is that we protect our interests at the local level, we insure ordinary development, and we insure some protection for Alaskans.

And so my position is that all communities, local communities should have that option. That plan should be in force before oil and gas development occurs in that local area.

THE MODERATOR: Does anybody wish to express an opinion about clarifying that further or give another viewpoint that is not the same as what Rosita has expressed

at this time?

MR. McCUTCHEON: Almost look at the report. I'll second it if it's a motion.

MR. MADDOX: Mr. Chairman, with regard to the oil and gas issue policy, I would like to call your attention to who is here. It's people simply with respect to oil and gas policy, but he is here and available to address you.

THE MODERATOR: Would you like to make some introductory remarks based on the discussion?

MR. LIPTON: No, I don't feel impelled to interject personal opinions or responses, but I'd be delighted to answer any questions that you would like to --.

THE MODERATOR: As we go along, then, I think we can expect you to be a resource person that can share some perspectives.

MR. LIPTON: If I can, I will.

MS. TROLL: I have worked as a consultant in the development of a few coastal management plans. So while I really support the notion that was presented down there, there are some general problems that I will share with you and that is the whole notion of what does consistency mean? That is kind of like the carrot which local planning initiatives get started, because there's a consistency clause that said federal and state agents or management actions must therefore be consistent with the local coastal

management plan.

Well, I did a little bit of reseach in trying to find out what does that consistency mean, and there's a couple of loopholes about national security and the nation's best economic interest and there's a couple of special stipulations that regulate to oil and gas leases. So the real question is consistency and what it means for top and local government is yet to be determined, and I think we're going to see what happens in this rural case right now. So the question of being able to enforce an act to direct oil and gas policies has yet to be resolved. It is going to be resolved in the courts.

MR. GARVIN: John Garvin. I would like to ask Mr. Lipton to respond to what might be the implications of this resolution that's before us.

MR. LIPSON: Let me just say that the resolution that I just heard, the proposal that was laid before the group bears upon one of many aspects of what is essentially the potential conflict of interest, this being resource development and other values the state might have whether it's coastal zone, whether it's environmental protection, whether it's balancing the need elsewhere in the United States with a maximum contribution of oil and gas from Alaska versus Alaska's own interest perhaps in delaying it. All of these things from different aspects represent

conflicting interests, and it seems to me that the basic problem that you're struggling with here now in choosing the values and the directions of policy for Alaska over the next ten years is on what basis you make this selection between conflicting interests. You will always be faced with the problem do we want to threaten our environment or do we want to produce oil and gas for export? Do we want to produce oil and gas for consumption at lower costs or if that be the case -- (Inaudible). I suspect that the major problem you have in looking at Future Frontiers is not so much the specific judgment. Do you hold up all state leasing until every area of the state has enacted its own Coastal Zone Management programs and accepted it at every level, but how does the state go about balancing these conflictions? And this is a run through of aspects of leasing policy, of tax policy, how much money to spend or can you wait until later on?

So it's difficult to respond to the complications of this one thing, this one aspect of what will be the continuing, and the choices you will make over the next ten years will have a broader range than you've ever had before. When the resources are going up, you have wide choices you can make. So I can't answer that specifically. All I can say is is that this problem doesn't stand in isolation. It's part and parcel of the continuing resolution that the

state of Alaska will have to make between the alternative interests which are in conflict, one with the other.

MR. McCUTCHEON: McCutcheon. I didn't understand the lady at the end of the table to say that all oil and gas leasing was to be held up until all the coastal management plans were in. I understood her to say that where the leasing was to take place offshore; that the coastal management plan would be in place. Am I correct?

MS. WORL: Yes.

MR. McCUTCHEON: And that's substantially different.

Two, somehow it's been presented that the national policy that's in the best interest of this country to produce all the oil and gas that we can at this time, and I most whole heartedly disagree with it. Since we are at the end of the oil and gas era of the United States, I would suggest that maybe we ought to hang on. It's like saying we will need oil and gas today but not tomorrow and that's not so true. Well need oil and gas just as much tomorrow that somebody has to say to the federal government that hey, you better think about tomorrow, not just today.

THE MODERATOR: By way of additional information, two weeks ago, there was a work shop held in Anchorage by members that are involved with Coastal Zone Management as it applies to Alaska and the OCS leasing schedule that addresses the exploration of oil development in those areas

of the coast and there was also representatives from those rural areas that are immediately impacted or soon to be impacted, and there was a discussion of the issue of Coastal Zone Management and outer-continental shelf leasing schedules where the issue really came down to the idea that we won't know for sure where a consistency lies until it's been tried in the courts because the interpretation of both sides in what I would call the political arena, you have competing interests for what unfortunately in this instance is maybe a conflict of how that coast is going to be used and that until the lawsuit gets some sort of a judgment, both sides of group discussions will center around what is more appropriate than what is consistent, and I think those of you that are representatives from different areas should feel comfortable in expressing their opinions both pro and con because I don't think anybody denies that there are two sets of the issue and that is the purpose of this group of people to lay out some additional opinions that either can be clarified or someone can come forward and say I disagree for those reasons and more than anything else, the purpose of this is to take a look at those various perspectives that we call in a lot of cases the conflict.

Does anybody else wish to respond to the recommendation have no leasing until the applicability of that that Coastal Zone Management as it applies to bureau

and OCS is kind of still to be decided.

MS. STRINGER: I'm asking a question which is really very basic because my own background in this area is negligible. However, in listening to your discussion, that it seems to me that those of us who have very limited background may address this: Whatever we want is to decide that the federal government supersedes state's desire, which is likely to take precedent. It seems to me we're back into an almost state's rights situation which in rationale was in certain respects a few years ago.

MR. MADDOX: It's axiomatic in language of the general systems theory, that that's society. That socio-cultural system which would harness the greatest amount of energy per capita per annum will prevail. I will suggest we're 214,000 strong. We can harness that energy and enforce our resources politically and intelligently. We may very well be able to prevail to that situation.

MS. STRINGER: It seems to me that indeed to harness the energy we might, but control it is my question. Do we need to control it? If it is decided by the remainder of the population of the United States that national interest requires that the United States get that energy out over the next ten years rather than say the State of Alaska might decide it would be valuable to us that the stuff stay in the ground where it accrues, not only interest in terms

of dollars, but that we might have it for future generations. We can harness, but do we control. It's very basic to the discussion.

MR. MADDOX: That's a political question.

MS. STRINGER: If we don't discuss that, we can make resolutions from here to eternity.

MS. WORL: I know that the topic is of a much broader topic than my resolution addresses. What we're talking about is oil and gas development, what are our policies, national interest, state interest, and maybe local interest, and also maybe one might discuss the merits of the Coastal Zone Management Act. I agree that those are all very important topics. However, this one, you know, this one resolution just addresses something that is already enacted. It is a federal law. The federal law is saying to the state and to the local area, you develop your Coastal Zone Management Plan and then however it's enforced is something else. But at least we start off with a plan. We start off with local government, local citizens participating in the development of a plan. That's all this resolution is talking about, just one specific tool. We may want to broaden the resolution to talk about state interests or local interests versus national interests which this resolution is part of that, but all this resolution that I have proposed is saying that let us use this one tool that

we do have, just this one, however small it is. You know, I know that there are all kinds of problems with it. You know, whether we want to discuss the merits and pros and cons of the Coastal Zone Management act, you know, maybe we might want to do that. All I'm saying in this resolution is calling for the adoption or the implementation of a federal law that already has been enacted, but not implemented. And I'm just saying let us implement those plans before oil and gas development. Let us have the opportunity to plan for whatever kind of development we have because it does give the communities the opportunity to assess their resources, their human resources, their natural and physical resources before they start making the plan and before development proceedings.

THE MODERATOR: By way of information, to the rest of the participants here, is there anybody here that's knowledgeable or can give us a summary of the application of OCS and how it's derived as far as federal law and the method or manner of how it comes to mean the intercontinental shelf leasing schedule? Because I think so far, we've addressed the applicability of a federal law called the Coastal Zone Management Act of whatever year that was and its application is how it's been put together, but the North Slope Borough as a local government and its relationship to how they perceive OCS to be in the North

Slope Borough because it still needs interpretation under a law. It's gone to a lawsuit, but is OCS leasing schedule a result of a specific act as of such and such a date?

MR. LIPTON: No, the leasing schedule, the federal leasing schedule from the outer-continental shelf was determined by the administration. It was determined pursuant to the decision to accelerate the speed at which the potential resources on the federal jurisdiction should be tested. And there was nearly an elaborate evaluation of the oil and gas potential, and then in the Department of the Interior there was devised a schedule for leasing. It does not have, it does not have a force of statutes that was determined by act of Congress, but it was determined by the administration as the pace at which it shows to explore the potential resources in the inter-continental shelf.

THE MODERATOR: So that begins from the Coastal Zone Management to enact up to Congress and the issue to be tested then is the impending lawsuit and how it gets interpreted.

Other comments?

MR. NAUGHTON: My name is Ed Naughton.

Can anybody here tell us what we're talking about in terms of potential gas and oil leases? Are we talking in terms of not leasing? In other words, what besides the North Slope are we talking about? Are we talking about

some potential in the area or are we talking about potential leases in the Fairbanks area? Are we talking about the potential leases for the Laska Pass? What are we talking about when we say don't lease?

MR. MADDOX: I think what we're dealing with here is the potential conflict between the expediency of providing our principal nonremovable resource to the Lower 48 States and other parts of the world against the development of our principal renewable resource, our fisheries, and this is a direct head-on confrontation between these two basic energy sources, protein energy and petroleum energy. The needs of the country are such that the schedule is being stepped up at the most rapid rate possible from their point of view. At the same time, we're concerned with the impact of that development on our fisheries and so we're -- we are talking about oil leases in Yakutat and Kachemak Bay and Bristol Bay, in the Bering Sea. We're talking about the exploration of and drilling for oil and gas in what is potentially the richest fishery in the world. This is the source of the conflict as I see it.

MR. NAUGHTON: Is what? That's why I'm seeking to find out what we're talking about because the United States nationally doesn't particularly care about fish. In fact the attitude in the national capital is that God put the fish out there so the foreigners could catch them and put

them back to put dollars in to sell lords with. I want to get a better look at what we're saying because there's a lesson in the reading of the oath, whether it's better to bend a little bit with the national interest rather than try and draw a line and say absolutely nothing beyond this because you can get run over so quickly when you're dealing with the national government.

THE MODERATOR: The immediacy of OCS right now is in some ways in conflict with the North Slope Borough plan and the need for exploration in the outer-continental shelf. However, the OCS leasing schedule, a five-year plan indicates that these are the areas coming up for nominations for tracts that also includes the Kodiak area, the St. George Island, the St. George Basin and the Norton Basin in the Nome area. So those are not so much being discussed as being so immediate as to not create a conflict right now.

However, the Coastal Zone Management Act at that period of time might have a plan as far as how the two competing resources might decrease each other's potential conflict and disaster, so to speak, and so what we've discussed so far is the recommendation and its application for future utilization of resources in Alaska is only compounded by what we have going in the North Slope Borough. Frank?

MR. WOODS: Well, maybe to answer the question -- Frank Woods, Bristol Bay. It seems to me we're talking about oil and gas but if you look at the history of the United States, they've been dealing with what you call oil money for years and the dollar itself is down. The United States has never dealt with resources like agriculture and fishing which is protein and also people. They've dealt with oil money all the time. That's one of the problems. I don't think we want to be in that same situation twenty years from now, 30 years from now, but once it has gone, we don't have anything. If we leave it there, we know it's worth money. What it is is how do you get the two to work together? And I think the federal government itself is saying instead of repeating on our mistakes, let's honestly look at this problem between the two.

MR. McCUTCHEON: I think Rosita's position is a very defensible position and one which I don't think we would get run over from the federal government. It's simply a position that is asked let's simply see what we know what we are doing before we do it and I think that's what she's saying there, and I think this is the same thing we find if Congress is mandated and that is the federal, that is, the administration which is now in conflict with a law of the federal government, and I think politically we have the resources; that is, money to campaign and prevail if we

really decide to do it and I don't think from her position or there may be some more positions, but I don't think we could be run over from the position that she has taken.

MS. STRINGER: Sandra Stringer, Fairbanks again. I can agree with this particular position that was enunciate had by Kosita earlier if I were fairly aware of how much progress has been made on the coastal zone management plans because if the plans themselves were being either forestalled or local people decided for some reason or other to progress, peace with them. A decision -- if we back up the resolution like this and we can assume attention will be paid to our resolution. A decision could be made by delaying the plans if no action is to be taken to the plans or plans formulated, then, that makes the decision. That bothers me. I'd like to see it brought out more.

MR. MADDOX: I'd like to call your attention to the fact that we've been debating this particular issue now for approximately 50 minutes, and I would like to suggest that you attempt to resolve it within the next ten so we can take a five-minute break and attack something else.

THE MODERATOR: Let me try to conclude with the following remarks: The courts are going to interpret the OCS an ocean management as it applies to the North Slope Boroughs Coastal Management Plan and that the

recommendation is not out of line in the sense that for the next ten years we need to keep that perspective as they develop because in that same period of time, I think both areas will try to achieve consistency, and something that both sides can work with and as time permits throughout the rest of these sessions we can bring out specifics on this matter again but it's not out of line for this recommendation to go as a group based on discussions that what we said so far is appropriate and that it, the frame of events that are still going to occur now is the result of activities that in some ways we have expressed our opinions of how those people should interpret it and view it but we can't guarantee that they will racket to that under our assumed rationality of we've achieved this recommendation.

Getting onto if next portion, let's talk to some degree about fisheries because in some ways --

MR. McCUTCHEON: are we going to wind it up. Can we either go to accepting her recommendation at this time or not?

THE MODERATOR: I have heard no recommendations to it.

MS. WORL: Whatever form we decide to take --

MR. McCUTCHEON: You put the motion and I'll second it.

MR. MADDOX: Our court recorder here will be summarizing your statements and stating the recommendations

as you have given them on a sheet here which covers the general area, the category within that states the specific recommendation and provides information as to the background that led to that recommendation from the group. This will be available on an expedited basis. We have an electronic miracle here that feeds it into a computer and get a printout immediately.

MR. McCUTCHEON: Can we vote on it or assume that it's been accepted.

MS. SANDE: Did you read that?

THE MODERATOR: The major topics of discussion will have the following as an interpretation of recommendation. Then it will mention a general area, the category, and then the specific recommendation which we've discussed for about 45 minutes, maybe half an hour. Then there's a listing here of major factors or considerations leading to the specific recommendation. Again, those are the discussion items that have gone back and forth and allowed various individuals to speak up on. The portion here is financial impact, item number 14-FY-81. Item number two is the projected need for the next ten years. That is still subject, I think, to interpretation because we haven't applied that specifically to our recommendation in discussion right now, and then the very last thing here is the timing.

Is that the length of timing, too?

MR. MADDOX: No, not necessarily. That would be your time frame for effecting the recommendation if you make it.

MS. SANDE: What exactly was the recommendation?

THE MODERATOR: Rosita, repeat the recommendation.

MS. WORL: No oil and gas state leases until the local, and that's not defined, local or regional Coastal Zone Management plan is adopted and implemented.

MR. STEPHEN: Is that just dealing with State leasing or State recommendations on federal leasing?

MS. WORL: State leasing.

MR. McCUTCHEON: I'd like to second it and then I'd like to make an amendment to a concluded basis.

MS. SANDE: Only dealing with oil and gas?

MS. WORL: Just oil and gas.

THE MODERATOR: Just a minute. We have a gentleman here. There was the motion to accept the recommendation, it was seconded by him. Because he has the floor, he can make the amendments which at that time if somebody would like to discuss the amendments further he can second it for discussion. That way there's a formality and process of how people can effect the main motion and whatever amendments. When it comes time to vote on it, then, nobody has an unclear idea as to what the vote's going to be.

MR. McCUTCHEON: For about three seconds --.

THE MODERATOR: I'll allow you to do the second and state the amendment as well.

MR. McCUTCHEON: My name is Jerry McCutcheon, I'll amend Kosita's second motion and then an amendment to read, to include also, also include any federal leases because there's not much point in sewing up the state. You may not be able to block the state -- we may not be able to block the federal government, but the state and they should go together.

THE MODERATOR: Is there a second to that discussion? Stephen?

MR. STEPHEN: Second.

MR. McCUTCHEON: Can I speak?

THE MODERATOR: Jerry McCutcheon.

MR. McCUTCHEON: One of the reasons I want to bring out something here. Back in 1975 when I did, there were four million state acres that were leased out on shore and there were four million acres in Alaska, four million acres state and federal government leased out Alaska in which there was no production, no exploration, no production or exploration. And in the United States at that time there were 75 million acres which were neither for production nor for exploration. There's a hell of a lot of land out there, and maybe it's not worth much, but two things ought to occur first before we go and jeopardize resource. They

either ought to give the lease up or get on or off the pot. This is, you know, the state of the country says they need this. We're going from here to there to somewhere else. For example, today, for every barrel of oil that we produce, we render two barrels of oil unrecoverable. It's because we're dropping the pressure. We're not maintaining the pressure on the reservoir. It's kind of idiotic to go to gutting one reservoir and gutting and gutting and say it's national policy when as a matter of fact the way we have adjusted our tax laws, general rates, this very type of thing. So the question is what will we do with --

One of those two barrels which are renting unrecoverable back again. They do recover it by late pressure and special things to the reservoir. So I think we're really in a comfortable position to argue our case. At least I think it's our case. What they need to do is to maximize the recovery from the reservoirs they've got to maximize the potential --

THE MODERATOR: Let me cut in by making the following statements: You have made a motion to amend, to include CZM and OCS schedules to be applicable to both state and federal uses and it has been seconded. Without trying to limit it to too much debate, let me ask you are you ready for the question on --

MR. MADDOX: This is a public forum. You are a member

of the general public, not a delegate here. I would like to hear a second from that amendment coming from a delegate. Members of the general public are not to vote on these issues. These are the ground rules.

MS. ROWLEY: I'll second it.

THE MODERATOR: Are you ready for the vote? All those in favor of the amendment to have OCS to apply to both federal and state leases signify by saying aye.

Are you ready for the main motion which is to recommend the leasing schedule under CZM applicable laws and its consistency?

MR. GARVIN: Question.

THE MODERATOR: The question has been called. All those in favor of the main motion signify by saying aye. All those opposed signify by saying nay.

MS. STRINGER: Sandy Stringer from Fairbanks, and I have a motion to offer as a companion motion to this and that is in order to facilitate evaluation of possible state and federal oil leases in Alaskan and coastal areas, coastal management plans in various communities be expedited.

THE MODERATOR: Let me make the following statement. I think that by law it is already, is a definite schedule and that the five year OCS schedule is subject to interpretation as far as some of those leases being

postponed or so that the consistency of OCS or YZM is less severe.

MS. STRINGER: I don't feel I understand your answer. The motion hadn't been seconded yet. So you responded to it before it was seconded.

MS. STATON: I'll second it.

MS. TROLL: Kate Troll. Under the Coastal Zone Management right now, there are time requirements in there to incur for the expediting of coastal management plans. The catch is that I think you have five years from the enactment of the act to initiate your plan. If not, the state will come in and do a plan. So there's an insensitivity already built in the Coastal Zone Management

MS. STRINGER: Let me direct a question. I think that answers the question that I had, and the reason that I brought this up because as I said I have no objection to the resolution which we just passed as long as it was not being used as a means to forestall leasing indefinitely by forestalling the development of Coastal Zone Management plans indefinitely. So I withdraw my resolution.

THE MODERATOR: The motion for that recommendation has been withdrawn.

Fisheries, getting back to the subject of fisheries. Rosita.

MS. WORL: Am I to assume that our discussion on oil

and gas has been tabled until a later time? Because I don't think that takes care of oil and gas.

MR. MADDUX: Could I suggest a five-minute break?

THE MODERATOR: Okay. A five-minute break.

(Short recess)

THE MODERATOR: There is a tremendous amount of discussion, and dynamics warrant that we would have to impose instruction or rules that some of you do not appreciate, but I'm trying to represent to the group to get together.

Now that my speech is finished, the next subject that we're trying to get on is fisheries. We have a couple of people here that have expressed that they have an interest or come from the background of being fishermen, so perhaps to kick off some areas of discussion, Frank Woods here can maybe express a couple of opinions, and don't forget that we have both delegates and public members, and once certain things are done, I encourage everybody to express an opinion or ask a question. I know that so far some of us or some of you have not spoken up whether it's your nature to be quiet or whether you feel that some of us are imposing go our will more so that it does not ask you to speak up, and I will ask some people to speak up and ask a question so that at least you'll be given a chance, and if there is no discussion after that, I don't think anybody

can site for me ramroding some of the proposed recommendations if, in fact, those things come up. You're from the Bristol Bay area; right?

MR. WOODS: Fisherman. Frank Woods from Bristol Bay. We talked about the 3.5 billion dollars, how to use it. If you look at the national level which is called the domestic level, the consumer, the domestic consumes about 35 pounds per capita while Japan does almost four and a half times as great, but if you look at the domestic market, the federal and state government has been almost zero. The Japanese has come in here since 1968, took over the canneries, and I think it's about time that the federal government and the state take a really good look at what we have which is fisheries. It produces about three billion dollars worth of industry, and the problems we have in Bristol Bay has been the spillover effect from the southeast, the problems of local participation. I'm talking about getting good boats, getting good gear. The northern part of the state from Kotzebue all the way down to Bethel is having what you call a Bristol Bay spillover. They don't have good equipment, they don't have good gear.

My feeling is that before it happens in those areas, my feeling is the state and the federal government should participate in this industry by putting dollars into the thing. If you look at the economics compared to beef

and fish in the Lower 48 or the domestic market, you will find out the beef is going to keep going up because you've got to feed the animal. Fish you don't have to. They return every year. If you look at the consumption rate, it tells you it is already four and a half times as great as the domestic market. The domestic market does not even know what a salmon is. Whose fault is it? It's the federal government and the state. We know for a fact that the cost of the product can be reduced to two-thirds to the consumer on the other end without going to the controlling factor of Japan which is 80 percent. We know we can do this, but we don't have any help. We don't have any help from the state or the federal government. That's one reason I express my feeling compared to unionable resources is what we're talking about, gas and oil. We should talk about protein, people. We have a lot of problems with our fishing industry because I don't think the state and the federal government really took a good close look at it as far as economics. But what really supported the state before and after we became a state was the salmon industry and it's still here, but we have so many problems. We can't deliver our fish, but we dump 200 thousand fish a day. There's got to be some mechanism where this has got to change around and it is going to cost money.

THE MODERATOR: I think without getting into the

specifics and in some cases, Frank here has brought up some of the problems associated with the fisheries as it currently exists and implicated in that process is the need for more participation in which the state through its investment of the billions of dollars can begin to look at it and I think this forum here, then, does express some of the methods and means of how that can be done, because somebody has, at the most, expressed an opinion of where those problems are right now. The other areas of fisheries that I would like to invite other participants to express an opinion on, is, say the 200 mile limit, the hatcheries, the marine studies and marine biology that affect fisheries and with that being said, would like to hear more opinions.

MS. SANDE: I would very much like to -- well, I guess I'm proposing a resolution that the state invest monies or increase state monies in primary processing facilities on the shores of Alaska and in a hatchery program.

MS. STRINGER: second.

THE MODERATOR: The recommendation is, the remarks that you have made, there has been a second. For further discussion, state your name and add to your comments on that matter.

MR. WOODS: I would, in fact, like to add on what you're talking about. Processing plants. That doesn't solve the problem. You can have a processing plant, but if

you can't get the product, you shouldn't have a processing plant. The fishermen and boats and gear, I think they should go hand in hand. You need all three of these. You need boats, gear, and a processing plant. The fishermen are always there. They live within that geographical area. Our problem now is because of limited entry, our permits are being bought upright and left and they're going into the hands of teachers and doctors, dentists, you name it. If you look at the percent rate that was issued back in 72, we did have more Alaskans fishing in our water, but today if you look at it again, we are being overridden by doctors and I hate to say it, but it's true. There's lawyers, there's doctors, there's teachers, there's dentists and if we're going to have good equipment, we can show you time after time, if you have two bad years you have to sell it in order for you to survive.

MR. MADDOX: Mr. Chairman. That's, I think, a very valid point and one that is being widely discussed all over the state right now. The whole issue of limited entry permits as commodities on the open market, I would like to hear more discussion of that as an issue. The fact that these permits have become a commodity with such a high value placed on them, is a very clear indication that Alaska's resource other than the people of course is the fishing industry. I think that's a very fine point for

departure.

MS. SANDE: I think that is true and there are board officials meeting now and that's one of the topics they're discussing, but there's also a need for processing facilities, marketing studies and maybe I could amend my motion to add research and marketing studies for this phase of fishing, also. There are year loans that you can get. All these aspects do need work, but I think the processing facilities, there is really a need for them. The best example is in this book we got, was an article by Larry Cotter in which he went into the Ketchikan area and the Japanese are coming up with containers and taking out the abalone. Many of the people on the Prince of Wales Islands are saying, "Hey, they're being disseminated." And primarily they're going to Japan. There should be some primary process set up so that Alaska gets some income from it.

MR. MADDOX: Essentially this is what you're talking about. What is the role of the state with regards to the fishing industry in general. Again, I'll make mention of the situation I talked about this morning. The two countries I referred to, Iceland and the Farrow Islands with their single based economy. Obviously the minister of fisheries in those places is the most powerful figure in the country. If, in fact, we agree that Alaska's fisheries

are our greatest resource then perhaps the state has a role that is as of yet undefined and should be discussed here.

THE MODERATOR: Frank?

MR. WOODS: You mentioned that there is programs through the state. The state, for example where I come from, pretty close to 95 percent of our people do not qualify for those loans, but they have their own houses, but they have no track record. These kind of problems I'm talking about and even if I did have what you call a basic track record and I had to buy a boat for $80,000 which they cost now, I'm not going to tie up my house and my land and put all of my eggs in one basket and go out for that loan depending I might have a chance -- there must be other ways you can do that without tying up your whole livelihood. But we're tied down to the system so bad that we have learned. We haven't been hit so hard before in the past that they're people I know that have lost everything, just because of one bad season, and I don't think that should exist when there is a product that can be sold and lose X amount of dollars. If you take Walter Hickel, they can take your fish ticket and you're worth that much money. There are ways to do it but the state and federal government has not ever gotten into this system. Has never run the economics of when that fisherman leaves the boat to the consumer. There's always been a gap, and the gap, it's

a big gap, it's a 400 percent turnover rate. That's why the consumer pays a high price for the product.

THE MODERATOR: The specific recommendations that the participation and its use of funds to improve fisheries, under discussion, I will consider the items as major factors or considerations leading to this recommendation and make your comments related to that and then we'll be reminded before the conclusion of that portion of your specific wording of the recommendation again. George, a comment?

MR. MADDOX: Mr. Chairman, I'd like to call your attention to Mr. David Allison from the Department of Policy Planning and Development.

THE MODERATOR: We'll be taking that next, as soon as George makes his comments.

MR. WHITE: I agree with Frank and his reasons what he stated. There are some areas of Alaska where fishing is not as lucrative where fishing is as Bristol Bay and it's very difficult for the fishermen to make a living at times and as Frank says, the result is that the teachers, then doctors and people from outside end up with the fishing permits, and I think that this is, in some cases, almost disasterous to the local community, to the economy of the community and eventually to the economy of the state, and Mr. Chairman, I would like to offer an amendment to the

resolution that it include a direct subsidy to the fishermen of the state.

THE MODERATOR: Is there a second to that amendment for discussion.

MS. STOKES: I'll second that.

THE MODERATOR: You may make your comments in relationship to the whole discussion now or tailor it appropriately, but still we would like to hear from you.

MR. ALLISON: Dave Allison from Juneau. My specialty is working in botton fish development. I think a couple of the points that were raised, especially the questions about markets apply across the board to all the fishery products. The problem we've run into is that when people talk about the fishing industry, frequently what they're talking about is the fish processing plants. There was recently a meeting in Juneau, a conference called jointly by the speaker of the house and the governor and at that hearing, the industry said no, we don't want the state involved in marketing and no, we don't want the state involved in quality control. They effectively told the state to stay out of those areas, that they did not want subsidies in the fisheries. If in fact that's not the direction that the majority of the people of the state want to go, then, they ought to do something about the people that are representing their industry. Those are the answers that

came out, and I tend to agree very much with the statements that are made here. I feel that the state may very well have an appropriate role in assisting the industry in establishing quality control standards in marketing, and I think that might very well be some of the highest level and most efficient assistance and incentives that the state could offer. I would question direct subsidies that would -- that it would create a situation where you would draw people who are not efficient fishermen, who are not good at what they're doing. God knows we've got the best fishermen in the world in the State of Alaska. And that's not just hype. It's proven by every research that comes in. Our shrimp trawlers that are out fishing on a per unit of effort return. We're out fishing the big foreign trawlers on botton fish resources. The potential is there. I guess what I'm saying is maybe one of the things that could be done is, this kind of a group that has a broad base, could demand that there somehow, that there be pulled together some truly representative group of the fishing industry or recommend that these, that the Bristol Bay fishermen and the Sand Point and Aleutian Island fishermen and southeast fishermen come together and present a united front, especially in the State Legislature, to go down and take people like Jeff Stephen and take your representatives from UKA, bring them together and get some kind of a coordinated

effort. I feel that this kind of thing through the state assistance and through this kind of program might be some of the most valuable assistance to the fishery. I would hope that the group would address, at some point, the point that was mentioned by Dick earlier, that fishery development and fisheries in the state of Alaska is a critically important industry. It is the single most, highest potential renewable resource industry. The government has repeated this time and time again. It almost cost him, in some people's eyes, in the last election for the support of the fisheries and yet in state government right now, you don't have to see that emphasis in the structure of the state government at the present time.

I would just hope that you would move in that direction and address some of those internal issues in that industry and if there's some way that you can direct the state or recommend to the state that they assist the industry in that way, I think that might come out with the highest level of benefit.

THE MODERATOR: The form for this conference dealing maybe in some ways to specific recommendations might present a different opinion as far as what other conferences might have done, and I think it will be nice to see how some of those might be resolved but nevertheless

because there is this form in expressing of certain attitudes, the main motion or the main recommendation and amendment to that recommendation will follow through with those factors being considered as well. Other comments? State your name.

MR. STEPHEN: Jeffrey Stephen. Mr. Chairman, on the subject of the content of the motion, if the state is going to participate in any number of ways that it could participate in the development of fisheries, I would have to take issue with the part of the motion that deals with more state participation in the hatcheries.

In the past six or eight months, I've been involved in a number of meetings dealing with hatcheries. And here recently in the last few days there's been quite a bit of discussion on some meetings of hatcheries. And here at the State Board of Fisheries we had Bob Royce in front of the State Board of Fisheries, and we were there for a number of hours answering some questions. And it seems to be a feeling gaining more and more support that state run -- I'll make a distinction between state run and non-private but state run hatcheries I think could approach being a severe waste of the taxpayers' money. I think that any added effort on behalf of the state to expand the hatchery program would not be really wise. Just for instance, since the inception of the hatchery program here there's been

over $100,000,000 dumped in the hatcheries. And in that time, they have produced about a million fish or less than one percent of the state's total production of fish. And the future outlook for the potential production of hatcheries is not really good. I would say that the state should participate in the enhancement of salmon. FRED Division, for instance, takes approximately 50 percent of the ADF and G budget, the fisheries part of the budget, and in looking at all kinds of benefit ratios, it's really nowhere giving any kind of a return. And I just -- I do really seriously dispute suggesting that the state continue funding any more hatcheries. I think they should reassess what they're into now and possibly even cut back some funding of the hatchery program.

As a matter of fact, in the last legislature, the FRED Division was zeroed out in the Senate Resources Committee, and that was just to bring the point to the surface. Of course, it ended up getting money, but there's a serious problem with hatcheries, and I just think there's other places. There's only so much money to go around, and I think maybe helping some people out who might have problems in getting gear and boats, the money might be well spent in that direction rather than in hatcheries, I think.

MR. TIEPELMAN: Some of the statements you've made have also gotten into the area of where the State through

the voter bond issues has expressed by the elected people need to develop more hatcheries and how that coincides with your opinions you've expressed so far is also something that further opinions can be expressed.

MS. SANDE: I write the permits for a non-profit hatchery in Ketchican, a Southern-Southeast Regional Agriculture Association.

Basically what I was addressing in my motion was the way that private non-profit hatcheries are set up. They were given a loan, but the pay-back back period for that loan was ten years. What they are finding is it is impossible considering a non-profit to begin repaying back that loan in ten years because not enough fish will return. They're usually on a five to seven year cycle, and you simply don't have a big enough return to start paying it back at that point. So there needs to be some revision of that particular part of the hatchery program. That's maybe what I know professionally.

Personally, after being involved in it, it takes now for three years in South Alaska, ADG and F has been running the run for pink salmon, the run for pink salmon has been very healthy. This year was not as good as last year, but we've had a consistently good year for pink salmon. Since we're representing trawlers, seiners, and gill. When we start surveying and start actually getting

eggs, the cohorts, stocks are in very poor shape. Unless we start enhancing or doing something, there is not going to go a company host. There is one brood stock in the Knik River. There are no others. We have to take eggs there possibly. This year they didn't get too many because the run happened to be a slow year. Last year they got real good kings, but it depends on the run. We tried taking chum this year. The chum stocks are so low we tended to take 28 million eggs. We got 11 of which because chums of salmon died. The problem is that stocks which ADF that is fairly successful in our area which are kings. We have good runs, but in the other stocks of salmon which are coho chum and kings in our area we've almost faced, we're facing extinction to some of these unless something is done. And this is why I think we need to spend some state's money.

MR. TIEPELMAN: The original explanation was recommended and we also got into comments that are associated maybe in some ways to move from the main issue of those recommendations. However, the comments made so far are still appropriate and you may speak next.

State your name.

MR. STEPHEN: Jeffrey Stephen. I agree with a lot of what you said, and I'm not disputing what you said, but I think in a motion from a group like this it's going to be, I think, probably important here to -- somewhat of

importance -- I think, number one, it's important to distinguish so that everybody understands the difference between non-profit agricultural associations which have their own hatcheries and the State-run hatchery program. I agree with some of you that the coho stocks need some help.

However, what I'm speaking against is an expansion of any more hatcheries. I remember here the other day. They had a list of all the hatcheries in the State. There's 28 hatcheries I think statewide, and I think that I would not like to see any more hatcheries built, but I do feel that possibly the utilization of the present hatcheries would be in order.

Now, as far as private non-profit agricultural associations, you mentioned they're having a problem. Just again as a point of clarification, the private non-profit agriculture associations were set up using money, using a mandatory assessment on the fishermen in that area where the agriculture associations operate.

Now, since the Court challenges, that there's a real strong possibility that these agriculture associations will not have these monies coming in automatically because there's a court challenge to the fact that it is part of it. It is a type of a tax, and the State has no right to force a fisherman to pay three percent of his total gross into an agriculture association that he might not agree with. Let

me finish, please.

Now, the fact that if the State got into aiding these private non-profit agriculture associations, what you're going to be having is people in the whole State through their tax money assisting a certain area of the State and fish production there, and I have to take issue with that. That's it.

MS. SANDE: May I clarify -- just answer --

MR. TIEPELMAN: Let me allow Rosita, who had her hand raised prior to you.

MS. WORL: Mr. Chairperson, I'm wondering, we're starting to sound like a fish and game board, and I know a lot of us don't have the kind of expertise that we do have present at the table here. I'm wondering if we might have a general policy statement that we might all, that we might all support rather than getting into a long wish list of the kind of things that we all want.

MR. MADDOX: Mr. Chairman, could we address the issue of the role of State with regard to the fisheries as a whole.

MS. SANDE: Just to clarify, a court case was decided and the Court case said no there is no mandatory assessment, period. And the reason was only a government entity could be taxed and they defined it as a tax, where any private non-profit is not.

MR. STEPHEN: So therefore, the agricultural associations need money and they're going to look to the State to bail them out?

MS. SANDE: No, the courts have mailed out voluntary assessment which is simply saying we volunteered to put three percent in, but it is not mandatory.

MR. STEPHEN: I was in Juneau two weeks ago and I was finding a lot of people running around looking for money.

MR. TIEPELMAN: Let me remind the people here that the amendment to the main recommendation was made by George White, and it might be an opportune time to reiterate what you wish to add to that main recommendation. And if it's appropriate after that, we can put it down as this group sees fit.

MR. WHITE: The amendment was that the State can give subsidy to the Alaskan fishermen.

MS. WORL: An issue seems to be whether the State should be involved in financial support, and, you know, maybe that's a major question here is how much financial State support should we be giving to the fisheries industry? Maybe we might establish that as saying that that is a priority; that the legislature should assess, is to assess the fisheries and to develop -- well, first of all, maybe establish it as a priority, fisheries as a priority, and the legislature should develop the plans to maximize the

benefits of fisheries, the fisheries industries for Alaskan fishermen and women and workers, citizens, whatever. I think maybe if we took that approach in saying what we want to do is to have a state financial commitment to the development of the fisheries or establishing fisheries as a priority. And maybe that might be a substitute motion that we might have and try to broadly state it rather than arguing over private and state hatcheries.

MS. SANDE: I agree to that.

THE MODERATOR: The recommendation of subsidy, was that applicable to the personal income of the individual fishermen or subsidy of the fisheries program for fishermen in the whole context, the group of fishermen?

MR. WHITE: True, individual fishermen.

MS. STACHELRODT: There was a motion on the floor, and it was offered as a substitute, and I would like to have a point of clarification. I would like it seconded first and see whether the substitute motion will be acceptable.

MR. TIEPELMAN: Somebody remind me of the procedure of a substitute motion, does that -- that takes care of the main recommendation and the amendment so that a substitute motion then is the next order of priority as far as the whole thing should be considered. Would you restate your substitute recommendation?

MR. ALLISON: The substitute motion comes first and if

that is past that replaces the original amended motion.

MS. STRINGER: Point of clarification. Might it not be better if the originator of the original motion agree that that substitute motion be --

MR. TIEPELMAN: Let's here your substitute recommendation.

MS. WORL: May I make it flexible so we can insert? I offer as a substitute motion and I move that the Legislature adopt as the highest priority the development of Alaska's fisheries for the direct benefit of Alaska's fishermen and women and I don't know what else, citizens

MR. ALLISON: And Alaskans.

MS. WORL: And Alaskans.

MR. TIEPELMAN: The motion has been made. Is there a second?

MS. STACHELRODT: Second.

MR. TIEPELMAN: State your name for discussion.

MS. STACHELRODT: Mary Stachelrodt

MR. TIEPELMAN: Any other people wish to make comments on the second recommendation?

MR. WOODS: Frank Woods, Bristol Bay. My recommendation, I hear something different from the gentleman sitting in the corner. The way he says is that, my understanding is that the state will take control over the marketing. The state will take control over the

fishermen. I don't think it's the State's position to take over the fishermen to control the marketing or the processing. I think what the fisherman is looking for is assistance in marketing. Where is it at? Where's the economics of that product, and also they need dollars as an individual fisherman. I think that's what.

MR. TIEPELMAN: Would somebody react to the interpretation as far as the substitute motion? Continue to state your name.

MR. ALLISON: Dave Allison. What you're saying is in fact what I proposed, that the State's role is to assist and to provide incentives but not, certainly not to take over the control of the marketing or the fisheries.

MR. TIEPELMAN: Am I wrong if this substitute recommendation is subject to the interpretation of the legislature and session, then? We're just assuming that they will do what they think is true and we're putting faith in that it will be perceived as such?

MR. MADDOX: Mr. Chairman, I think if we can reach a resolution on this issue of placing the highest priority on fisheries, then the nuts and bolts can be dealt with. The order of priorities can go around.

MR. GARVIN: John Garvin. I would like to offer an amendment of this to insert the word after Alaska, between the word Alaska and fisheries, the words "private profit

and non-profit fisheries" and if there's a second, I'll speak to that.

MS. WOHL: Private and non-profit.

MR. GARVIN: Private profit and private non-profit.

(Inaudible.)

MR. GARVIN: Is there a second?

MR. TIEPELMAN: Is there a second?

MR. WOODS: I'll second it.

MR. GARVIN: My concern is that it be absolutely clear to the legislators that this group does not want the state involved in providing or doing or building; that it not be the public sector that's involved in the fishing industry, that the support of the development of this is for the private enterprise system rather than a public enterprise system, and if, you know, some of the hatcheries are non-profit and some of the fishermen operate as non-profit entities not by design, but that the development of it be focused on the private development rather than the state getting into the fishing business.

MR. ALLISON: Dave Allison, Juneau. I'm concerned about that kind of inclusion in the recommendation because I have yet to see the private industry willing to support the enforcement vessels to pay for the fish ticket program, to provide for the management of the fisheries and to exclude from your priority the necessary intrastructure to

support the fisheries I can understand what you're wanting to emphasize, but much of the intrastructure, for example, the docks, the harbors, the air fields that are necessary for the efficient operation of the industry are, in fact, governmental responsibilities and should remain so even though most of those kinds of projects are eventually paid off by the fishermen and the process source through users' fees anyway. The State's front money is critical to get those kinds of facilities on line.

Again, it goes to incentives rather than subsidies. And I think to emphasize that it should be in a state investment in incentives for the fishing industry and assistance to the fishing industry rather than the state getting involved in the equity ownership of the portions of the fishing industry would be much clearer if you want to put some kind of a restriction on the general recommendation. I think there's enough of a feeling in the legislature to get the state out of active participation from the industry that that would probably go without saying anyway on the original motion.

MR. TIEPELMAN: The substitute amendment or the amendment to the substitute recommendation is, I'm sure, going to have a couple of sides to it, then, that's the involvement of state government where it's implied or be determined is that route. Have you got something to say

about that, Alcon, in relation to that gentleman's statement? They have public works that can identify with that.

MS. WOHL: Mr. Chairman. I'd like to speak against the amendment, and in making the substitute motion, I was trying to, from the discussions, develop a priority statement without getting into all of the nuts and bolts, and the amendment by itself speaks about enterprise he is. And I'm very broadly speaking in a policy sense, I'm talking about the whole range of fisheries from the biological research to the whole area.

And as I understand the function of the legislature, I'm sure the fisheries organizations are not going to let legislature run away with whatever happens here. I mean the idea is just a policy statement coming from this group that the state adopt this as the highest priority, focus some attention on it and how it's implemented. I think that should be left up to more specialized people, perhaps.

MR. MADDOX: Mr. Chairman, we've been on this one now for 55 minutes. Let's take five minutes to resolve it and have a close.

MR. TIEPELMAN: One more statement and then we'll act on the amendment, vote it up or down and then we'll ask on the substitute recommendations.

MR. GARVIN: Withdraw the second or I will withdraw the amendment.

MR. TIEPELMAN: Does the second to the amendment choose to withdraw?

MR. WOODS: Yes.

MR. TIEPELMAN: Would you like to make a --

MR. NAUGHTON: My name is Ed Naughton. As I understood the motion, we were talking about in terms of fisheries. Quite often in legislature, that's defined as "tag the fish", and I think we should be explicit here. We're talking about the harvesting or processing and marketing of the fish.

MR. TIEPELMAN: We'll let the record of the discussion on this substitute motion include that reflection.

MS. WORL: My intent was not for just, not only the -- I don't know. Does the scientific research come in as well? I mean is that -- not understanding the technicalities of the word fisheries, the intent is not to limit it just to, you know, just that.

MR. TIEPELMAN: We'll assume that's inclusive of the substitute recommendation.

MS. WORL: Yes, I meant it to be broad range.

MS. WROL: May I voice a friendliness to the substitute amendment?

MR. TIEPELMAN: That's your prerogative.

MS. WROL: Let's add that minimal requirements be formulated to fisheries a loan in Alaska.

MR. TIEPELMAN: If I may express an opinion from the chair that that's an interpretation or specific formulation of why we're trying to keep the main motion substitute recommendation broad to include items such as that.

MR. MADDOX: I believe that issue has already be raised.

MR. TIEPELMAN: Are you ready for the question?

MR. GARVIN: Question.

MR. UCHITEL: When you say priority, are you talking about within the resources?

MR. TIEPELMAN: Resources of fisheries.

MR. TIEPELMAN: All those in favor of the substitute recommendation signify by saying aye. All those opposed signify by saying nay.

The motion passes. Thank you.

Are there areas of fisheries that may or may not have been brought up? Allow ourselves five minutes for anybody to express an opinion and the next area we'll get into is agriculture.

MR. TIEPELMAN: Does anybody wish to take a break?

MS. SANDE: I have one other thing that was brought out to me in the articles that were included in the white paper articles and that was the increasing the State's

jurisdiction over fishing done within the 200-mile limit. There seemed to be a number of proposals concerned with that. One was having the fishermen that fish for foreign vessels, foreign vessels pay, well, they gave impact, I think it was Pollack or black cod 600 a pound that U.S. fisherman pay to foreign vessels. They say charge six cents a pound for U.S. fish costs by foreign vessels was one of the proposals. Another thing they suggested and it was in the article by Mr. Potter, was to increase the jurisdiction over conditions on foreign factory ships fishing in U.S. water. So it would seem to me to keep with the broad general motion I'd like to propose that the state increase its jurisdiction over the foreign fisheries that are fishing within our 200-mile limit.

MR. TIEPELMAN: Your motion is to -- repeat that again.

MS. SANDE: Increase the State's jurisdiction over the fish caught within that 200-mile limit.

MR. TIEPELMAN: That's state jurisdiction and enforcement, then, of the 200-mile limit?

MS. SANDE: Not necessarily enforcement, no.

MR. TIEPELMAN: Very broad. Is there a second to that request to debate it further?

MS. WROL: I'll second it.

MR. TIEPELMAN: State your name as far as second go it.

MR. ROWLEY: Marilyn Dudley Rowley.

MR. STEPHEN: Jeffrey Stephen. Mr. Chairman, I think I understand what you're saying. However, I think it's against the law. The state only has jurisdiction out to three miles, and I'm on the North Pacific Fishery Management Advisory Panel, and we have debated this for over a year, so-called joint ventures which is foreign processing of American-caught fish, and the state has no jurisdiction outside of three miles, and so it would not be with the intent of the 200-mile limit law. The state couldn't get involved in it. We just have -- unfortunately we have no jurisdiction outside of three miles. The state has no jurisdiction to regulate any type of industry outside of three miles.

MR. TIEPELMAN: Next?

MR. ALLISON: Dave Allison from Juneau. I agree with the letter of the law of what Jeff is saying. And I think again this conference is designed to try to figure out how to do this rather than determine what we cannot do.

One of the provisions in the Fish Reclamation and Management Act of 1976 provides that among the factors that must be taken into consideration in determining the allocation of fish between the foreign fleets and the domestic fleets is the socio-economic impact. One of the ways that what has been suggested could be possibly accomplished would be for the legislative and executive

branches to take a unified stand and presentation to Congress and to the national fisheries officials and tell them that the state of Alaska off the coast of which 90 percent of the under-utilized species are located that the state of Alaska says that it's time to start phasing out the foreign fleet to start moving out the foreign fishermen. There is a strong -- there is a strength in having those resources located where they are. If the state of Alaska does not cooperate in the harvesting and the processing and in the management of these fisheries it's going to be a long time before they're converted from foreign fisheries to the domestic fleet, and I think that the state can take aggressive action and start insisting that things be done. If we're going to be told no, well, the feds have told us no before and that hadn't always stopped Alaska. And I think that we should take more aggressive assistance especially if it's going to be a first priority for funding, it should be a priority for effort.

MR. TIEPELMAN: Since the motion has been moved and seconded I'll allow --

MR. ALCON: Approximately two years ago a fisheries association was built and for myself I'd like to say thank you for the resolution. I'm their new president. We and some of the comments addressed here are definitely some of our target areas. We've set three priorities, our first

target is the protective resource. Second is to protect subsistence and third is to enhance the development of the fisheries in western Alaska and villages. The economic system is very, very low there, and we want to build it up to where it will benefit all Alaska. When Alaska is fishing Alaska gets it taxes back.

THE MODERATOR: Are you speaking in favor of the motion

MR. ALCON: Definitely.

MR. WOODS: The thing I think he's talking about is that you can't enforce -- well, you can, but the long process is too long if any foreign country like Japan take 80 percent control of the industry now, the federal government, we have explained to them when an entity -- and when you put all your eggs in one basket which happens to be Japan, it's very detrimental to the fishermen because it's not the fishermen who produces the product, it's the people that process the fish and buy the fish that is controlling the price of that product when it hits the consumer.

THE MODERATOR: Are you in --

MR. WOODS: I'm in favor for that reason is because we've got to get involved domestic and get involved foreign but at least split them up.

MR. STEPHEN: Could you restate the motion, please.

THE MODERATOR: The motion was to increase state jurisdiction on fisheries' development or fisheries in general?

MS. SANDE: I realize that means you negotiate with feds but I think that means negotiate with feds to get some jurisdiction.

MR. STEPHEN: Well, Mr. Chairman, I guess maybe I don't completely understand. I agree with everything Dave said, but as far as American fishermen delivering to foreign processors isn't that what you were --

MS. SANDE: That was just an example.

MR. STEPHENS: And it aids in the development of Alaskan bottom fish.

MS. SANDE: This was an example to give this point was an exploitation tax, and he said this is one thing we can do and I was saying let's make it more general and try to increase the State's role in this fishery.

THE MODERATOR: If I can state it, the motion is an expression of a philosophy that still has to be implemented in some further details. On that motion is that sense of direction. Are you ready for the question?

MR. STEPHEN: Question.

THE MODERATOR: All those in favor of the motion signify by saying eye. Those opposed say nay. 2 motion passes. We'll take a five-minute break and scream and

holler.

(Short recess.)

THE MODERATOR: I think the areas that we're talking about, large steel, agriculture or large business, whatever you want to call it has to be tailored with the Alaskans in mind with your further comments that there is a need for personal use and I guess in other areas we'll call it appropriate technology as far as self sufficiency and personal life style be available to other citizens. Other comments in this area of discussion of agriculture? Mary?

MS. STACHELRODT: Mary Stachelrodt from Palmer. For the first time this summer, I grew a garden. I grew it on one acre, and I was able to sell to private, to people that came by, sold some vegetables to them and also to the DNA's supermarkets in Palmer. So I really believe that the small farmer really has a future up there. And according to what I've read in here about agriculture, the average farm size is 75 acres. You can grow a lot of food on 75 acres if you know what you're doing, and I grew a tremendous amount of food on just one acre. But I would like to make a recommendation that we encourage the state to provide grants and low interest loans for the development of organic fields, alcohol, for one from potatoes or grains to fuel our farm machinery and so forth. I would also like to see state grant low interest loans go to the small farmer.

THE MODERATOR: The motion for a recommendation has been made.

Is there a second?

MR. GARVIN: Second.

THE MODERATOR: State name as far as seconded.

MR. GARVIN: John Garvin.

THE MODERATOR: Discussion?

MR. ALLISON: Dave Allison from Juneau.

The Delta Barley Project and the other agricultural projects in the state have come under a tremendous amount of fire from people who believe that it's not economic; that it's not a worthwhile expenditure of State funds either to invest in low-cost loans or grant projects. It would seem that if the committee is going to demonstrate a concensus that agriculture should be encouraged that perhaps that should be a priority kind of statement; that before getting into specifics again, that it should be determined whether or not this group really feels that agriculture is important enough in the State to have that kind of focus. If I can speak to a couple of other points, it seems that there are some questions about the viability of agriculture as an economic base. If that's the case, probably there should be the money in research. The University of Alaska at Fairbanks has a substantial facility that could benefit from support,

additional support from the legislature and from the citizenry. There are some technological things that happen that make it more feasible to work with that industry. The value of the grains as feed stocks has been substantially improved. There is some indication now that the combination of crab waste with barley will provide the equivalent of soybeans as feed. This kind of development is the sort of thing I think that we need to look at, what you mentioned initially there about the technological change. If the state of Alaska is going to have a viable base, I think it's going to come from the necessity of a new technological approach and research and evaluation. We are on the leading edge of a lot of potential industry. If we're going to go into the'80's continuing as a frontier state, the frontiers may just change a little bit and I think this encouragement of farming is good. I think the encouragement of small farms even recognizing that there will have to be large sections of land set aside for the production of feed and oil grains. The small truck farm is feasible, and I would strongly support this. It may not show a profit overall for some years to come, but that was said at the first Future Frontiers or at the first Brookings Conference about a number of things that are very profitable today, and I think we can look at that.

MS. TROLL: Kate Troll, Anchorage.

In some of my land diccipline plan studies that I've done as a consultant, in mapping out suitable agricultural land, what I've found to be the common case is that if I added in the fact that fertilizer could be provided, then, I was all of a sudden expanding my land base of suitable agricultural land. And so because, you know, the soils are good from the standpoint of drainage and everything, but because of the glacial origin, there is need for additional fertilization, and I would like to see the state beginning to do some research into where we can harvest those phosphates. I've heard mention of some phospates reserved up north, and there's also the possibility of using fish wastes as fertilizer as well, and I think we need to get some research into finding alternative fertilizers that are economical for our farms here, and then the agricultural base can expand accordingly.

MR. MADDOX: Point of information, Mr. Chairman, if I may.

MR. TIEPELMAN: Go ahead.

MR. MADDOX: The State's policy with regard to the utilization of our fisheries products comes under the, one of the policies falls under the general heading of wanton waste and one of the industries right now is the herring industry. The herring industry is of primary importance for the Japanese market where only the roe, only the eggs

are utilized. Something has to be done with the carcasses of herring that are caught by our herring fleet that will preclude the leveling of charges of waste. The state says you simply can't throw them away, and yet only they want is for the market is the eggs. Therefore, the reduction of eggs utilizing to fertilizer becomes an important thing for the agricultural industry of the State, and to the fisheries because it provides an additional market for the carcasses which would otherwise be wasted. The same is true for the car residue in the Aleutian Chain and on the peninsula. There are a number of sources of good fertilizer to be derived from the fishing industry. Therefore, the fishing industry and the agricultural industry of the state have to go hand in glove.

MR. PIEPELMAN: I think it's important for this group to realize the significance of a Future Frontiers conference such as this because it begins to show the interrelationship of maybe individual's personal priorities and interests in two diverse areas that a lot of times whoever thought that fisheries and agriculture are so interrelated, but how simple it is for those two to enhance themselves, and secondly the agricultural discussion of encouraging small land disposal programs for agriculture purposes also affects the future utilization of how legislation and the State administration also gets into the

land disposal of putting it into the hands of the private citizens, so to speak. After awhile, those problems are not so difficult as to be insurmountable, and a form such as this might be an expression of how those things might be achieved. Not as successfully as an individual may desire to see it, but because there is an interrelationship, there are a whole number of parts.

MS. YAMASHIRO: Along with what you're saying, then, is the importance of taxation on the land for agricultural purposes as has been the trend in other places in the nation, I'm noticing in the Palmer area where the land is very suited for agricultural purposes that people are subdividing because the cost of taxes and the upkeep of land is not allowing them to continue to be agriculturally based. Other states have passed some sort of legislation to protect agricultural interests so that real estate development interests do not supersede the need for agricultural needs. The land, we have a lot of good agricultural land in the State, and I believe that there must be some sort of protection so that we can continue to encourage agriculture and not be having suburban communities as many other places have.

MR. TIEOPELMAN: Any other comments?

MS. HOWLE: Marilyn Howle, Fairbanks.

This hadn't been addressed yet, and I'm not

knowledgeable enough to talk about it, but I would like to hear some reaction to freeing federal land and federally regulated areas in Alaska because there is some. I've seen some on the State maps.

MR. TIEPELMAN: Anybody that purports to have expertise?

MR. MADDOX: Mr. Chairman, I sent a runner for the two experts in the agricultural field. Maybe if they're in the hotel, they'll be here pretty soon.

MR. TIEPELMAN: If you'll reiterate that when the experts appear, we'd appreciate that.

The original recommendation addressed several areas, I think. Are those the things that you listed there? That's the basis of the recommendation, and it's a reminder to you participants here that item number one is the small scale utilization, the serial, grain, and SILAGE and the truck crops, and item number four, the red meat husbandry. That recommendation is on the floor and has been seconded. We've discussed the item in and around that major recommendation. Mary?

MS. STACHELRODY: I'd also like to add another thing. The development of and the production of our organic fuels, alcohol. I know there's a few people that I know of in Palmer that are trying it right now that have built a still, but I'm not really aware about what the

federal regulations are on alcohol production.

MR. TIEPELMAN: We'll assume that was part of the main recommendation so we won't get into the parliamentary semantics of motions and main motions. Discussions on the appropriateness of the recommendations?

MS. STRINGER: As long as we're discussing organic fuels, let's not forget methane. We might as well make full use of the animal product.

MR. TIEPELMAN: We'll assume that that's part of the organic fuel production. They have a lot of cows in Fairbanks.

MS. STRINGER: Well, I don't know about that.

MR. TIEPELMAN: Any other discussion on the recommendation?

MR. WELTZIN: Jeff Weltzin, Fairbanks.

Getting back to that point on the Mat-Su Valley and the suburbination of one of our prime agricultural areas of the State. I think it's appropriate that we come up with some type of a proposal to urge the State to come up with a program of preserving agricultural land through buying of the agricultural rights to certain prime acreages and land so that farmers who are under pressure from subdevelopers their land is given some type of a tax break or something of a tax initiative break so they can fight the pressure to subdivided their land and sell out to the nearest subdivider.

At one time, we had a real prime small scale farming industry in Alaska, and in the last twenty years, it's been completely subdivided, and basically it's really non-existent as to compared to before.

MR. TIEPELMAN: A comment over here.

MS. SANDL: I think to some extent, the State is doing that with a current land disposal program.

MR. WELTZIN: That's true.

MR. SWAIN: I think that the proper way to handle what this gentleman suggested here would be to in the local government, they're the ones who are assessing this tax. So it would be up to your assemblies or your councils to come up with resolutions which would accept agricultural land or at least assess it at a lower rate of tax than suburban developed land, and it should be done on the local level.

MS. YAMASHIRO: In examining the kind of agricultural development that has taken place and the urbanization in other states, local initiative often lacks. And I think that the important issue here is that there must be some sort of State direction to local areas saying agriculture is important, and therefore, by some sort of greenbelt legislation or some sort of legislation that proper texts agricultural interests, I think, you know, my interest is to recommend to the legislature is that there is some way

that we can insure that local areas continue to encourage agriculture.

MR. TIEPELMAN: Is there any more discussion on the major recommendation of the subcategories for agriculture? Are we ready for the question?

MR. GARVIN: Question.

MR. TIEPELMAN: All those in favor of the agricultural recommendation signify by saying eye. All those opposed say nay.

One other thing on agricultural that I would like an expression of concern is the fertilizer research or fertilization, and I'd like to allow you you to state your position, name.

MS. TROLL: I would propose that the state government -- Kate Troll, Anchorage. I would propose that the state government expend monies to research the /SKAOEUBLT of making fertilizers economically available to the farmers in Alaska and looking at alternative sources of fertilization.

MS. STRINGER: Second.

THE MODERATOR: There's a motion that has been made and seconded by --

MS. STRINGER: Sandra Stringer.

MR. MADDOX: Mr. Chairman, if I could point out again, once again, the interrelated ness of things that we're dealing with, the suggest has been made that the petro

chemical industry be developed within the state, and that possibly some of our royalty oils could be reduced to a usable agricultural product. Petro chemical fertilizers. There's an enter relationship, then, between our oil and gas policy development, agricultural, and fisheries. Very obviously, we're not going to be able to do any of those things unless we talk very seriously about our transportation system.

If we can't get our products to market, what's the point of growing them, raising them, or producing the chemicals that will make the crops grow? So this is just -- I would like to interject at this point, I would like all of you to be thinking in holistic terms when you're dealing with these issues, look for the enter connect he had ness of the parts as a whole that you're dealing with here.

THE MODERATOR: And those comments will be made for the record in support of that recommendation dealing with fertilizer research.

Any more discussion on that?

MS. STRINGER: could we restate the motion, please.

THE MODERATOR: Would you restate.

MS. TROLL: That the state expend monies to research the /SRAOEUBLT and marketing of fertilizers in making them economically available to Alaskan farmers.

MR. GARVIN: Question.

THE MODERATOR: All those in favor of the motion signify by saying eye. All those opposed, say nay.

The motion carries.

Is there any other items on agricultural at this time, knowing that we'll probably bring it up in reflecting back on the next two days?

MR. STEPHEN: Jeffrey Stephen.

Mr. Chairman, in light of what our group leader mentioned, it would be intended, then, or the intent of that motion would include petro chemical related and fisheries related fertilizers? There wouldn't be a motion related specifically to that?

THE MODERATOR: Right.

tourism. The area of tourism as far as the white papers kind of exhibits one component or one portion of how tourism affects every part of Alaska, and I don't know who in this group of participants would like to state further opinions and additional racks to that, but I think Dick Monday /TPHA /TKPWAOU, is it, if I remember right, you're part of the State's participation, you're a Director of Tourism. Month month that is correct.

THE MODERATOR: Why don't you lead off with some introductory remarks, and we'll see how it goes there. Month month there are two papers in your portfolio on tourism. One by William she have field which is the yellow,

and mine in the blue book, and they summarize I think fairly well the attitudes of where the industry is today and what has happened.

Briefly, tourism is the second largest industry in the state. It brings into the state approximately $200 million a year. It is our only statewide industry. It is a none /KUPLT tive permanently renewable industry. It provides on an annual basis about 6,000 Alaskans, 20,000 in the summer, but if you average it 6,000 Alaskans. It contributes $20 million to the state, and it has more than doubled in size in five years.

THE MODERATOR: I think also the other component of that, somewhere in Alaska there has been a negative attitude towards tourism as far as /KAOURS people moving in, the advent of Monday /PHEPBTS being imposed by president /SHAL a proclamation and also that stuff being allowed in D-2 is an aspect of what people will be confronted with, and there is a need to take more positive attitudes in some areas because it has been largely negative, and the impact on it can be very beneficial, and I think expression of how it's impact go now can take on greater portions -- month month if the present trend continues which I think it will and it will probably only be axle rated, we will surely have a million advice stores by 1985. State state I think the tourism industry has a great help in south Alaska, and

we have new hotels like you have here and we wouldn't have it without the tourist money. I think we should go out and support our tourism, and it has a lot to do with our transportation which I think we should have some type of recommendation because in southeast Alaska, we have a ferry system. I live on an island, and the only way to get there is by boat or by air. I can't get in my car and just drive. I feel that southeast Alaska needs more help in the ferry system.

THE MODERATOR: As we discuss further, well kind of maybe reach some sort of recommendation as far as what we can say as far as additional state participation or funding, but it might be of our interest right now to reflect what kind of state funding and other remarks that Mr. Montague would like to make at this time.

MR. MONTAGUE: I would like to second what edge /THEUL state to know just said in that for those of us who live in Alaska, one of the major benefits of tourism or state support of tourism or seeing the tourism sector of our economy grow is that without growth of tourism, we would all pay a much higher cost to live in Alaska.

You see the advice Senator industry makes the difference between the profitability or the loss of our airlines, and allows for the operation of the marine highway system. If there were not the tourist industry,

you would not have Alaska Airlines, Western Airlines, North Airlines, and Wayne Airlines in operation to Alaska because there would not be a sufficient movement base of people to support the continuation of that service.

So a tremendous benefit that we all get from the advice Senator industry, an invisible benefit because it isn't very apparent to most people is the fact that it decreases our cost of living in Alaska because the tourism industry is fundamentally a subsidy to the transportation industry, and the logging industry. It's an indirect subsidy and makes it possible for a hotel like this to be here.

For example, if there was no tourism, this hotel would never exist because there would be no way to pay for it, and it is the movement of people through Anchorage which makes a facility like this available. The very fact that you and I can sit in here today in a world class hotel which this is is directly responsibility and directly related to the success of the advice Senator industry. If you subtract the advice Senator industry that would exist and the same is true with the captain cook, the same is true with the Anchorage westward, with the Anchorage international airport, and the many facilities that you and I have come to enjoy, and if we went back, we wouldn't have those things today.

THE MODERATOR: Yes, I believe we're seeing the inter relationship of, say trans sation to tourism.

Next comment, state your name and before we get too far along, I'm not sure what I heard the specific recommendation of this lady was that you second, so we'll get back to that after you make your comments.

MR. GARVIN: I didn't understand that to be a resolution, so I was going to offer a resolution. Is it a resolution before us?

THE MODERATOR: It is proper for you to continue.

MR. GARVIN: I would recommend that the state develop that the tourism and the legs be encouraged to provide for the future development of tourism as an industry.

MR. STEPHEN: Seconded.

THE MODERATOR: Before further discussion, Mr.

MR. MONTAGUE: I did not hear what state funding level as far as tourism --

MR. MONTAGUE: in the last five years, the state of Alaska has expended $9.7 million of which two point $1,000,000 has been contributed by the private sector, that is a record that is unqualified by any state of the union and any state government, and there is no other industry in the state of Alaska which involuntarily and without tax contributes that sum of money to a state program, and that is one of the reasons why that program is successful and

have in the visitor industry a money machine for all Alaskans, and you can show mathematically that the amount of monies that you invest in promotion immediately returned to Alaska within 12 months in terms of visitor spending. There is no where elsewhere we can put money into the public sector where we can take a public sector, invest that money and have an immediate return. It is far more effective than Welfare. Bear in mind that visitor dollars spent throughout the entire State and is the most widely distributed across all Alaskans, not just fishermen, just farmers or minors or loggers. The tourism dollar goes over the entire State. It is our only Statewide industry.

THE MODERATOR: Based on that reflection of nine million dollars, I think there is some idea that there certainly can be more participation as far as the unanticipated revenues, and we will not interpret how much can be done right now, but there are a couple of people raising questions. I'll allow Jane and then you.

MS. YAMASHIRO: Jane Yamashiro. I support the promotion efforts of the tourist industry. However, as being on the commission on the status of women, a number of complaints came about as to how an Alaskan women were being depicted in the promotion of tourist industry. I would suggest that we keep in mind that in the promotion of tourism which I am in support of that we keep in mind the

dignity of the people here.

THE MODERATOR: I will concur with your remarks as far as minority, women being treated as minority as those comments are part of the need to increase tourism trade.

MS. WORL: Was I next?

THE MODERATOR: No, I'll take him and then you.

MR. ALLISON: Dave Allison. I think that the resolution is good as far as it goes. But I would hope that maybe the panel could, especially in this case where there's such a tremendous return on investment that the panel might explore some of the ways in which tourism can be specifically encouraged. Once this particular resolution is resolved, I would hope there would be enough time to consider some reference to proposals that have been made in the State for a world class exposition of some kind. We can -- we're talking about incremental development that has been occurring on a regular basis through the efforts of the Department of Tourism, and that incremental development will continue, but I think there is potential, especially if there is any up side to the D-2 land issue, this is it, and this could provide an opportunity with the new lands, and with the alternative energies and alternative resource utilization that Alaska has or has access to. We could have a quantum jump. This could be truly one of the major tourist destinations recognized

throughout the world if the State of Alaska at some time does direct its efforts towards these kind of major significant efforts.

THE MODERATOR: I think as a separate issue, we should get back to the possibility of how we can influence our State of preference for, say, a proposed world's fair. Kosita, and then I'll take the lady on my right and keep raising your hands because this is generating interest. I'll try to make sure that everybody has something to say.

MS. WORL: I have a couple of -- I'm not too sure where we are in terms of our motion, but I do have a couple of things I would like to add.

First of all, everyone thinks that everyone else in this room is in favor of tourism. I would like to say that I have some very grave concerns about tourism and while I will not speak against tourism, I will speak to constraints on tourism or at least constraints on the State's or perhaps some direction for the State.

I feel like I'm being, you know, talking about agriculture, fisheries, and now tourism and then I'm reminded that don't forget, you've got to develop roads. I feel like we're moving ahead very quickly without thinking, without developing a policy for ourselves in terms of what does all of this development for us in terms of future developments for the State, and I think we should bear that

in mind as we are addressing or developing our motions. I don't think that we've developed an overall philosophy. It seems like if we have one, you know, the unspoken one is that we are talking about developing Alaska quickly. I don't mean to look at you as saying you're doing the (inaudible) but the two major concerns that I have with tourism, very often being an object of tourism, I have very negative attitudes about the problems with the industry. And while I know that we can't alter the tourists, what we can do, first of all, is one, develop mechanisms to ensure that we, that the tours are promoted with cultural sensitivity, and I'm not too sure the mechanism that we can develop. Kotzebue seems to be doing very well in terms of developing their own, but that was where you had local, you know, it was initiated from the local level. So what I'm saying is we need some sort of mechanism to make sure that the cultural integrity and cultural sensitivity is adhered to in developing these promotional tours. The second thing is the direct employment from tourism.

Now, we can talk about, all about the number of jobs that have been created, but I can tell you from rural Alaska that one of the major problems is employing local people, and I think those are the two issues that I would like to see incorporated in the development of your tourist model.

THE MODERATOR: I think that speaks for local initiative in a lot of cases where, reach a responsibility to determine how fast or how much they want to do is compatible with the State's overall system. I have a lady here on my right that is waiting to speak up.

MS. TROLL: Kate Troll, Anchorage, and I am wondering if this group would be amenable to the interpreting, encouraging future tourism efforts to also apply to the role of the State in encouraging in State tourist travel. By that, I'm speaking of the role of the State park system. We service, the State park system service the tourists here in State, and there is a lot of money that is being generated just through the establishment of campgrounds along sport fishing streams, and money, that a sports fisherman spends for King salmon is upwards of $100 per fish. And there needs to be more effort to not necessarily obtain land but for the land that we have to put money into developing campgrounds to entice and accomodate the Alaskan resident which in itself is a tourist.

THE MODERATOR: I think it's also appropriate that those remarks would envision that there is a need for tourism as far as in-State citizens recognizing regional differences, and that can play a significant part on tourism which people might argue pro and con.

MR. UCHITEL: This may take more discussion we might

have to do in the morning.

With regard to the specific suggestion of improving tourism through a world's fair, I've been working on a world's fair project, and I want to make sure that I have the opportunity either today or tomorrow to discuss it because I think it's critical to the future of this State that we strongly consider a world's fair project here in 1984. I've listened all day to a whole bunch of specific details that I know very little about. I'm not in any business so far that you've discussed, and I'm impressed with the expertise that's in this room, and there are no really decisionmakers in this room in terms of a legislator body, and yet we know a hell of a lot about it, but the point is there is no catalyst to bring all of us together that I know of better than a world class fair here.

There is no better way to explain the problem of the intrastate tourism and the interstate and international tourism. There is no better way to educate ourselves about our past, about our present, and about our future than to also expose them in some kind of an exposition. There is no better way to if we want to get back to regionalism and away from centralism and basically get back to the original spirit, the Alaskan dream and that kind of stuff that we've heard about this morning but have talked very little about at all this afternoon, you have to expose that to somebody.

You've got to show him by example what's going on. There are a lot of things going on in this State, in this country, and in this world that little groups know about, but how do you get the word out? You can put it on the television to a certain extent. Those things don't really cut it. You've got to expose things to people through participation and by example. People learn by example, they don't learn by some speech, and I think we have to show ourselves what we are. We have a terrible self image in this State. I don't think we really know how great we are. This is the finest place in the world, and we don't discuss enough about where we are, and if you think about it and Mr. Fuller is going to discuss a little bit about it tonight, and if you get in the middle of the core of the earth and you see where Moscow and the rest of it is, you see the trend of the world and where it is. We are in the middle of it. We have to do something big, something dramatic. We have to do something quite dramatic to tell ourselves, first of all. We can't go ahead and lead anybody without feeling that we're leaders in the first place and to now, we think we're still behind the times. I think that's a bit provincial. I don't think we've convinced ourselves about how terrific we are. When you discuss the tremendous resource that we have here, and I agree wholeheartedly that the greatest resource is our people. We've been making

brochures, and what is the thing, is it the bears or the clouds or the gold? No, it's the people. It is the people of this State that have a certain spirit all people throughout the world envy and want to emmulate. But we have to do something significant to convince ourselves that that is the fact and expose ourselves to the world.

This would be the biggest thing, the most important thing we've done in our history as a territory State, in my opinion, to tell the story to the world. I don't think our time could be better than the 25th anniversary. I want to make sure that we've discussed the fact because I know there's a concern about tourism, and the fact that the world's fair would push that tourism. And my biggest single complaint is that I personally don't want to bring a whole bunch of people up here, but I'll address in anticipating your question because I feel the same way.

THE MODERATOR: Tomorrow when we continue tourism, that would be a fine start-off point to continue that concept further.

MR. UCHITEL: To make sure I addressed the thing here, it is extremely important to us that finally people all over the world, we're not part of Canada or Sergeant Preston and part of the Yukon. It is important to tell our story, and at least people will know what we stand for.

indicating Alaska's articulation with both the specific and polar-rim nations. Alaska's future frontiers lie out here. What we're talking about at this conference is the development of an economically autonomous Alaska doing business with the world. I agree with Bob, you can tell entirely, it's time for us to present ourselves to the world as an entity, as a people united, united doing business with one another and with communities outside our boundaries. Whoever heard of Sopporo, Japan, before they ever had the world olympics?

THE MODERATOR: The motion on the floor is that tourism as proposed by that recommendation be made.

Are you ready for the question?

MR. GARVIN: Question.

THE MODERATOR: All those in favor of the motion signify by saying aye. All those opposed say nay.

The motion carries.

Thank you, folks. You've taxed my ability to try to keep the meeting going, and it's too bad we've run out of time, but tomorrow we'll continue.

(Recess at five o'clock.)

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

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Anchorage, Alaska

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Reported by: Robert C. Steeves

CSR #2147

EPSILON GROUP PROCEEDINGS

(December 7, 1979, 9:00 a.m.)

MR. MADDOX: Good morning, Future Frontiersmen and women. It's time to get going again. Only one word from me, and I'm going to turn over the chair again, and that is I certainly would like to hear more from all of you who relatively remained silent. You all have something to offer to this meeting.

Certainly it's easy to be dazzled by expertise, and many of these people in this room are working experts in their fields. Please don't be overwhelmed by their expertise. We're talking about issues that everyone of us have discussed over the years that every one of us has a degree of expertise in. These are your ideas; to develop those ideas of service, transportation, what have you. So get involved, please.

Bob Uchitel has a limited schedule.

MS. WORL: I would like to recommend that Sandra Stringer take the job.

MR. MADDOX: Sandra, would you take the job? You're going to participate as a delegate this morning?

VOICE: Yes.

MR. MADDOX: So the issues dealing with this morning

are what, Bob?

MS. STRINGER: Let's get the ground rules straight first. First of all, what time is it?

MR. MADDOX: It's quarter of ten. And we're going roughly two hours with two breaks, five minutes each.

We certainly want to spend at least, I would say a good twenty minutes or a half an hour discussing the World's Fair, if that's agreeable to everyone. There are other topics to consider this morning.

Now, I don't have a copy of yesterday's revised agenda.

Do you that are here feel that we can deal with the question of energy and land in two hours and touch on the World's Fair as well?

MR. WELTZIN: I feel there may be more of a priority than possibly the World's Fair.

MS. STRINGER: When we adjourned yesterday, we agreed we should spend some time, and I think we should spend some time. Does anyone have any suggestions? And please remember to identify yourself by name and place. Mr. Silides from Fairbanks.

MR. SILIDES: This just came in, as I understand; did it not?

MR. UCHITEL: No, it was actually submitted quite a while ago. I passed it out this morning.

MR. SILIDES: It was something which I am in great favor of.

MR. WOODS: The thing I wanted to get back to when we started was tourism. There were some questions that I wanted to get onto of what my understanding is. Now you want to get into world fairs.

MS. STRINGER: As I recall, when we adjourned yesterday, we had decided that the first order of business this morning we would be discussing, we would spend some time on the World's Fair.

MS. ROWLE: Marilyn Rowle, Fairbanks. I have a substitute resolution coming up. I think the chair had recognized me to wait until this morning.

MS. STRINGER: Does someone have a copy of the minutes transcribed at this point?

MR. WOODS: Mrs. Chairwoman, if you notice about the World's Fair, I don't think it matters anyway. It's going to go anyway, so it doesn't really matter. You can look at the names.

MS. STRINGER: I don't want to get into this before we decide it. And let's decide it.

MS. WORL: I move that we limit discussion on World's Fair to no more than 15 minutes.

MR. GARVIN: Second.

MS. STRINGER: The question has been called. All in

favor say aye.

The first order of business will be to discuss the proposed World's Fair for 15 minutes. How about the remainder of the morning? Anybody have any specific --

MR. UCHITEL: I'd just like to remind the chair, in addition to the land, we have to direct all the services to finances. So not only do you have two hours to do land, but to get through direct services as much as possible.

MR. MADDOX: I suggest that you take what time you need to complete the topics in the resource area this morning, and start on direct services when you've completed that. We're going to go until 10 o'clock tonight. At least we're scheduled to, and from my own point of view, it makes little sense to start talking about finance until you've laid out all of your priorities. That means that we've got to go through services and direct services and then we've got to talk about funding those things. So the logical sequence is to talk about that.

MS. STRINGER: If I have to lay it aside, I shall symbolically feel that we are moving awfully fast in topics and talking to others in this particular section and other people, I got the same feeling. Personally, I would rather even perhaps omit a topic if it got down to it at the last, and then to speed through. Taking my gavel back, I would like to say we should probably go ahead and finish up on

tourism after talking about the proposed World's Fair for 15 minutes and then decide to go into energy and land and spend as much time on that topic as we need.

Does anyone have a particular desire for one or the other this morning?

I move to entertain one or the other.

MS. STACHELRODT: Mary Stachelrodt from Palmer. I'd like to discuss energy.

MS. STRINGER: Following tourism and the World's Fair.

Anyone second?

MR. TIEPELMAN: Second.

MS. STRINGER: All opposed say nay.

I'd like to rely on Mr. Montague's watch and you have the floor.

MR. UCHITEL: Bob Uchitel, and we can even do it in less than 15 minutes. I think I made my points yesterday, and the main points, just to bring everybody up to speed, all the topics that we have browsed through very quickly, and there is a lot of expertise here. Myself and my group don't pretend to know all of those things as well as the people that deal with them, but what we have seen and I have seen when we got involved with this project and the reason we got involved with this fair is the reason to bring us together. Something that expresses it in such a way that the everyday person, the nonexpert, the person

that is not familiar with all of these topics in a graphic form, the idea of a picture being worth a thousand words in graphic form can understand the differences and and why there is a conflict between development and non-development and urban and native and non-native and the things we're discussing. All of these ideas I agree with even more, so some of the ideas expressed last evening that you saw with Buckminister Fuller and some that we don't talk about enough weigh in my opinion for things to happen rather than just an issue, have conferences issued and reports and studies and come back in ten years is to implement what we're talking about, and we're anxious to talk about something. I think that's the reason we're talking about something. I feel this and not only in this group, but in the state and this country and in the world.

As Fuller said last night, well, in my opinion, notwithstanding the fact that you feel that this wasn't a very particular important thing for you to discuss, I understand that, and I appreciate that, but I submit to you that it's an extremely important thing for this state. Something that for ten years now that many in this group and others will look back and say the single most important thing in my opinion, the single most important thing that caused us to jump into the 21st and 22nd century to improve our self-image is a place to start and exposing ourselves

to the world taking a leadership position, and we've got to do something positive, something that in my opinion very few people can hate or not like or have fun with or not enjoy participating in. This is a participatory state. The World's Fair is the kind of thing that everybody takes part in. It's not something for a small group of people. Also, Frank, the paper you've got there, you've got some high power people, and I don't want it to fail because I think it's important.

So I just want to impress upon you the fact that this is, this fair stands for all the things that we're talking about. Nothing that I feel or anybody else in particular feels, and it's to us as a group, we're putting together the fair to make sure that we attract all the different ideologies and in some way graphically express them in exhibits that not only will state temporarily, but permanently. There are many long-term residuals from these things. Keep in mind Seattle was the product of the World's Fair, Brussels became the economic center of the world because there was a World's Fair. There were Olympic games in the World's Fair in Montreal in '77. A lot of big things can happen, and I do believe all these specific subjects can be brought together so that it's not in a centralized way, too. I think we're very keen to that idea. It's very important to keep it regionalized but each region

has a way to express itself from everybody to the top people in the state and everywhere in the world.

There seems to be a catalyst and we need one desperately, and I think that is the project that can do that, and I'm done with what I have to say.

MS. STRINGER: We've got about ten more minutes if anyone has any questions or comments.

MR. MADDOX: One from me. What are the chances for making a bid for the Winter Olympics in '88?

MR. UCHITEL: My goal is for 1992. '84, the Olympics will be in Los Angeles. The Olympics in Los Angeles, in Orwell's book, people know about 1984. I believe Alaska stands for the opposite of big brother. It's the spirit that creates future conferences that is not familiar in existing states. There's something different up here, something exciting and creative and something of a leadership role that we can look back on perhaps 100 years or 200 years from now that something happened in Alaska in the '80s or in the 21st century that basically changed the world. The world can use a big kick in the pants, and the olympics will not concur in two sessions in the same country.

So 1992 would be the time to do that, and there are many ways that that can be done. It can be here. It can be done in any place in the state.

Another concept you have to realize, there is no fair that has a statewide event. They're all cities. There's Brussels and Seattle and that kind of stuff. This is an Alaskan fair. This is not an Anchorage fair, and that's a very difficult thing to do. It's not a whitewash, I can assure you. What we're trying to do is happening at the same time. This is where tourism comes into play. I finished a trip to the southeast, and there's a tremendous amount of history down there that is not exposed to Anchorage. It's important to get people out and about and understanding the balance of the state, and there are many mechanisms that you can use in a fair so that you can get them here and send them out to appreciate the state, and there are happenings occurring.

We're looking for state matching funds, say in Bethel, that there's a particular need for a performing arts center or something of that nature. That will be a residual of the fair. All of these things would be part of this fair, and we would look upon the fair that brought these things together.

MS. STRINGER: Mr. Garvin?

MR. GARVIN: John Garvin. I was just wondering if somebody would make a resolution.

MR. UCHITEL: I wrote one this morning.

MS. STRINGER: Are there any further questions?

MR. STEPHEN: Yes, I have. Jeffrey Steven. I'm not being critical at all, but I really -- I see the need possibly for this, but some of the justification is -- let me see here. "It will give a quantum jump permanently to our tourism. Create more awareness to outsiders to what Alaska is really all about."

MR. UCHITEL: How is that done?

MR. STEPHEN: No, but what greater importance is it to people outside to know what Alaska is all about? I'm not being critical. I want to know. The other thing, "above all, it will channel our individualism, innovativeness, perserverance, and energy into a positive project from which all Alaskans will benefit, in which all will have a part, and in which all will take pride. And the world will then know that Alaska, far from being out of it, is really where it's at."

I don't care if anybody outside knows where Alaska is really at.

"In a very real and positive sense, well be better Alaskans, individually and collectively, for having made it happen.

"Knew techniques concerning energy, transportation, communications and medicine" --

MR. UCHITEL: I think each building in the fair should be energized had by a different kind of energy. One by a

window, one by solar energy, one by low BT wood, driftwood, something of that nature, and there's a lot of push in this state for renewable resources, and I think there's away to do that where we show other people can do it where we talk about it. I think it's critical, very, very important to us that other people understand us. You can't live in a provincial way, I don't believe. In order for us to properly take our role as to where we are geographically and intellectually in this world, people have to understand where we are and what we stand for. How many people come up here and not expecting to like it and twenty years they move here? That happens with so many people. We're never misunderstood again, and we do deal with people. We're not an island up here.

A question you had on the other side. I can't recall. It was the individualism. I believe that -- I do very much agree with the concept that we lack self confidence in this country. We have an inability to feel that we can get something done as a person. I think Alaskans more than any other group of people feel less that way than anybody else. I think we can do something here. One of the reasons that I feel it's critical that we get a great educational system up here is because the great minds are going into business or politics in other states, and they can't do anything because the system doesn't work that

way. In Alaska, it does. We have to attract people up here.

One of the concepts we have is that as an entrance fee to the fair, and I assume most people are familiar with the 1984 big brother concept, that you go through a building -- and Fuller mentioned this last night. You go through a building that pretty much dissects you, reads your mind, gets your heartbeat, you can do this almost electronically today. If you go through this building, you're stripped of almost all the individualism that you walked in with. You walk out of that building and into the rest of the fair, and it stands for exactly the opposite. It celebrates the fact that we should never go to that point. That the individual is going to make this thing work, and the entrepaneur.

MS. STRINGER: Any further questions or comments? I guess we have a couple that are going to have to extend their time after a couple of minutes.

MS. ROWLE: Marilyn Rowle from Fairbanks.

I didn't hear anything that we're going to do with the buildings that the World's Fair will produce after 1984. How will we use that productively and on and on and on?

MR. UCHITEL: The site was going to be chosen was the Alaska Pacific University, but we feel that Alaska has to

put its best foot forward, and that is the prettiest site in town, the highest point. What I'm getting at is not all of the buildings will be on the same ground, but these will be throughout the city and the state would be a convention center, a playhouse, opera house, sports center, arts center, amusement parks, bicycle trails, mass transit has to do these things, and it's a block opinion in my opinion that permanent structures remain as in other countries, that kind of thing.

MS. STRINGER: Jerry?

MR. McCUTCHEON: Jerry McCutcheon, Anchorage.

I was in Seattle at the time of the World's Fair, and I talked to people there and they were rather disappointed with the people involved in it, and I asked where the people were coming from, and they said a vast majority of them were coming from Washington state, and that's what they drew from, considering Seattle draws from that about a million and a half people from the area plus the rest of the state plus Oregon, and we just don't have that kind of population here in Alaska to draw from. That fair also lost money, Montreal also lost money.

Maybe you can inform me of ones that have made money.

MR. UCHITEL: The only fair since 1933 that made money was Seattle. I'm sorry, with all due respects, you're

Incorrect.

MR. McCUTCHEON: I'm quite correct.

MR. UCHITEL: And the other thing is that the residual benefits are to the state. We expect that it will probably do somewhere between $5 and $15 million.

MR. McCUTCHEON: Didn't Montreal drop about a million dollars?

MR. UCHITEL: No, it spent six million and it got back about 400 million. The French have been very happy with what they've done. My experience is getting a little bit more than it used to be is that there is no place, including Fairbanks, Alaska that is sorry that it had a World's Fair. They have done tremendous things in every place that it occurred.

I'll finish by reading my resolution.

MS. STRINGER: We're almost out of time.

MR. SWAIN: I would object to extending it at the time for this particular subject. I think it's important that Alaska is a window to the world and we show that we can be proud of what we accomplish, but this conference is designed to take care of the people of this state and their needs today. We have people here from Westwood, Alaska, for example, that don't have a damn thing to show for being out there, and they're the people I'm concerned with, and that's why, in my opinion, I'm concerned with what's

happening out in this part of the country. I would say no, let's cut this thing off. I'm all for the World's Fair. Let's get on with the opinion.

MS. STRINGER: Does anyone have one final comment?

MS. STATON: Staton from Pacifica.

I believe at the Seattle World's Fair, they're using those buildings very well today, and I think in your area here at Alaska Pacific University, that they will use the buildings to the good advantage, and that it helps your town, our Alaskans and to people that knowhow we live up here, that we are not people that are isolated. We have the same feelings they do. I see in the land issue that the people who do not understand Alaska at all, and they sit in Washington, D.C. or Virginia, they don't understand Alaska, and --

MS. STRINGER: You have a resolution you want to propose?

MR. UCHITEL: Yes, I resolved it. Alaska needs a catalyst to bring rural and urban, native and non-native, old and new development and non-development, centralization and decentralization for concepts together for a common positive purpose and to propel us into a leadership position nationally and internationally where we belong. Alaska '84, a world class exposition to be celebrated statewide in our 25th anniversary of statehood is the one

key project that can improve Alaska's self-image and pull us together to face the unlimited opportunities before us.

MS. STRINGER: Is there a second?

MS. STATON: I'll second it.

MS. STRINGER: We've had a fair amount of discussion. Does anyone feel --

MS. WORL: No

MS. STRINGER: Rosita?

MS. WORL: I offer an amendment to that. May I see your motion?

MR. UCHITEL: Sure, if you can read my writing.

MS. WORL: I would like included in the motion the clause insuring maximum Alaskan and minority employment and contracts in the projects, throughout the projects, and that the policy board, the honorary board include geographical minority and women representation, and to delete --

MS. STRINGER: Well, that's one in there and then perhaps it would be best to handle it that way. Are there seconds?

MR. GARVIN: Second.

MS. STRINGER: Is there a discussion on this particular amendment?

MR. TIEPELMAN: Dennis Tiepelman. I think it's important that when you look at the issue of say a World's

Fair type of exhibition and the State's participation into it, you also have to be relatively aware of the smaller issues such as what Rosita has brought up in that a lot of times if you talk about tourism or the development of some of these activities, the large scale efforts doesn't necessarily have residual benefits to the point where those rural areas that are being exhibited don't necessarily benefit. So you always have to keep in mind there should be maybe some minority efforts or a minority opinion expressed to try to reflect that attitude and try to keep that in the background so that the overriding picture or the larger picture does not take over. Maybe some people somewhat negative or less have greater feelings because you get into the philosophy that the World's Fair means big things to all people, and that is not necessarily what Alaska always represents as well.

MS. STRINGER: Is there further discussion on the amendment? Again, the suggestions on the amendment itself?

MR. UCHITEL: With the amendment itself, I would just like to assure the groups that we're not interested in prostituting the state for the benefit of a big project. We're keenly aware of it and you should be aware of that; that we are very aware.

MS. STRINGER: Any further comment, questions on the amendment?

MS. STACHELRODT: Madam Chairwoman.

MS. STRINGER: We have a further comment. Identify yourself, please.

MS. STACHELRODT: Mary Stachelrodt from Palmer, and I really hate to sound like a doomsday prophet or anything, but with the high appeals costing every year higher and higher, I just have a problem with the World's Fair being held in Alaska

MS. STRINGER: We're speaking specifically of the amendment. Any comments on the amendment? Are you ready for the question?

MR. GARVIN: Second.

MS. STRINGER: All in favor say aye.

You wanted to offer the amendment. Do you want to offer another amendment?

MS. WORL: I offer another amendment to delete "to propel us into a leadership position nationally and internationally where we belong" and delete "improve Alaska's self-image."

MS. STRINGER: Is there a second to the amendment to be proposed?

MS. YAMASHIRO: Jane Yamashiro, second.

MR. UCHITEL: Discussion.

MS. STRINGER: I wonder if this specifically changes the resolution.

MR. UCHITEL: I feel that our self-image is what we're after, and that it is critical that before we get on with the other things, we improve our self-image, get to know that we really are in that kind of leadership position, so with all due respect to Rosita, it's not a provincialistic type of approach, it's just one that I feel that all Alaskans really do feel they're better educated about where we are.

MS. STRINGER: You're speaking against the amendment, then?

MR. UCHITEL: I'm speaking against the amendment, and I'm saying that it is very important for us to improve our self-image. I don't know why we would want an amendment to delete our self-image and leadership position; that we just tag on that.

MS. STRINGER: Anyone further?

MS. ROWLEY: I'd like to add my comments. Marilyn Rowle from Fairbanks in that we have been talking throughout this whole conference about Alaska, world class this and world class that and Bucky Fuller told us last night we had the characteristics of courage, and we've been playing that down, we've been letting people run over us, and I think that we should start asserting ourselves if not in this project, with other endeavors.

MS. STRINGER: Further comments.

MR. GARVIN: John Garvin. I move the previous question and all that's before us.

MS. WORL: May I speak to my amendment --

MR. GARVIN: Is not debatable.

MR. TIEPELMAN: I second.

MS. STRINGER: I have heard a second and I would like to see the behavior of the next speaker. We really should try to expedite this.

MS. WORL: The issue speaks to a philosophical issue that, I think we've all been talking about in Alaska, and I hoped that we could move rather quickly on this and then focus this discussion on tourism, however it has developed here.

We apparently have some differences of opinion in here about how we view ourselves and about the state of provinciality and how we view Alaska.

My position is that we have a healthy self-image, and I don't need to think that we need to have a World's Fair to say that we're going to improve our self-image. If we're going to improve our self-image, if it's a problem, if people see it has a problem, I don't think a World's Fair is the place to start to improve our self-image.

I find that the reference to that deplorable, I find it not in the best taste for Alaska. I'm not speaking against the idea of a World's Fair. If we're going to have

a World's Fair for other reasons, then, I have no problems with that. Then the philosophy about pitting ourselves with national and international, I just don't think that that is a necessary part of the resolution, and part of the resolution is to have or not have a fair.

MS. STRINGER: Do you feel comfortable in now voting on the amendment to the resolution currently in front of us?

MR. GARVIN: Yes.

MS. STRINGER: The question has been called for. All in favor of the resolution as amended -- pardon me. Wait a minute. The vote, we're voting specifically on the amendment.

All in favor of the amendment, say aye. All opposed, same sign.

I would like a show of hands and please remember the people only authorized to vote on this, only authorized votes are those from the delegates.

All delegates who are in favor of this amendment to the proposed resolution please signify by raising their hands. Eight.

All those who are opposed, please raise your hands. Five. Okay, the amendment passes.

We now have in front of us the resolution as amended.

Would you please read the amended resolution.

MR. UCHITEL: I'll make an attempt. Alaska needs a catalyst to bring rural and urban, native and non-native, old and new development and non-development, centralization and decentralization concepts together for a common positive purpose. Alaska 1984 World Class Exposition to be celebrated statewide, 25th anniversary of our state is the one key project that can pull us together to face the unlimited opportunities before us.

MS. STRINGER: There was also an amendment which we passed indicating --

MR. UCHITEL: I deleted those things.

MS. WORL: This is the addition.

MR. UCHITEL: I'm sorry. Also providing a maximum Alaskan and minority employment and contractual obligation as well as the fact that the policy boards will include geographical and --

MS. WORL: Minority and I added one.

MR. UCHITEL: Representation and women as well.

I'm sorry, but --

MS. STRINGER: Are you ready to consider the resolution? It has been called for. All in favor of the resolution signify by saying aye. Any opposed?

We discussed the world fair. I would like to make one more myself and that is I think you'll feel a little better that you have done, my own comment is that

you've got no women at all on your honorary directors and only one that I can identify is in the Steering Committee and I really think you could do a little better than that.

MR. UCHITEL: It probably says in there, I don't know if it does in this particular piece, but it says that we are starting to put together people and that doesn't imply that that is the end. You've got to realize that this is a four-year project and we've just started.

MR. MADDOX: Madam Chairwoman, we were using up a lot of time this morning. We still have a lot of issues. Could I ask you to get on with the next subject, please.

MS. STRINGER: We've used up, indeed, about 25 minutes on a 15 minute topic, so the next topic is to consider tourism. I believe that someone had a resolution which she had submitted right at the end of yesterday's meeting.

MS. ROWLE: Marilyn Rowle, Fairbanks. We're talking about tourism and how transportation would even more enhance our tourism which is a lucrative trade right now, but then we wanted to add to cultural considerations, so I tried to tie this into the substitute of which I make a resolution that transportation systems in existence be upgraded and extended in a balanced manner to points in the interior and in the inside passage to promote tourism in view that that industry is lucrative already.

MS. STRINGER: Is there a second?

MS. SABEL: I'll second that.

MS. STRINCEK: Is there a discussion?

MS. WORL: I have a problem with the extension of the transportation system. I'd either like to have, I'm not in favor of extending any kind of highways at this particular time without adequate involvement at the local level.

MS. ROWLE: It doesn't necessarily have to be highways. It could be railways or other, ferry systems or other. We're not just talking about highways.

MR. WOODS: Frank Woods, Bristol Bay. My question to tourism, she made a motion already, but when you talk about tourist money in this state, how much sports fishing is coming in, how many sports hunters coming in? We're talking about transportation routes. You're coming into my area now, and the people that come in every slue is just like a doggone big city, having fog, and you can't even go out in a small skiff now. Are these tourists fishermen, sports fishermen or sport hunters? Is the figure we got from tourism, is it all tourists by themselves or are they including sports fishing and sport hunting?

MS. ROWLEY: Marilyn Rowle, Fairbanks --

MR. WOODS: That's one thing I wanted to find out, is there a breakdown. What are we really talking about? Is it the people that are coming around looking at our villages walking to Anchorage or going through the shops or

what does it really include? I never get it clear from the statement that the gentleman made yesterday when we start talking about $40 million, 6,000 people, 20,000 people in the summer. I could never really understand what he was talking about.

MS. ROWLE: Marilyn Rowle, Fairbanks again. Let me speak to your question in that tourists are probably being herded up in your area because they have no other alternatives to go to other than places like Wasilla Los Angeles, the building and reality action going on there, in that people are being herded up in certain areas and tourists are allowed to go to other areas and they have no alternatives to go, access to go there, then, you wouldn't have that problem of your slues being crowded.

MR. WOODS: Let me answer the question. When these tourists come in, our people can't even get the food off the land. We don't want them in our area.

MS. ROWLEY: Well, that's what I'm saying. It's a bad deal.

MR. WOODS: It's a bad deal all over.

MS. ROWLE: But it wouldn't -- --

MS. STRINGER: Please address your comments to the chair. Are there any further comments?

MS. STATON: Ethel Staton, Sitka.

I feel the tourism in my area -- and I'd like to

see you support the idea that, you know, more ferry systems for our people. It lowers our freight rates, it helps the individual person that lives in a small town. I have seven miles of road one way and seven miles another way and I'm very handicapped and I'd like to see people to appear and support our idea of getting more transportation.

MS. STRINGER: I just had some people that commented again and then we'll come back to you.

MS. YAMASHIRO: From the discussion, it appears that there are vast regional differences in interests in tourism, and if we are, indeed, making policy or recommending policy to the state, we should suggest that the regional areas are encouraged to make those recommendations and at the local level, having some input. There are areas, I think with the use of the land is very crucial to the state and how it's used and how the people would view it and how tourism fits into it is something that I think we should be addressing.

MR. TIEPELMAN: Dennis Tiepelman. I'll speak in opposition to the substitute motion --

MS. STRINGER: Pardon me. It's the motion, right?

THE MODERATOR: The motion. That was the feeling towards it as it applied towards yesterday, and I will speak in opposition to it. To talk about transportation and existing systems under tourism whereas I think when it

would be more appropriate when we get into transportation, per se, it has implications and a better relationship to how it applies to tourism in other areas under the transportation section, not tourism.

MS. STRINGER: Are there further comments from those that have not already spoken?

MR. MADDOX: Madam Chairwoman, perhaps what's called for here is an extension of the Chamber and Junior Chamber of Commerce systems in the state of Alaska, the community I live in, for example, Bethel, is not actually noted for its tourism. We have a lot of people coming through from Washington, from Seattle, from Juneau, but they're on business usually. Tourists that end up in Bethel is only because the plane was over flying someplace else and then they leave as quickly as they can. So perhaps that's something you might like to talk about, how to extend our local chamber of commercial knows within -- Bristol Bay is a classic example of what could be done.

MS. STRINGER: Are there further comments first of all from those that have not already spoken to this resolution?

MR. WELTZIN: My name is Jeff Weltzin from Fairbanks. I have a problem with the implications of that motion in that it's expanding on existing type of transportation systems which are dependent on our use of oil, and as oil becomes more expensive those Trans station systems become

more obsolete and to expand and promote an obsolete system seems to me a little bit of hindsight or going backwards, and I would say if we're going to expand any type of transportation system, it's something that's less energy intensive and more in a mass transit scale.

MS. STRINGER: Again, any further comments from people that have not yet spoken, and then I'll ask Frank and then you can speak one at a time. Anybody else? Okay, Frank.

MR. WOODS: Well, to answer the question, I grant you in the south, they want tourism. You're exposed to the western cultural world more than we are. Our people still live off the land, and the thing about it is the flux of people that come up here every fall and it's unreal. I wish I had a film. I'd show you. The people can't even walk on the shores of Malchatna. That's why I wonder in your tourism what are we really talking about? Are we talking about sports fishermen or sport hunters or people that come into the state?

I don't really want the tourists at this time up in our area and the people don't. I hear them all the time. People want to take and shoot them off the beaches. They do. You see that in the paper that they take and they throw garbage, just litter it when they leave. We don't want that. Our fish are dying out because they catch fish and they leave them dead in the water. They leave the

skeletons on the bottom of the water. If there was some kind of a system where the lady mentioned if you want tourism, you make your motion to verify that, well, my area wants tourism, my people want tourism. Our geographical area in the southeast wants tourism. That's fine, there's nothing wrong with that, but any time you blanket a decision that the whole state wants tourism, it's not true, I know it's not true. The whole state does not want tourism. It brings in money but it does not feed my family.

MS. STATON: I'm saying that maybe you've got to guide them and if you set up facilities for them and make money off of them, they'll drop dollars in your town.

MR. WOODS: That doesn't feed my neighbor, either.

MS. STATON: That will feed them.

MS. STRINGER: Marilyn?

MS. ROWLEY: Marilyn Rowle, Fairbanks. I'd like to comment to the gentleman from Fairbanks. The key word in my statement was upgrade. Okay. To address your comments, to make more of less, alternatives will be based on existing systems, you know, regardless of what fuel source we go to. It will be based on existing fuel systems, you can bet your bottom dollar on that.

MS. STRINGER: On there any further comments on this resolution of questions.

Are you ready to vote on the resolution?

MR. GARVIN: Question.

MS. STRINGER: Restate the resolution.

MS. ROWLE: Transportation systems in existence will be up graded and extended in a balanced manner to points of the interior and to the inside passage to promote tourism in view that that industry is lucrative already.

MS. STRINGER: All in favor, all the delegates in favor? All opposed, same sign.

A show of hands, please. All in favor of the resolution. One, two, three, four, five, six, seven in favor. All opposed, one, two, three, four, five, six, seven, eight opposed.

MR. MADDOX: Madam Chairman, I think in this case we have a significant minority. The minority position should be stated in the record.

MS. STRINGER: I'd like to indicate for the record that the resolution failed and that the vote was seven to eight, and a minority position in that way should be indicated in that fashion. I think the statement essentially is that the resolution has failed.

Are there other topics under the general subject heading of tourism that somebody would like to bring up at this time? This may be our last chance, folks.

MS. TROLL: Kate Troll from Anchorage. Yesterday, I thought we had another resolution written up there where it

was a general statement made of the state to encourage the development of intra and interstate tourism.

MS. STRINGER: Does anyone recall this? Is it still up there?

Mk. MADDOX: Madam Chairman, I'd like to say something at this point. I think speaking as a rural Alaskan myself, I understand where the gentleman from Bristol Bay is coming from. I, too, have felt the impact of sports fishermen in my area. My home village is near Bethel, it's Anugnak. It's a great trout stream or it was at least until the Japanese sports fishermen began entering the area years ago. Now for local residents to catch rainbow trout, you used to be able to catch them at your doorsteps. They have to go up 30 or 40 miles to go those good fishing holes.

So the division here is really between tourism and the impact of sports hunters and sports fishermen, and if I read you correctly, my minority position here is that while tourism is a good thing for people to see us and to see what our country looks like, to meet us as people, their impact on our way of life is something that we want to try to avoid.

Am I correct in stating it that way?

MS. STRINGER: I'll go for that.

Are we looking for that resolution which Kate brought up? Before we leave this, did you want to make

some comment on that or did you have a resolution? I don't remember so what did you have in mind?

MS. TROLL: Well, I think the general statement was to encourage tourism both intrastate and interstate is the way I wrote it off.

MS. STRINGER: Does anyone recall? Have we dealt with this, there was a motion made to --

MS. YAMASHIRO: That was the substitute resolution that came as a result of that, I believe.

MS. STRINGER: Okay, Jane.

MS. YAMASHIRO: Jane Yamashiro. I'd like to offer a resolution.

As there are vast regional interests and differences in the development of tourism in this state, it is recommended that the state develop a policy to maximize local participation in its development.

MS. STRINGER: Do I hear a second?

MS. WIDMARK: Second.

MS. STRINGER: We need to identify the second for the record.

MS. WIDMARK: Emma Widmark.

MS. STRINGER: A discussion? Kate?

MS. TROLL: Kate Troll, Anchorage. I offer these comments in light of my experience of working for the Division of Parks, but I'm not speaking for the Division of

Parks, and I offer these comments because I'm here on my own time. I would support that because in my dealings with different local and regional governments, we have areas where people are coming to us to say please develop camp grounds and access for sport fishing and hunting. Boroughs and Kenai Borough and Mat-Su Borough are two areas in particular that are very keen on developing that kind of cash income because of the infiltration of money to the lodges, and the states have shown that the average sports fishermen for King salmon must spend $100 per fish, so it just, it begins to attribute a lot of money into that economy. So there are areas that are developed now and we have a problem of management in a way, you know, there needs to be more control and more facilities developed to control that impact, and we are getting requests for that, and likewise, I've gone to more remote areas and I've heard the same thing that I'm hearing right now.

So that I just would speak in favor of that motion on my own.

MR. TIEPELMAN: Dennis Tiepelman.

The recommendation in the stated manner I think makes sense in that you allow local regional areas to determine whether or not they're going to develop tourism, but overall, you've allowed the state to, you've recommended that the state fund tourism projects, but you

allow that interpretation to be done on a local level the way it's written. Therefore, some people are going to have less impact on what tourists go through their areas such as Woods' concerns and those other areas that try to improve it and get the same thing done and that that option is strictly theirs.

So a motion like that, I think, makes sense and should not require any further amendments.

MS. STRINGER: Anyone here -- there's a gentleman -- Paul?

MR. BROWN: My name is Paul Brown, and I'm with the Alaskan Repertory Theater, and we're submitting a paper under the headline of education, but the Alaska Rep. has interest in the tourism area, too, and I'd like to take just a few minutes to address some of the ways in which through the 1980s and '90s the theater company might assist to the development of tourism.

MS. STRINGER: Excuse me. Right now we've had a resolution which doesn't touch on this. Perhaps if you'd take a moment or two afterwards, if it's the wish of the body. If you'd like to speak on the resolution, you're welcome to do so.

MR. BROWN: No, I don't want to speak to the resolution. I want to speak on tourism.

MS. STRINGER: After we get the resolution, I'll ask

the body if you like to --

MS. ROWLEY: Madam Chairman, can we get a clarification of the resolution on the board as stated?

MS. STRINGER: Would someone please, the maker of the resolution please state it.

MS. YAMASHIRO: There is a vast regional interest of differences in the development of tourism, it is recommended that the state develop a policy to maximize local participation.

MS. STRINGER: Are you ready for further comments? Are there I call the question.

MR. GARVIN: Question.

MS. STRINGER: All in favor of the resolution signify by saying aye. Any opposed? One opposed.

A gentleman requested a moment or two to speak on tourism specifically in terms of the Alaska Repertory Theater would desire to touch on this topic for a moment.

MS. WORL: I would move that we table that until after we've proceeded with our orders of the day that we have and move on to discussion of, I believe it was energy.

MS. STRINGER: Well, it would seem if we're going to discuss it at all under tourism, it would be appropriate to discuss it under tourism.

MS. WORL: Madam Chairperson, I don't think we should be devoting any more time to particular projects. I'm a

supporter of the Alaska Rep. I just don't think we should be devoting our time to particular single projects.

MR. McCUTCHEON: Madam Chairman, I don't think the motion for the table is debatable. It's up or down.

MS. STRINGER: One more comment.

MR. UCHITEL: What I was going to say is the Alaskan Rep. has done so much in the state. I don't know what he has to say, but I'd like to hear what it is.

MS. WORL: Point of order.

MS. STRINGER: All in favor of the table. Any opposed.

Since we haven't been following parliamentary procedure too strictly throughout this, I didn't think it was necessary to follow it this time. Sorry, you can speak to us individually.

Anything else under tourism?

MS. ROWLEY: Could another resolution be proposed or could another recommendation be proposed in the same thing?

MS. STRINGER: Yes.

MS. ROWLE: Marilyn Rowle, Fairbanks.

I'd like to make a resolution that transportation systems in existence be upgraded and extended in a balanced manner to points inclusive of Fairbanks, Anchorage, and Eastern to promote tourism in view that that industry is lucrative already.

MS. STRINGER: Do I hear a second?

MS. STATON: Seconded.

MS. STRINGER: Would you like to speak to the --

MS. ROWLEY: Myself? I don't know.

MR. GARVIN: I have a procedural question. I think it's similar to this motion to vote it down.

MS. ROWLE: It's exclusive of the area.

MR. SWAIN: Could I raise a point of order? Do you think we should talk about tourism? I think if you talk about tourism -- we ought to move on. I think if you let this gentleman talk about tourism won't let this gentleman talk about tourism, we ought to go somewhere else. This gentleman has the floor, and it was voted that we not talk about tourism. If you want to discuss tourism, you should let him talk first and then keep on going. If not, we should get rid of tourism and go on to some more needed areas.

MS. STRINGER: As I understand it, the vote was actually on not to speak on further projects and not on tourism as a topic.

MR. MADDOX: Madam Chairperson, I would like to suggest that we spend no more than five more minutes on the subject of tourism.

MS. STRINGER: What time is it?

MR. MADDOX: It's 25 minutes to eleven. Let's make it twenty minutes to eleven and go on to --

MS. STRINGER: We have the resolution on the floor. Would anyone like to make any comments on it?

MS. SANDE: Jenny Sande, Ketchikan.

As I understand what you were saying in the -- when you voted down the previous motion, your objection was to okay the fact that you in the northern areas or I don't particularly know where you're from did not care for tourism, did not want -- in southeast Alaska it is very relevant and we do need it and we do want it, and whether the ferries are upgraded for tourism or whether they need to be upgraded, those ferries are old and this are the only means of transportation other than an airplane, and for low cost transportation, it is, there are roads.

Now, we've paid for lots of money for roads in the interior and for air fields and I think what we're saying is to enhance our economy and which in Ketchikan from tourism is our number two industry and we don't have that many options is that we need a ferry system.

Now, what her amendment is saying is that okay, we're not going to say that the North Slope has to have tourism or the borough has to have tourism, Nome has to have tourism. We're leaving it up to the regions to decide. What we're saying, those regions that do want it and do have it and have a large percentage of it now would like monies spent upgrading the facilities to get people there.

MS. YAMASHIRO: Madam Chairperson, I believe that the resolution covered that because we're dealing with tremendous diversity in the state, and understanding that southeast and Kenai and various other places are very much in favor of tourism, a lot is allowed in the resolution and I would also offer the comment that Dennis Sipman had made earlier that there seems to be an issue also under transportation more than tourism and I would like to make a point of order.

MS. STRINGER: The chair has ruled that this particular resolution is appropriate at this time and I would like to take two additional comments, Frank. So Frank, if you'd like to --

MR. WOODS: She's already answered the question. The motion that was set earlier explained very well is that the geographical area where you're from submits or at least show the state that I want tourism, you go after it, it's very simple. All of a sudden you say well, just southeast and Kenai wants it. I don't think you should do that. I think what we're talking about is we have all different problems. The resolution that was made earlier covers all of that. It's up to you. It's not saying well, I'm from the southeast, I want to make a motion --

MS. STRINGER: One more comment.

MR. STEPHEN: Just as a point of -- as I understand it

and make the chair can see if I don't understand it correctly.

I think that the motion more or less as I understood was that they said go ahead with tourism wherever you want it, but at least give the local areas that don't want tourism a chance to review it and I would have to speak against your motion just because it is not as general as I would like to see it because there might be some other areas in this state other than the ones you mentioned that might be interested in expanding tourism and they're not mentioned in your motion. I think her motion carried it quite well. Let it go where the people want tourism and I wasn't -- I would have to speak against your motion because I wouldn't want to restrict it to only Kenai or Fairbanks or wherever else you mentioned because in Kodiak, we might want to one or two things related to tourism, and I hate to see any official resolution --

MS. ROWLEY: Madam Chairman, I'd like to conclude.

MS. STRINGER: One concluding comment, and since you're the maker of the motion, go ahead.

MS. ROWLE: Okay. Marilyn Rowle, Fairbanks. Why can't we have two resolutions, and while we're at it, people who want it for the purposes of this conference seeing that it is the purpose to make resolutions, make suggestions in the legislature. Why not for the people

that want it? Why can't they get their resolution in? We're not hurting anybody.

MS. STRINGER: Okay. I think we've discussed this pretty thoroughly.

MR. GARVIN: Call for the question.

MS. STRINGER: Would you like to restate it?

MS. ROWLEY: I'd like to make a resolution that transportation systems in existence be upgraded and extended in a balanced manner to points inclusive of Fairbanks, Anchorage and southeastern to promote tourism in view that that industry is lucrative already.

MS. STRINGER: All delegates in favor of this resolution, please raise your hands. One, two, three, four, five. All opposed, please raise your hand. One, two, three, four, five, six, seven. The motion fails.

MR. MADDOX: Madam Chairman, once again, the minority position should be noted.

MR. WOODS: Can I make a short comment on that motion. The reason I voted against is because --

MR. TIEPELMAN: Point of order.

MS. STRINGER: I recognize Frank.

MR. WOODS: The thing that I voted against, I don't really know that these ladies are representing all southeast, every village like Gangoon or places like that. That's been our problem, you know. Even myself, I can't

say I represent the whole of Bristol Bay. Now, when a motion comes, I have to vote against it.

MS. STRINGER: We've discussed tourism again at some length this morning. We probably should move on, but if anybody has a single issue left under tourism that he or she would like to discuss, at least for right now, it probably will be your last chance.

MS. STACHELRODT: Mary Stachelrodt from Palmer. I'd like to comment on what I started to say a little earlier about tourism and about the high cost of transportation in Alaska, and I wonder how long are we going to have tourism where it profits us in Alaska. The regions of Anchorage, Juneau to a point where people cannot afford to get on a plane, you know, for maybe ten, fifteen years from now, it will be $200, $300, $400, $500 to come up here. That's the only comment I wanted to make.

MS. STRINGER: Are there any further comments on the general topic of tourism? And let's try to keep it limited.

MS. ROWLE: Marilyn Rowle from Fairbanks just to say that I will reintroduce this resolution under the transportation.

MR. GARVIN: Move for a five minute recess.

MS. STRINGER: Okay, five minutes and let's keep it at five minutes.

(Short recess.)

MS. STRINGER: If you are thinking of a resolution, find a second for it and then discuss the topic that way. It's probably tedious and will tend to channel the conversation more. I think also that we should try to decide early in this hour what scope we're going to -- I think it's a fairly broad topic. If somebody has a resolution which might kind of touch on the scope of the discussion, I'd appreciate it.

MR. MADDOX: Madam Chairwoman, may I make one point here. I think this is a fine opportunity for us to address the issue of overall oil and gas policy once again, to take a look at it. That is one of the things that this body is being charged to deal with specifically for the '81 legislation session. We need to know how Alaskans feel about the development of an oil and gas policy.

MS. STRINGER: That certainly is an important feature of energy. Someone also mentioned to me -- I will not discuss the topic of alternate energies. So I will entertain the motion if someone would like to kick this off.

MR. TIEPELMAN: Dennis Tiepelman.

I would recommend that the state invest funds by subsidizing energy development costs of alternative sources, and with that statement, would make that a motion.

MS. STRINGER: Is there a second to this motion?

MR. McCUTCHEON: Seconded.

MS. STRINGER: That was probably mentioned by --

MR. McCUTCHEON: Dennis McCutcheon.

MR. TIEPELMAN: I think energy is an overriding factor that both the rural and the urban areas have an overriding concern as far as the increasing costs of what oil and gas now means in the way of dollars per gallon, and I think it's becoming more and more apparent in especially the rural areas which I'm not familiar with. We've got to look at alternative energies because we can't afford to pay oil and gas decentralization of five cents a kilowatt hour. The diminishing returns of this oil are eventually running out and still having to pay for oil can be open, if the state can invest their portions or a significant portion of their three and a half billion dollars by paying for the development costs of these alternative energy sources that are already there. What we can do is -- the consumers themselves can't buy the way for that development cost. It might cost $50 million to put in all the villages a wind generator that maybe puts out 100 KW. So those people can't pay for that over the long run.

What the state has to do is pay for that development cost and then pay the maintenance and the operation costs after that. So, in the long run, you reduce the need to rely on oil and gas and you get the oil policy, oil and gas policy that we mentioned yesterday, and

we get into an overall policy as far as what Alaska should have.

That's the background of my motion.

MS. TROLL: Kate Troll, Anchorage, and I would ask a question to that in that you might be encouraging the development of the state utility company if you go to the full scale of them providing for those facilities. You know, you might want some payback provision in there where the local municipality can then repurchase the alternative energy source so that you have local utility boards as opposed to the state getting into that business.

MR. McCUTCHEON: Why don't you amend it to the local area? Why don't you amend it to make it the property of the local area so it's given as a grant, it belongs to them, not the state.

MS. TROLL: Okay.

MS. STRINGER: Would you like to offer the amendment?

MS. TROLL: I would like to offer the amendment as stated.

MS. STRINGER: Is there a second?

MR. WOODS: I'll second it.

MS. STRINGER: Frank, did you have --

MR. WOODS: I'd like to comment on Dennis' --

Frank Woods, Bristol Bay. We've got two hills right behind our village. One is 350 feet and the other is

550 feet. I've been trying to get the state to put in a hydroelectric plant. In the status we have, the project was put together so that those little hills there can supply about five villages, and I think with the concept of the state putting up some money, too, for some kind of energy plants besides oil, that's one of the good projects it could be looking at. There's a lot of projects over in the Imeri area that have the same type of good indication of hydroelectric power, and I don't know what the state's opinion on it is, but the thing about it is it's feasible and it works. But like Dennis says, the local people don't have the money, the resources to pay for it.

MR. WELTZIN: Jeff Weltzin from Fairbanks. I'd like to include in that motion --

MS. STRINGER: We're talking about the amendment. Maybe the best way to do it is to vote on the amendment and then go to something else.

MS. TROLL: Yes, let's let Jerry McCutcheon -- they have it -- take it, the amendments.

MR. McCUTCHEON: That the fund be given as a grant to the individual areas so that they become the property of the individual areas.

MS. STRINGER: Do you feel comfortable in voting on this particular amendment at this point?

MR. McCUTCHEON: Could I get somebody else to amend it

to one other thing, to also make that apply to marine transportation.

MS. STRINGER: Maybe we should vote on this one or we're going to get confused at this point.

MR. McCUTCHEON: Well, we're dealing with alternate energy. If we're going to run out of oil, we're going to run out of diesel fuel for boats.

MS. STRINGER: Do you feel comfortable on voting on that now. Question anyone?

MS. YAMASHIRO: Call for the second.

MS. STRINGER: All in favor of the amendment, say aye.

The amendment passes. Now, Jeff, you had another one at this point.

MR. WELTZIN: I'd like to see an amendment to that resolution to include subsidies for energy conservation and proper building design.

You know, the villages are notoriously uninsulated, along with Fairbanks and Anchorage, and increasing energy use to let it sift out through the cracks in the walls is kind of a waste from the very beginning in that if energy conservation is a major part of this resolution, that total expenditure of money will be reduced.

MR. MADDOX: Point of information. The project presently getting underway in the Bethel area is of considerable interest to all of us that live out there on

the Delta. It's the use of what are called thermalac power filters. We have a central heating plant in Bethel which is putting out its very best effort to warm Alaska. All of it is going out the stack.

In Bethel where it's blowing 40 miles an hour it's not going to do an awful lot of good. On the other hand, the project for that area is to take that excess heat off the central plant, pipe it down through the perma frost and down below clay to a body of water contained below the surface. That water will then be heated up and the heat that is stored in that water will be recalled on demand to heat the public buildings in the city. That's the community college, radio and TV stations, the jail and courthouse and perhaps even enough to provide heat for the large housing project that's directly adjacent to it.

That kind of alternative energy development is an extremely important thing for Alaska, and every part of Alaska has its own potential for the utilization of a combination of alternative energy sources. A grid system, for example, incorporates wind generators, thermal filters as well as the general petroleum power derived.

MS. STRINGER: Jeff, do you want to propose a specific wording?

MR. TIEPELMAN: We're working on it.

MS. STRINGER: Dennis, do you want to incorporate it

as a portion of your -- would you like to restate the topic we're discussing?

MR. WELTZIN: Jeff Weltzin, Fairbanks. We're talking about energy conservation, and so many studies have been done nationally and statewide that if we just properly insulated our village in the first place, and that if we built existing new buildings properly the next time around we wouldn't have to import any oil from the Arabs.

Energy production is not really the key issue here and we have enough to produce energy already. It's a matter of proper use and fitting, the proper type of energy to the end use. And you don't use electric to heat buildings because that's a highly refined expensive form of electricity. You use low quality heat. That's much easier. You burn wood in Fairbanks. A lot of people are converting from electric heat to wood stoves, and that's just one example of that type of thing. It's a type of energy use and not so much energy production as having energy efficient buildings.

MS. STRINGER: I'd like to ask Dennis. You've incorporated this essentially into your resolution. Would you like to read the resolution presently as it reads and also you have the concept of your second second? Who is the second? John?

MS. TROLL: I can't second.

MS. STRINGER: You seconded, Dennis.

MR. GARVIN: I didn't, but I will.

MR. TIEPELMAN: Madam Chairwoman. Dennis Tiepelman.

Without getting into the subject of amendments and seconding those, I will just propose that this recommendation read as follows: That the state invest funds by subsidizing energy development costs of alternative sources by grants to local agencies and that alternative energy sources include a policy for existing facilities in existence to be upgraded by state subsidies.

MS. STRINGER: That's the resolution. Are there further amendments?

Jerry, you had something to suggest earlier regarding marine?

MR. McCUTCHEON: Let's make it applicable to marine also, to marine transportation with respect to alternate energy forms. The time is coming, you know, we're going to go back to sail power.

MS. STRINGER: Are you willing to include that in your --

MS. TROLL: He has existing facilities and systems.

MR. McCUTCHEON: Sail power jolted everybody in the room, so you won't be thinking of that unless that word is in there and that's why I asked it to be put in there.

MS. STRINGER: In making the motion. I'm trying to figure it out to put it in appropriately. Are there

further comments on this topics?

MS. STACHELRODT: A couple of years ago the Legislature published a bill which established the power authority. It used to be the state energy office. Now it's a long name. I can't remember what it is right now, but in that bill, there was a section that talked about grants or loans for alternative energy sources. So it's there already.

MS. STRINGER: Jeff.

MR. WELTZIN: My name is Jeff Weltzin. That energy is called the Alaskan power authority and that entities' main objective right now seems to be large-scale power projects and energy conservation and small power projects which the community level seems to have taken a back seat to their efforts, and I think this resolution would help redirect their efforts into smaller communities where really it's needed.

MS. SANDE: Jean Sande. It is going through small projects. Another one got in for title power and those are individual ones they're working on. Another source of funding is the state funding.

MR. McCUTCHEON: Those little projects you're talking about, isn't that the state renewable fund?

MS. SANDE: Yes.

MR. McCUTCHEON: Well, that's something altogether

different.

MS. STRINGER: Are there further comments from people who have not already made a comment?

MR. MADDOX: Just one from me. I think if you want to take a good hard look at the state's involvement in power projects and its ultimate high cost to the consumer, take a look at TVA, see if Alaska really wants to go that way.

MS. STRINGER: Interesting point.

MR. McCUTCHEON: TVA is low cost.

MR. MADDOX: To whom?

MR. McCUTCHEON: To the general consumer.

MS. STRINGER: Are there any further comments by anyone who has not already made a comment?

MR. McCUTCHEON: Your staff and you should be better than that. TVA is low cost power. So bountiful.

MR. MADDOX: The bill coming to the consumer is, true, but the bill coming to the taxpayer is very high.

MR. McCUTCHEON: Not the original project.

MR. MADDOX: A good point of debate.

MS. STRINGER: Let's get on with discussing the resolution. Do you have it reworded?

MR. TIEPELMAN: This questionnaire is just an insertion that I'll put in, that alternative undersea source including conservation for existing facilities and systems including marine transportation to be upgraded by

state subsidies.

MS. STRINGER: Whoever seconded it, I assume agrees with this change that the makers made?

Anybody else? Kate.

MS. TROLL: I would like to also add something to the fact that the state take an active role in disseminating information to the local residents. For instance, the environment and the alternative energy conference which there were 600 people added, mostly Anchorage people though, with people presented there where projects that the individual could undertake and there was valuable information and the center for environment is also getting all types of books.

So there's very valuable sources of information that was actively disseminated that the center for environment does not have that would make a much larger impact. So maybe we ought to make an amendment to that

MR. McCUTCHEON: A point of information. There is a news office, and they're looking for people to put on their daily list, and they have a state office over in "McKahill." They got it and they did pretty good, and their mailing list happens to be if anyone wants to use that for contact, they'll give you a mailing list and it's very accurate -- less than 5 percent returns.

MS. ROWLE: Marilyn Rowle from Fairbanks. Maybe Kate

can coordinate with this office that Jerry is talking about, maybe suggest some resources that she knows about this office.

MS. STRINGER: Sounds like a good idea.

MS. TROLL: Fine, I'll do that and withdraw my motion for an amendment. If this board was effective, I was not aware of that.

MS. STRINGER: One of the benefits of attending this, you find out all kinds of things. Any comments on the resolution?

MR. GARVIN: Question.

MS. STRINGER: The question has been called for.

Signify by saying aye.

The motion passes.

How about another topic under the subject of energy?

MS. STACHELRODT: I'd like to talk about energy efficient houses and our philosophy under Sunworks is low energy technology which is the efficient use of materials, the production of, transportation of and the use of -- in other words, no waste. As an incentive to the small timer who designs an energy efficient house, sort of the greenhouse, whatever, I'd like to recommend that the state build -- and we'll give a cash prize to the developer and the person who has built a structure, an energy efficient

structure which is cost effective, virtually maintenance free and energy efficient.

MS. STRINGER: Is there a second?

MR. STEPHEN: Second by Jeff Steven.

MS. STRINGER: Would you like further comment on your motion?

MS. ROWLEY: Marilyn Rowle from Fairbanks. I would like to ask how much would the cash prize be? Could you give us a suggestion of how much the cash prize would be?

MS. STACHELRODT: Right off the top of my mind I was thinking of numbers of $50,000 a year. In other words, you pay for the structure, that structure could also be open to the public, you know, in a way.

MS. STRINGER: Are you suggesting to the incorporation of a dollar figure in the resolution?

MS. ROWLEY: Well, a ballpark figure.

MS. STACHELRODT: Well, approximately we could.

MS. STRINGER: Does Don have a comment on that?

MS. YAMASHIRO: I suggest that we keep all dollars out with costs of inflation and other factors to limit the ten-year period, how much, I think it's too narrow.

MS. TROLL: I would like to add to that; that the state also in their efforts of encouraging energy efficiency in this program that you're talking about, that they also divulge those people who are at the other extreme,

like the dirty dozens of the energy efficients.

MS. STRINGER: A word stress list.

MS. TROLL: Exactly. You know the federal building right now, there are conference rooms; there is no physical way that you can turn off those lights. They're on 24 hours a day and there's that type of thing that's happening, so you're encouraging both positive and negative by pointing out the culprits.

MR. WELTZIN: Jeff Weltzin, Fairbanks. I think it's a really good point because in Fairbanks, the worst energy users, the worst wasters of energy are the state Department of Transportation, the International Airport, all the big public buildings are the worst users of energy, and if the state doesn't clean up their act, how do they expect the citizens to do that?

MS. STRINGER: Do you want this as an amendment to this or do you want it as a separate resolution?

MS. STACHELRODT: I'd like to keep it separate because that is an altogether different thing.

MS. STRINGER: That's probably a good idea. We're talking about one resolution. Anyone care to debate or discuss any further?

MR. MADDOX: Madam Chairwoman. I'd like to call your attention to the article in the finance section by "Mark Fire," energy capital per structure.

Several years in the Yukon Delta area, a series of three high schools were built. They were designed in Phoenix, Arizona. They were built up off the ground with free air circulation underneath. Two of them contained swimming pools which during the first winter became the largest cocktail ice cubes in the state of Alaska. The heat lost through the stacks was outrageous.

This is still going on, by the way. It was attempted to make some corrections. I would like to suggest if we're going into energy support that it be developed in the state and make full use of our knowledge of Arctic and subartic technology and we take a look at what they're doing in Siberia in that connection giving what he felt is due.

MS. STRINGER: Any discussion on that resolution? I think it was in front of us speaking in favor of it.

MR. GARVIN: Question.

MS. STRINGER: The question is called for. Do you need it restated?

MS. STACHELRODT: Recommend that the state provide a large cash prize annually to an Alaskan who has developed and built an energy efficient structure which is, one, cost effective, two, virtually maintenance free, and three, last, but not least, energy efficient.

MS. STRINGER: All in favor signify by saying aye.

Any opposed?

The resolution passes.

Do I understand there was a second topic of discussion of that general heading? Was there another resolution here?

MS. TROLL: The same one --

MS. STRINGER: A delegate, of course, has to propose the resolution. Somebody could suggest the wording.

MR. WELTZIN: Jeff Weltzin, Fairbanks. That the state take initiative to retrofit existing public buildings to set good examples for the rest of the citizens of the state, something to that effect. Someone can come up with a better resolution.

MS. STRINGER: Can you develop the wording of it and then someone can submit it.

While you're working on that, does he or she have a resolution to introduce?

MR. STEPHEN: I don't have a resolution, and it's a little bit off of this topic. I would like to maybe throw something out on the table for my own self-enlightenment.

MS. STRINGER: As long as it's energy, we can discuss it.

MR. STEPHEN: I don't know what it's about and I would like to get the feeling of the group here, maybe some people that are informed more than myself. I spent three

years in Latin American countries, and sometimes I feel like I'm in an under-developed country, and sometimes I saw resources like copper and tin and oil leaving the remaining countries and a lot of the people. I see this crude oil going out down to Valdez or to wherever it goes.

I lived in Houston, Texas, for awhile, and I know what refineries can do, and I wonder if anybody knows about what refineries or what the state policy is.

Is there any type of policy or feeling in this group that would promote the construction of refineries? I realize that could be controversial because of the ecology and everything, but I really hate to see this resource going out not even primarily processed out of the state and then we have to ship it back in and then buy it, for gasoline, for $1.20 a gallon or whatever we're paying down in Kodiak. What do people say about refineries for oil? First was Edith.

MS. WORL: That's a topic that I wanted to address on a very broad scale in terms of our resources. It's true that all of our resources go out of the state and then it comes back to Alaska and we have the added cost of all of that, you know, shipping it out and bringing it back in, and that applies on the broad scale to everything from oil and gas, fisheries, timber, you know, generally speaking. I mean, I know that there are instances where we have some

local, there is local development, and I would like to see a very broad policy developed that wherever state resources are, state and natural resources are developed, that there be a mechanism to assure that those products or at least, you know, an adequate supply, stay in Alaska for Alaskan consumers, and I don't know where it should be brought up, but I think somewhere we need to address this, you know, very generally under resources.

MS. STRINGER: Under resources rather than energy?

MR. McCUTCHEON: Why not do it under energy. Make a motion.

MS. STRINGER: Would you like to go into that right now since it's probably going to be fairly lengthy. Would you like to dispose of the resolution which is being drafted?

MS. TROLL: We have it drafted.

MR. McCUTCHEON: Get that over with.

MR. TIEPELMAN: Dennis Tiepelman proposes the following: That the state should take the lead in providing underefficient buildings in the construction of public facilities and make public those building projects that are major examples of underwastes.

MS. STRINGER: Do I hear a second?

MR. WOODS: I'll second it.

MS. STRINGER: Any discussion.

MR. TIEPELMAN: Question.

MS. STRINGER: The question has been called for. Aye? Any opposed? Resolution passes.

Marylin did you have something?

MS. ROWLEY: Yes, I wanted to add my friendly agreement to that and to forewarn us that we should make a recommendation as a demand because there is times when the Lower 48 is going to suck us dry, and you can see right now what benefits they're making on us now, but with the Iranian crisis --

MS. STRINGER: Rosita, do you have a particular resolution in mind?

MS. WORL: I move that the state adopt a policy to -- insure that -- I don't know -- resources, natural resources, if you want to say natural resources, that wherever the development of natural resources occurs, that supplies be made available to Alaskans.

MS. ROWLEY: Processed?

MS. WORL: Developed, processed and distributed in Alaska.

MS. STRINGER: Does someone have this written down?

MS. YAMASHIRO: I have it written down.

MR. McCUTCHEON: How about that no natural resources be removed from the state without being processed? That gives you the process right here in state.

MS. STRINGER: Wait a second. Do we have the wording of the resolution now? Do you want to reread the thing and then we'll discuss it?

MR. McCUTCHEON: If we can't use it --

MS. WORL: Can we just talk first about the general discussion about that?

MS. STRINGER: We'll develop it. Jerry? You had a comment to make.

MR. McCUTCHEON: Well, they were working down there and over here. I don't know. It seems to be a number of us, if we can't use it, let's leave it in the ground.

MS. STATON: Ethel Staton, Sitka. I don't feel that way. I think it's great to say we're not going to give it, but you're not going to let your people go cold.

MR. McCUTCHEON: If it's not needed, let's not use it.

MR. STEPHEN: We can use it for commerce.

MS. STRINGER: Jeff?

MR. STEPHEN: Are you suggesting that we use it for our own use or use it for commerce as well?

MR. McCUTCHEON: No, if we extract it, we process it. If we don't process it, we don't extract it.

MR. WOODS: The reason I say we're not going to use it, you know, leave it in the ground. The reason I state that is why do we sell, let's take an example of Japan and we have to buy it back for $16 to process it? I mean, it's

crazy.

Here we're talking about the resources here, they're in the ground. Yet, we let it go by us for half of the price and we have to buy it back double when the thing is here.

Why should it have to exchange hands like it has been in the past? I mean, the road has already been set that this is the way you go, but it doesn't have to go like that. It's here. Why exchange it through somebody's hand like a broker and come right back to the same original spot that it started from?

MS. STRINGER: There's a lady down there at the end of the table.

MS. WIESE: I know people that are taking mineral out of the ground and they are shipping it out to be refined. Otherwise, they'd have to put a foundry on land that they don't want or they don't want it in natural wilderness and you would be cutting out people's livelihoods which is supporting quite a few people in Alaska, where if you put a foundry up, you'd be dividing the natural beauty of what she's talking about and some things are cheaper to ship out than to build foundries to handle that small amount.

MR. McCUTCHEON: Would you be specific as to what information --

MS. WIESE: I'm talking about silver.

MR. McCUTCHEON: All right, fine. You're talking about shipping silver or--

MS. WIESE: It wouldn't be economical to refine it in Alaska.

MR. MADDOX: Madam Chairperson, perhaps we could modify the language to include the motion of where feasible.

MS. STRINGER: We're just developing language right now.

MR. MADDOX: Well, the language needs to be cleaned up

MS. YAMASHIRO: We don't have the language.

MR. McCUTCHEON: We'll just change it to exclude gold and silver.

MS. STRINGER: I think we may have language. Hold on.

MS. YAMASHIRO: This is not the language, but I thought of ideally, it would be nice not to say really natural resources without it being processed in Alaska, but in terms of practicability, I don't think it's realistic, and therefore, we can ask the state to encourage any kind of maximal use of natural resources so that the people in the state can benefit from it at low cost or however we want to state it, but to arbitrarily and unilaterally decide that we are not going to allow any natural resources out, I think would be foolish.

MR. McCUTCHEON: We've been doing it for twenty years exactly what you say, and it's already written that way and

it hadn't produced anything.

MS. STRINGER: Anyone that has not already made a comment on this particular topic --

MS. WORL: Ted, would you write that resolution for me?

MS. STACHELRODT: Mary Stachelrodt. This had come up before, the feasibility of putting a petro chemical plant here, and according to the state, the cost was just huge. In other words, it was not cost effective. You know, it was to get ahold of the state of Alaska, you know, the office, the energy office there and get ahold of the copy of the study that was done regarding oil.

MS. STRINGER: Are there comments by someone who has not yet made a comment?

MR. McCUTCHEON: I hate to keep dominating this. Now she's onto oil and gas and that happens to be my field and the state studies aren't worth a tinker's damn. They have been politically motivated in the last four years and they're not worth anything. The corporate enterprises out there will not accept them. They talk about a gas liquids plant and petrochemicals, and they had $200,000 to do the study, and the companies interested told the state to do the study. They have to rely on what's being done and not what the state does.

Going to the petro-chemicals, in this day and age, he who has the source of petroleum, any kind, is king

of the hill and he can do anything he wants to and if it's here, it's feasible here and if you want to take petroleum and transport it to the North Slope, transport it there, and I don't mean to the North Pole out of Fairbanks, but I mean the real North Pole, you can do it. So for not processing in Alaska and all petroleum products in Alaska, there's no reason for that.

MS. YAMASHIRO: I do not disagree with what you're saying. However, I think in terms of what our mandate is is that in this group, I would suggest that we look at ways to formulate a policy that would encourage the state to come to that, to work toward a goal of being more self-sufficient, but to insist that nothing leaves the state is --

MR. McCUTCHEON: We've had the policy that you have described. We are operating under that policy right now. As a matter of fact, if you read the constitution sight and clearly, the constitution almost requires that it be processed in the state and what juncture are we going to say damn it, this is ours, and if you want it, we're going to process it here. We dominate it now. It's ours.

MS. STRINGER: Marilyn, and then Ethel, and back to Gene

MS. ROWLEY: I'm a media person by name and I'm involved in studies that, yes they can be written on a slant, and before I noticed when we were talking, we were

all very hard-nosed about this processing in state and I noticed there was an entity here, and we started adding things to make it less powerful. Let's try to keep it as powerful as possible. We can make suggestions. They won't act on it tomorrow anyway, but let's try to keep it hard-nosed.

MS. STATON: I just felt that being a business, there are times that you cannot afford to build a refinery, say, and the cost of labor in the state of Alaska is the highest in the United States, and what is driving it up there but the people? You know, it's the cost of bringing things up here, and I'd just leave it at that because I just feel that we cannot put a tight cover on it.

MS. STRINGER: Jan and then Frank and Jeff.

MS. YAMASHIRO: I'm not asking what Jeff is saying. I think we need to formulate some type of wording to insist on the kinds of things that we want, and in that way encourage and see that our ends are met, but not to limit other kinds of possibility, and I think your comment about being hard-nosed, as hard-nosed as we can is what I'm suggesting the direction of this go.

MS. STRINGER: Frank and then Jeff. Frank.

MR. WOODS: The latest position of running a business, oil is a business, and if you think in your own mind for the difference of the price of just oil, not talking transportation, there must be some goddamn reason that they

can refine it here. You can do it here. It doesn't matter where you're doing it, but we're saying we have the product, well process it before it leaves. It's still going to probably cost the same amount of money, but I think in the long run, in the long run, what you're looking at is that you are empowered where it goes. The 48 states are going to except on a strike, keep pulling it out. We have no control over it. The thing about it is you have the resource. Don't you think you have the right to control your resources when they're here? So being a businessman, you should understand that.

MS. STRINGER: Do you have a point of information?

MR. MADDOX: Just one quick point. Take a look at the Lower 48 and look at where the oil refineries are. They're adjacent to the oil fields in California, Texas, Oklahoma, Pennsylvania, wherever the primary source is, where it has been developed. Look at Siberia when they have a natural resource in Siberia, they built next to it.

MS. STRINGER: Jeff, do you have some resolution?

MR. STEPHEN: Are you ready?

MS. STRINGER: If you're not ready, I'm sure there are other comments.

MR. STEPHEN: We're going to finish it up.

MS. ROWLE: Marilyn Rowle, Fairbanks. I want to also make the suggestion that our discussions are future

directed and I've noticed that we've been worrying about some practical details here in the present may not be there further on down the road, so we should just keep a hard line.

THE MODERATOR: Did you have something else to say there?

MS. STATON: No.

MR. McCUTCHEON: With respect to oil and gas, there is no question about it. It's over and done with. The reason we don't have 60-cent gasoline in Fairbanks and 60 cents diesel fuel in Fairbanks is because we're getting raped and the little bit of competition, here along about December, there's going to be a new refinery come along the line and there's going to be fuel and a fiasco coming up there, and there's going to be a little price war going on and a little competition. But right now, anybody that's got a source of oil can finance anything they want to. This is how Alpeck Company put their deal together and one of the saddist things that happened in Alaska, we literally gave all of our future oil away.

MS. STRINGER: Any further comments?

MS. EASLEY: Paula easily. The appearance of this body has already taken an action that further oil and gas exploration will be substantially delayed.

Now, the oil that is already being produced is

fairly well permitted, and for anyone to come into this state or someone who's here already to build a refinery under a 20- or 25-year contract must be written that would assure that they would have feed stocks available for that period of time. So you have the problem in the one place, you say we don't want more oil and gas development, but yet you want the refineries here to process what is developed.

Do you understand, Madam Chairwoman, what I'm saying?

MS. STRINGER: I do, yes. That was it? Kate.

MS. TROLL: Kate Troll, Anchorage, and I interpreted that action in regards to oil and gas in the Coastal Zone Management is not saying we don't want it. We just want the time for local input so the local regions can then plan for the impact and have some say in the process.

MS. TROLL: So my point is that certainly we have made an effort to go slow for offshore oil and gas development, but we still have quite a few on-shore facilities that will not be impacted by the Coastal Zone Management Planning Program and it is in light of the production of those energy sources that I think we need to say we want some control as to where they get refined and processed. So I think we still have a point of contention here.

MS. STRINGER: Thank you. I think we have some wording now.

MS. WORL: Yes.

MS. STRINGER: Who wants to offer it? Kosita or Jeff?

MS. WORL: A resolution that a state policy that when the state develops it natural resources, those resources be processed in the state to a finished and consumeable form in the state, and that those resources be made available to Alaskan residents on a priority basis excluding mineral or such as silver and gold.

MS. STRINGER: Is there a second?

MS. STACHELRODT: Second.

MS. STRINGER: Is there a discussion of the resolution?

MR. McCUTCHEON: Question.

MS. TROLL: I think we already have a question.

MS. STRINGER: I wouldn't like to ramrod that through.

MR. STEPHEN: Does that answer your concern, ma'am?

MS. WIESE: Yes, we're talking about energy and you're talking about all raw products, and there are things like mines in existence that people are trying to develop and they put a lifetime behind them, and I don't think we have the power to suggest that everything has to be in refineries in Alaska. Some things are more economical than in Alaska to try to ship out.

MS. STOKES: Would you state the resolution, please.

MS. STRINGER: Wilma Stokes ask that you restate the

resolution. Could you reread it.

MS. WOHL: I move that the state pursue a policy -- this is the policy: That when the state develops its natural resources, those resources be processed in the state to a finished and consumeable form in the state, and that those resources be made available to Alaskan residents on a priority basis excluding mineral or such as silver and gold.

MS. STRINGER: Frank, you had a comment.

MR. WOODS: The lady over there -- Frank Woods, Bristol Bay. The lady says we have to write a contract for 25 years.

Why do you think that 25 years came into existence? I think it came into existence from the practical experience they have had in the Lower 48. They've got refineries, so in order to tie our hands, they make such a ruling, say that we have to write a contract for 25 years. They don't have the product; we do.

MS. STRINGER: Would you like to respond to that?

MS. EASLEY: It doesn't have anything with where the facility is. It's a matter of being able to finance it over a twenty-year period.

MR. McCUTCHEON: There is no problem of financing anybody. Anybody that's got the oil can get the financing. Alpeck Company with which you helped to run through which

mortgaged up to 80 percent, it's a perfect example of all they do is hustle the legislature, and then they go out and pedal 70 percent of it or more than that or elsewhere along the line, and that tied up our future oil resources. Unless we elect to take it to court in the next six months, we'll be stuck with it.

MS. STRINGER: Paula would you like to respond to that?

MS. EASLEY: No.

MR. STEPHEN: Just an explanation of this in order to clarify. I don't think that we tell the state we want definite legislation to make sure that ever bloody resource we have is produced to a consumeable form, but I personally would like to see that the state pursue an active policy that we try to process all our natural resources into a consumeable form where it's possibly feasible. If they start to begin it, I would like to see them start some legislation or some research in that direction. Can we process timber a little bit more in Alaska before we send it out? Can we process some fish re resources maybe a little bit more? Can we process some types of petroleum products a little bit more? To answer what you're saying down at the end of the table, I don't want to demand every resource because it's economically unfeasible in a lot of cases.

MS. STATON: All I was going to ask Mr. McCutcheon,

even in Sitka we are looking at oil. Oil has been in the Sitka area. It's not only up here.

MS. STOKES: Wilma Stokes. By the same token, I don't want to appear wishy washy. I want to make a firm statement. This is for the future.

MS. ROWLE: Marilyn Rowle from Fairbanks. I think that we should distinguish between something like subsistence mining : family to what we're talking about, big corporations here, and I don't know how we can do it.

MR. McCUTCHEON: They did it already. They did it already.

MS. TROLL: The wording of the resolution.

MS. STRINGER: Would you like to reread the resolution one more time because we've been talking about it so much.

MS. WORL: We're talking about a policy that the state pursue a policy that when the state develops its natural resources, those resources be processed in the state to a finished and consumeable form in the state, and that those resources be made available to Alaskan residents on a priority basis excluding mineral oils, ores such as silver and gold.

MS. STRINGER: Rosita first but anyone who has not spoken on this, I'd like to speak.

MS. WORL: Further for the record and for the public here, I'd like to just emphasize the aspect that I'm really

concerned about and that is when resources are developed in Alaska, we should be able to share in those resources. I think that it is more really wrong to have large-scale development such as oil development and then 40 miles away to have houses where heat is not available because the people cannot afford to buy those resources. Those resources leave their area, are shipped thousand of miles away, refined, and if possible, brought back, weather permitting, through whatever kind of conditions that we have in Alaska, and I'm just looking for the state to develop a policy to make sure that the resources benefits us.

MS. STRINGER: Now, I'd like to go through and anybody that has not spoken on this topic.

MR. SWAIN: Mike Swain. I would like to ask are we talking in terms of 100 percent of refining Alaskan oil or are we talking in terms of refining the amount of oil that would be necessary for Alaska's use and then exporting in a raw form the oil that we don't need in Alaska? What are we talking about here? Are we talking about 100 percent refining and if we are refining, somebody that is qualified to speak on it should speak on the terms of which is more hazardous to transport, refined oil or raw crude? Just for a point of information I'd like somebody to speak to that.

MS. STRINGER: I'd like the maker of the motion to

speak on it.

MR. STEPHEN: Sure. I don't know really, and I'll tell you why, because I don't know much about the refining business, but again, what I think the purpose of this resolution would be would be to give some direction to the legislature, and of course when I've been down there, there's all kinds of oil robbers there. And in the House and Senate that are quite knowledgeable and I would like to give them a general direction if they work it out that maybe we'll just refine heating oil or maybe set up some demands for the next five years or whatever, however that legislation, I'm not suggesting that a hundred percent of everything, but I just want to give them an idea, particularly myself. I don't know about Rosita, but I'm interested in seeing as much processed as feasible. I don't want to subsidize a refinery just so we can process 100 percent of the oil, but if we can do it economically feasible, I'm all for it. I'll let the Legislature handle all the details, but not that the lobbyists are going to help us hammer all the deals, but --

MS. STRINGER: You've obviously exchanged some information here, but would you like to seek for some reason here at the conference --

MR. SWAIN: I'd like to know if there is some transportation expert and perhaps it can be brought under

transportation rather than at this time. But I'd like to know the problems with transporting refined oil versus -- or if there is a problem. I don't know that there is a problem. Perhaps it doesn't make any difference, you know.

MR. MADDOX: The potential dangers are of two kinds of the prerefined product has a high votility; it's explosive in many instances. The other problem is pollution of marine waterways. Living in Southeastern I'm very conscious of that. Every tanker that leaves Valdez I get a gray hair in my beard because it would only take one tanker in Alaska to do a devastating job on our fisheries. On the other hand should we be transporting by rail or by road? I don't know.

MS. STRINGER: Dennis and then Jerry.

MR. TIEPELMAN: I think one portion of this, one portion of this energy discussion that's going on, when we talk about refining or processing the in-state use of it, you've got to get back and reflect on the law of economics. Perhaps we process fuel just for purposes of the home heating fuel. Perhaps there's not enough fuel to refine in the first place. So you pay the high transportation cost to maybe bring it somewhere down to the Lower 48 because the refinery capacity and the amounts that they need to do it justifies why it's being done down there as opposed to some people making efforts trying to process that here

somewhere in Alaska. Maybe the numbers just aren't there.

MR. McCUTCHEON: To answer the man's question about the hazards. Let's say we've got a tanker load of gasoline and we get a collision. Kapouie, they go up, but the marine environment which is approximate to it gets it and then immediately it's gone. You hit a tanker load of crude, collide, then nothing would happen. It just leaks all over and it goes on and on and on and on and on and then it goes out of sight, and what a lot of people don't realize, out of sight. We've got crude rolling all over the bottom. How long it's going to take to get rolling down at the bottom to where the crab fisheries are at -- maybe the water will be warm enough for the bacteria to eat it up, but it's pretty cold. As far as the marine environment is concerned, they do their damage, but it's over with.

MS. STACHELRODT: I'd like to make additional comments to his. Maybe we should encourage the state to again or the legislature to again adopt a tanker built similar to the one that was proposed by Chancellor Crockett a couple of years ago, something like that, to protect if we do send oil or gas out, we've got to have some protection.

MR. MADDOX: When we bring up that point, you're dealing with transportation.

MR. STEPHEN: I'd like to just throw something out on the table, and it just struck me here when somebody was

talking, and Dick brought it out a little bit when he was speaking about the environment. I'm not quite sure now after I think about it that I would like to see an oil refinery off of Bethel or around Kodiak somewhere either. The more I think about this, if we're going to pursue a policy of processing, that our primary resources -- I'm starting to think where I want to see an LND plant off the Coast of Alaska. That's a consideration. Now that I think about it, I'm almost thinking I'd rather ship it to Port Angeles in the refinery there.

MS. STRINGER: Are you considering the resolution you directed?

MR. MADDOX: Let me help him. I think we're going to have to address the issues of areas of seismic activity, areas of potential extreme storm damage, we're going to have to assess the location of other natural resources that might be impacted by the presence of refineries, but that does not preclude the possibility of developing refineries in the state. We'll have to use uncommon sense. Remember what Bucky Fuller said last night. We're not limited by our imagination.

MS. STRINGER: I will say it's quarter of -- somebody has five of

MR. MADDOX: I have ten to. Let's go by mine.

MS. STRINGER: We can get on with the question as soon

as we establish how much time we want to devote to this particular time and we want to extend our time and go into the lunch hour. I want to have some parameters established. Does anyone have anything on that?

MS. STRINGER: The resolution, do you feel you can conclude it in the next ten minutes or would you like to --

MR. McCUTCHEON: Can we conclude it now?

MS. TROLL: I have one point to add.

MS. STRINGER: Do I get the feeling that we can progress with this and quit before lunchtime?

MS. YAMASHIRO: yes.

MS. TROLL: I want to respond to a couple of comments is that in my knowledge, the only way you can transport gas is in the liquified natural gas state, so you're going to have energy plants anyway just for access of transportation and also because the Coastal Zone Management Act has a lot of provisions in there dealing with the deciding of oil and gas and LNG plants that the local government is going to have some say in that, and thirdly, it might seem to want to insert the words before economically feasible in this resolution.

MS. STRINGER: Are you proposing that as an amendment?

MS. TROLL: I cannot propose --

MS. STRINGER: Did anybody wish to --

MR. STEPHENS: I would make that environmental

concerns be considered strictly in placement of processing facilities.

MS. STRINGER: Is there a second?

MS. YAMASHIRO: Yes, second. I would suggest that we take the time to redraft the resolution and consider some of the factors involved in this.

MS. STRINGER: Well, it would seem to me we could do this by the maker and the second agreeing to withdraw it, both the amendment and the resolution and then just start from ground zero either now or later.

MR. STEPHEN: As far as my amendment goes, again, I think we're just giving it general direction anyhow and by saying environmental concerns be strongly considered in placing facilities, I wouldn't think that would mean necessarily consider every single environmental concern. This is a general direction. We're really concerned about the environment and the placement of these processing facilities. That was my intent, and I will withdraw it.

MS. STRINGER: Rosita? Did you have your hand --

MS. WORL: No, I'm thinking that perhaps we might want to make a general policy statement about environmental integrity.

MS. STRINGER: As a second resolution?

MS. WORL: Yes.

MS. STRINGER: Rather than as an amendment to this?

MS. WOKL: Yes.

MS. STRINGER: That would require withdrawing the amendment.

MS. STACHELKODT: Is it okay to add one more word to your amendment?

MS. STRINGER: Right now they're discussing modifying the amendment slightly. What was the --

MR. STEPHEN: Jeff Stephens. The amendment, I would like to change my amendment and insert one word and the amendment would read completely as environmental currents be strongly considered in placement of processing and transportation facilities.

MS. STRINGER: And I assume your second concurs.

MS. ROWLE: Marilyn Rowle, Fairbanks. In drafting the language for the environmental concerns, I would suggest that Dick Maddox get in on this because he said something awhile back about Arctic technology, northern technology, and I think some of that language should be added into that amendment.

MS. STRINGER: What's now is being proposed as I understand it would be handled in a separate resolution rather than as an amendment to this one.

MR. MADDOX: I will assist as clearly as I can, but I want this to be clearly your statement; not mine.

MS. STRINCER: Frank?

MR. WOODS: Frank Woods, Bristol Bay. We're talking about oil and gas. I think it we don't give legislation clear direction saying we want to be able to handle our resources and also have a handle on our resources that are leaving, if you can't keep them, leave them in the ground. It's more money.

MS. YAMASHIRO: I think our discussion has been centering around oil and gas, but the policy or the resolution states natural resources which also means fish processing, lumbering, and all the other resources as well, and I'd just like to offer that as a reminder.

MS. STRINGER: Any further comments on this especially from people who have not said anything or much. I know there are opinions offered down at the far table, and I don't have a direct line of sight down there, so if you have something.

MS. STOKES: You said you were going to water this down, so it doesn't have any oomph have to it.

MS. WIDMARK: I think what I've been thinking about is my Alaskan history class that I took umpteen years ago. The big thing that we learned at that time is that all this resource development that did happen in Alaska was not benefiting the state. What happened was we were sort of plain raped. They took the natural resources and took it to the Lower 48. We didn't get any economic development,

we didn't get any kind of financial advantage or anything from it. So I was concerned also about the resolution which maintained a strong stand in developing the resources within our state. I know there are all kinds of exceptions that you could make, and you can think of all kinds of reasons why you wouldn't do it here because it's not economically feasible but another thing I think of too, Buckminister Fuller talking last night, we're only restricted by our imagination, and I say with our imagination, we can do it within our state. So I would like the resolution to remain strong.

MS. STRINGER: Any last series of comments? Again, we're talking about the amendment to the resolution.

MS. WORL: I think we should all run for the legislature and hammer this out for ourselves.

MR. TIEPELMAN: I'll be the governor.

MS. STRINGER: I think it's time for a woman to be governor, actually. Enough frivolity. Five minutes, let's try to be serious for five minutes. We can't have the question yet because we're talking about the amendment. Does anyone wish to discuss on the amendment, in terms of the amendment, are there any further comments on the amendment? Would you like to reread the amendment, please?

MR. STEPHEN: The amendment would add to the original motion that environmental concerns be considered in terms

of processing and transportation facilities.

MS. STRINGER: Call for the vote.

MS. YAMASHIKO: Question.

MS. STRINGER: All in favor of the amendment, aye. Any opposed?

The amendment passes. Would you please restate the resolution now as amended.

MR. STEPHEN: That the state pursue a policy that when the state develops its natural resources, these resources be processed in the state to a finished and consumeable form in the state, and that these resources be made available to Alaska residents on a priority basis, and this would exclude mineral ore, such as silver and gold.

MS. STRINGER: Are there any further comments or questions on the resolution as amended?

Are you ready for the question?

MR. TIEPELMAN: Question.

MS. STRINGER: All in favor of the resolution signify by saying aye. All opposed, say nay.

The resolution seems to pass unanimously. It's roughly noon now. Have we finished the topics?

MR. MADDOX: We still have one left on natural resources.

MS. STRINGER: Wait a second folks, let's not break it up yet.

Do we have any further topics this afternoon under energy?

MR. McCUTCHEON: Frank and I will try for this afternoon. I don't think it will be very controversial.

MS. STRINGER: Who has an agenda? At one o'clock or at two o'clock.

MR. STEPHEN: One o'clock, work group continuation.

MS. STRINGER: Is one can realistic.

MR. MADDOX: I'll be here.

MS. STRINGER: Thank you for the opportunity. I chaired during the morning. I assume we'll have another chair.

(Recess at one o'clock.)

SCOMM

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Juneau, Alaska 99811

Reported by: Charlene Beovich, CSR

GAMMA GROUP PROCEEDINGS

(December 6, 1979, 10:30 a.m.)

Kuskokwim West Room

MR. TOMA: My name is Chip Toma. I'm what's called the Facilitator for this group. I'm going to help you come to decisions and resolutions during the course of this short conference. I guess the first impression I want to make on you is that the product of this conference is yours. It's what you brought with you and what you give to the others and how you resolve the issues before us. We aren't going to have an agenda per se, except an outline of one that corresponds loosely to the book. It is the yellow book that we sent out to you, and the supplement, of course, that came out this morning.

What we'd like to do this morning for this morning's session is to introduce each other by standing, telling where we're from, our name and some of our hopes perhaps for this conference or for some of our observations, priorities, however you'd like to define it. And we're going to have a questionnaire in about a half an hour. The questionnaire is based also on the issues discussed in this book. We've been working on this headwise for the last couple of months to try to draw a holistic view, I think a

proper word in this sense, of the issues before Alaska and all the subsidiary issues that include that, but besides that, this is your conference. We had some priorities for it.

I think you'll see from the questionnaire and from what's been said this morning what those are. There's no sense to reiterate them. If you desire to stay on a schedule and get things done, we can easily do that, but the staff I'll be working with, Ralph and Jake, will help you with the blackboard and with the pad here. And as we come to consensus, we will try to write those thoughts down and by this afternoon, sometime this afternoon, I'd like you to select one or two what we'll call moderators from this group itself and we'll try to organize some discussion with those moderators. And if you'd like me to continue on in this role as a Facilitator-moderator, then you can decide that, too.

But if we can perhaps start at the end with Ron Hohman and do some introductions, standing up, telling where we're from, what we're presently doing now.

MR. HOHMAN: My name is Ron Hohman. As I said, I'm from Seward Peninsula area with the Marian Streight School District.

MR. MACK: I'm Stanley Mack from Sandpoint. I'm with the Electric Company.

MS. LUDWIG: I'm Rosemary Ludwig from Sandpoint and I'm on the SIK Council.

MS. LONGPRE: I'm Carrie Longpre. I'm a half-time resident of Sleetmute and Bethel, and I live on a homestead there. In Bethel I work with the school district as counseling Tack One Program.

MR. MATHIESEN: My name is Andy Mathiesen. I was born and raised in Petersburg. I grew up in the commercial fishery business. I'm in the hotel business and in recreation at the moment.

MR. HOLTHUS: I'm Gary Holthus. I work for the Alaska Humanities Forum. It's an informal adult education program.

MR. HOPE: I'm Andrew Hope. I'm manager for Sitka Community Association Travel, governing body for the Sitka natives.

MR. HARUN: I'm Kevin Harun. I'm with the Borrough Assembly in Fairbanks.

MS. ISENSEN: I'm Beverly Isensen. I'm with the municipal government here in Anchorage.

MS. JONES: I'm Carolyn Jones. I am an attorney with the State Attorney General's office. I'd like to see out of this conference a rededication to the words with liberty and justice for all, because I see around the state a lot of isolated incidents that all of us are not getting the same quality and equal law enforcement and judicial

treatment.

MS. HURLEY: I'm Katy Hurley, I was born in Juneau and lived there for some 40 years and we are now living in the Matanuska Valley. I'm a life-long Alaskan and at the present time I'm doing a survey regarding instructional television for the Senate Legislative Committee.

MR. HADEN: I'm Haden Kaden from Gustavus, Alaska, which is near Glacier Bay, and I'm presently a guide, outdoor wilderness recreation type guide and part-owner of a guiding business and President of the Gustavus Community Association.

MS. HEDLAND: I'm Karen Hedland from Anchorage. And this may come as a shock to most of you, but I'm not longer working with legislative affairs, candidates or League of Voters. I am no longer in either. I now own a music school here in Anchorage.

MS. HAYES: I'm Ellen Hayes. I was here ten years ago with the Future of Alaska Seminar, Brookings Institute. At that time I think the reason I was invited was the Alaskan Native Brotherhood in Sitka and Byers Camp had been approached by Mount Edgecumbe Schools about the quality of high school education for Alaska's rural people, especially as located at Mount Edgecumbe High School, which led ultimately to headlines in Alaska Daily News in the Malahooch case. And among other things, the Tlingit and

Haida had just in 1968 accepted the judgment, after being in court, what we call, 30 years in the legislative process to have our claim settlement decided upon. And so the Tlingit and Haida had their claim settled in 1968, and one of our primary purposes for accepting that was to help in the all-Alaska Native Claims Settlement and to support the Alaska Federation of Natives, which was really only a couple years old, in getting started.

So I suppose my personal life as a citizen of the state has been involved in native affairs and the last ten years in cultural awareness of Alaska native cultures, and now at this point for allowing or providing for publication of native history by Alaska native people from their viewpoint and other things.

MR. KELSEY: My name is John Kelsey. I'm in Valdez, born and raised there. My Father was born and raised in Alaska before me. I represent the Valdez Dock Company. I was a member of the Brookings Institute ten years ago and I'm here in the interest of Alaskans.

I hope that we can take advantage of some of the lessons, good and bad, that were learned from the Brookings Conference, and I, unlike my friend Ed Merdes this morning, who said we can point with pride to legislation that was passed as a result of the Brookings Conference, I would like to see some of the legislation that was promulgated as

a result of that conference repealed. I think we could set a first and not always point to new legislation, because I don't believe in the concept there ought to be a law. I think there ought to be fewer laws. And I think that there are some applications here that could apply, and you'll probably hear from me later along those lines.

MR. LADNER: I'm Mike Ladner and I'm a resident of Fairbanks and I work in the transportation industry there.

MS. HIGHLAND: I'm Marion Highland from Ninilchik. Originally I was a nurse. Then I was a homesteader. We were in Ninilchik for 31, have been there for 31 years. And I take care of the library in Ninilchik. I'm on the State Library Board and now I've gone into real estate. I'm a real estate salesman.

MS. KINGRA: My name is Gene Kingra. I'm from Fairbanks. I deal with displaced homemakers. Two of my other interests are deafness and communication for the deaf and cross-culture communication.

MR. HURLBERT: My name is John Hurlbert and I direct the Regional Adult Learning center in Fairbanks. We provide, as the form says, basic academic pre-employment and Career Development Services for adults in Fairbanks and interior Alaska. And I have two very strong biases which I'll try not to thrust on people in the area of education. One is in the area of self-directed learning and the other

in terms of life-long learning.

MR. MARSHALL: I'm Joe Marshall from Fairbanks. Member of the City Council of Fairbanks and member of the North Star Borough of Fairbanks.

MS. HUNTER: I'm Celia Hunter. I've lived in Alaska since 1947. I've been associated with building and operating camp Denali in the -- on the outskirts of McKinley Park for 25 years. And also have been associated with the consequent vacation movement in Alaska since 1960.

MR. KEENER: My name is Dave Keener. I'm from Kenai. We process salmon in the area. I was born and raised here, included in the Alaska Native Land Claims. And I would like to see a directive towards our natural resources and our human resources.

MS. HUSEN: My name is Bernice Hulen. I'm from Kenai also, and I'm a legislative aide for Patrick O'Connell, representative.

MS. JOHNSON: I'm Christine Johnson. I'm in Anchorage, but I'm presently working in Juneau for the House Research Agency.

MS. LINCOLN: Georgiana Lincoln, originally from Rampart. I'm now residing in Fairbanks. I am presently the Director of Native Services for Chiefs Conference. I've been involved with native affairs directly for the last 17 years. Needless to say that that's where my major

input and concern will be at this conference, is in rural and native affairs.

MR. KITO: My name is Richard Kito from Petersburg, Alaska. I'm Mayor of the City of Petersburg. I'm also on the Board of Alaska Council of Village Presidents. I'm also member of the Finance Committee. Also Director of the Housing Finance Corporation. And I, too, was ten years ago in the Brookings Institute.

I think one observation is that I think we did a pretty good job. We had a ten-year plan and we spent $9 million in eight and a half years. We run short a year and a half ago.

(Laughter.)

Maybe we can spend three and a half billion dollars maybe in nine years, and if we do, we've made progress. Thank you.

EDIN LINCOLN: My name is Edin Lincoln and I'm from White Mountain. Known in some circles as a house-person and all other circles as a housewife. And as a former school board member I'm here. My primary interest and concern is education.

MR. JACK: My name is Carl Jack. I'm commonly referred to as the wind-blown Eskimo from the swamps of Yukon Delta by my colleagues. On the program I'm the President of the Association of the Council of Village

Presidents which represents some 56, 57 villages in Southwest Alaska.

MR. TOMA: Okay, thank you. One consideration we could have for our stenographer here is for today and part of tomorrow, when we do stand and give our names, try to remember to give your name and she's trying the best she can to remember also.

We had a proposed agenda and the reason why this was drawn up was to facilitate some of the people that have contributed papers to this conference, and I'm going to pass this out for your consideration. This is not hard and fast by any means and it is general in this form, too. So consider what we're trying to do. We're going to allow our authors then to float between the groups as it were.

Our book is broken into four pieces. We had planned to spend for five groups to spend this morning discussing alternative futures in the broad sense and also taking this poll. Whether we have time to fully get into the goals of this group this morning and then get those defined, probably not. We have about an hour and a half maybe remaining. So we may want to juggle this around a little bit. I'll pass it out and let you consider that.

If you like, we'll have discussion on this in a few minutes, and then we'll pass out the questionnaires. Feel free to get some Cokes.

(RECESS)

MR. TOMA: Let me explain this questionnaire if I may. Each questionnaire is prepared for each delegate to self-administer this to you. And it will take about 20 minutes to fill it out. After completing the questionnaires the data will be tabulated and we'll report back to you tomorrow morning.

The questions were drawn from the ideas, conclusions or proposals prepared by the three dozen papers prepared for this conference. If you have not read all the papers, you may find it difficult to understand. If that's the case, please leave the question blank and go on to the next question.

From time to time the name of the writer from whom the question was drawn is also mentioned for your reference.

Please circle the appropriate numbers for each question as you proceed through the questionnaire. In ranking questions, 1 is always the lowest rank and 5 to 10 is usually the highest rank.

Now, there are some corrections within the questionnaire. The responses to question 25 should be, one, "cooperative" and, two, "develop independent plan".

DELEGATE: Say that again, Chip.

MR. TOMA: Yes. responses to questions 25 should be

one, "cooperative," and, two, "develop independent plan."

In question 72 we mean intercommunity roads, that is, roads between Alaska communities. Question 72 we mean intercommunity roads, roads between Alaskan communities. In other words, connecting.

In question 74 we mean intracommunity roads, that is, roads inside the community.

DELEGATE: That's what it says. Just take out "Alaska", just take the word "Alaska" out.

MR. TOMA: All right, take "Alaska" out then.

MR. HURLBERT: When you're doing the rankings, is 1 most important or least important?

MR. TOMA: One is lowest rank and five and ten is highest. That's the same in all of them. One is your lower and then it goes up to scale to five or ten.

Some questions asked for an open volunteered remark, but feel free to write in anything you want on any question. Please make a clear mark on the questionnaire so we can code and process them simply and rapidly. These questionnaires will be collected as soon as you've completed them.

(Pause in the proceedings)

MR. ROWAN: I might mention to everybody that in sequence 49 to 54, you have a ranking of one to five, but you have six choices, so if you will, add a number of six

there.

MR. TOMA: On question 36, there's been some question on whether that means is that a future projection or is that a present outlook toward it? It is meant to be a future projection: How would you like to see those facilities given priority in the years to come?

I think Karen Hedland made a good point on adding education to that also. Those of you who wish to add the title of Education to the bottom of that list on the end of 40 there, 46 I believe, add Education to the bottom and rank those for buildings also, if you would.

DELEGATE: Then you have to add another number, 11?

MR. TOMA: Well, if you do write it in and actually assign it a priority, we'll give it a special category.

Once again, one is low and six is high, six and ten are higher.

I guess we'll finish up in about three or four minutes, if everybody is comfortable with that. I'll come around and pick them up for you.

There is no hurry on these, of course. I will wait until everybody is finished. Those who are finished, we ran out of coffee, but there is some right outside the door here.

Carolyn Jones would like to make a comment on the questionnaire.

MS. JONES: Yes, I want to comment on question No. 1, which asks whether I personally prefer a subsistence lifestyle or a lifestyle based on jobs and cash. I had difficulty with that. I think I prefer a lifestyle based on jobs, because I suspect I couldn't survive if I had to live under a subsistence lifestyle. I wasn't brought up that way.

But I am concerned that when this information becomes available to us tomorrow and becomes public tomorrow, that the next day the paper will say that a large proportion of the delegates here are moving away from a subsistence lifestyle and a respect for the environment and for those who do live by a subsistence lifestyle, I just want to say the lifestyle that these two questions infer really limit my feelings.

MS. HUNTER: I think it's much too arbitrary and they only express the extremes. They don't express the mix which many people have achieving, which I think is really --

DELEGATE: That's what I --

MR. HOLTHUS: I object to the whole questionnaire, partly on that same basis, because I think the distinctions they're asking us to make are false distinctions, but partly because the rhetoric up to this point has involved a lot of talk about human values, but the questionnaire slights those considerably.

For instance, one of the things that seems to me to be sort of a minimum State obligation is the protection of its citizens, but we have an incredibly high rate of violence in this state, not just towards women, but toward kids and assorted kinds of homicide and there's no place to address issues like that or issues related to that, and there certainly ought to be.

MR. HOPE: And yes, Chip, I was disturbed over the presumptuousness of the questions relating to the native versus the nonnative, and then within the native community supposedly some are becoming reactionary because of the Land Claim Settlement Act. That's the inference that I got and I don't like that. And the divisiveness of subsistence versus nonsubsistence, supposedly that people in the rural areas are good environmentalists and the ones that are implementing the Land Claim Settlement Act are reactionary developers, and that isn't really necessarily so. And it seemed like there is an attempt to develop polarity. That would seem to be the intent of the questionnaire to me.

MR. TOMA: Let's start up the table and give your name then.

MS. ISENSEN: I'm Bev Isensen. I'd like to second what Andy has said, because it seems to me if there is a hallmark in what's happened in our society the last ten years it's that we've become more sophisticated in the

rural versus urban areas and vice versa and we're more open in recognizing each other's problems and opportunities.

One of the aspects of this questionnaire seems to me very, very contrary to what we're doing here and why we're in Alaska and that is that we're -- the questionnaire is an either/or situation in many, many cases, but we have such a multiplicity of life-styles here and that is the essence of why so many of us enjoy living here, stay here or came here. And if we take the approach of the questionnaire, I think we're going to be taking a very elementary approach on how to deal with our problems not only in terms of life-styles, but in terms of education and in terms of what one individual might do to a lifetime.

Some of the questions here seem to be indicating that you get one choice in life and you got to live your whole life that way and that has been alive factor when the life span was 35 or 40, but living in a life span of 60 or 70 or 80 years, then I don't think we have to say that this person is going to live his life as a rural person all those 70 years or another person has to live as an urban person. And I think that our educational system has to begin to reflect that. The fact that it's possible to grow up, get an education and do something for ten years, then we ought to have the educational opportunities available to reeducate ourselves and do something else for the next ten

years and, you know, maybe ten years again move a different way, because potentially we have the ability to have three or four different life-styles in one lifetime and we can do it all in this state if we're not narrow in our approach.

MR. TOMA: Thank you, Bev.

Mrs. Hurley, did you have a comment? Since we have so many comments, we'll try --

MS. HURLEY: I felt the questions, the questions were so narrow for me, lot of times I had to give a negative answer if I was going to give an answer at all, and I don't think that -- so that questionnaire does not really reflect how I feel. In fact the very first question that's there, as Carolyn pointed out, I don't believe that I fit into or that I believe the people who I know fit into either. They made it too narrow, either/or, where I think it's really -- you want to have something that's more in between.

MR. TOMA: Katy? Ellen?

MS. HAYES: The whole questionnaire to me was unsettling, and very heavy, and it represents what we're trying -- the climate that we're going to try to work with in the next couple of days, I think, is thwarted. The enthusiasm, looking optimistically towards what the future holds for us, the options that you're given are too restrictive and I felt like I wish that I had time to have a discussion among people of varied thinking groups so we could look over the

questionnaire and see how we felt about it generally before we had the 18 or 20 hurried minutes to try to relate to all the questions in a short time.

So I felt, well, it's an unrealistic questionnaire so far as I am feeling this morning, and I'll answer those that I can and I must pass up a lot of them.

MS. HEDLAND: My question was that perhaps the questionnaire was intended as a starting point for discussion, because with all the diverse places we come from and the things we do, it's just not a black and white issue, and I do not feel that living in Anchorage, Alaska, I have any right to priorities whether rural areas want railroad Hydra Cove does more than another, but maybe it was just intended as a starting point for a discussion. Do you know?

MR. TOMA: Oh, yes, that is exactly the intent. The pollster from reading the issue book and from looking over the supplemental papers was struck with some of the ironies and dichotomies that exist throughout the State, and he described to me, he says, "It's not a rural versus urban, but it's a rural contrasted to urban," and he says, "I think we ought to bring out or at least ask these direct questions and see if we can elicit this kind of response if that's the feeling or not."

MS. HEDLAND: There should perhaps have been room for

a few open-ended answers so we didn't feel locked in.

MR. KADEN: I think perhaps if this is going to have any value, I don't think that, you know, results should be released as a public statement, but perhaps to take the answers now and then at the end of the conference do the thing again, and just how we changed, because there's so many of those issues we haven't had any discussion on. Some of us don't know anything about the area that, you know, we're being asked to comment on.

MR. KELSEY: My name is John Kelsey. And I object to the questionnaire in its entirety and I would hope that there isn't very much weight given to it, because I think it's contrary to the intent of the session. I believe that they want contributions from us and not attempt, as they appear in this questionnaire, to direct our answers. On that basis I object to it.

MR. TOMA: Okay. Do we have any more additions?

MR. HULBERT: Two comments. One, it's always interesting when a group is starting to form itself, to find out what it is that helps form it. It seems to be the questionnaire is to help the group come together. I'd like to add to what's been stated so far in terms of the questionnaire. I think many of the questions were value-charged and also quite biased and for myself I left about half of it unanswered. Useful as a starting point,

but I think we know more than that. Needs to be entirely rewritten if it were to be reused again.

MS. HYLEN: I found it very frustrating and I thought it was really poorly constructed, because the questions do not reflect in any way my concerns or the way I would answer the questions. And so that I can't see that, even though I put an answer, it truly doesn't reflect what I feel, because Alaska is all one state, and to divide it up and say you priortize this or priortize something else is unfair, because they all need to be taken care of.

MR. TOMA: Let's come down the line from Marion.

MS. KINGRA: I agree with those who have criticized the questionnaire. I think it was poorly conceived, hastily executed and extremely narrow, and life isn't that narrow, and especially here in Alaska.

MR. TOMA: Ms. Hunter?

MS. HUNTER: I'm Celia Hunter. I'd like to second that. I feel the questionnaire was extremely biased and that most of the questions you could not answer without qualifying your statement, and I think that in a questionnaire like that they should leave the questions open-ended and let people put down their own comments and then distill that if you really want to find out what people think, rather than putting words in their mouths and then assuming that's the way it goes, and I think this

should not be given any weight at all in the final analysis.

MS. JOHNSON: I would voice the same. My name is Chris Johnson. I don't know what the plan is for this questionnaire, but I would really hate to see it go out and become public and in any way be seen as an expression of the feelings of this group. I think we'd be really stymied if that happened.

MS. LINCOLN: It always frightens us when a questionnaire is said, you know, it doesn't carry any weight and it's not going to be used; it's just kind of to get a feeling where the group is at, because I've never seen a questionnaire yet to be used that way. There is weight to that, and there were questions on that questionnaire that I didn't even answer because I felt that it was just black or white, and that there was -- I made comments on I think about 20 of them, the questions, beside my yes or no, and we started off the theme being unity in Alaska, rural, urban, native, nonnative, and as I was going through the questionnaire, I felt that I just got very up tight that this group or the body would be answering questions that were very pointed to rural, to native.

And a number of the participants not ever living in the rural area, not knowing what it is, the feelings of the native people, to answer those questions and then for it to come back that that's a consensus of Alaskans, I

don't buy that, and I just feel that this questionnaire could have been better utilized. Perhaps the questions themselves are worthy of answering at the end of the conference, but certainly not now when we're just beginning to get to know one another.

MS. HURLEY: I would say that I like the questionnaire provided that the results of the questionnaire are not disclosed until after this group sets its policy direction.

MR. TOMA: Okay.

EDIN LINCOLN: I'd like to concede with people that said, "I would like to see a questionnaire again and do it over again at the end of the two days, three-day session."

MR. TOMA: Carl, did you have any comment? Coming around the table.

MR. JACK: Well, I share those people that made comments on the -- it was somewhat inappropriate to have the questionnaire at this time at the beginning of the conference. I think it would have been much more appropriate to have the question after the conference. I myself didn't answer a lot of those questions and those questions that I did answer I had to qualify them, not just leave them plain yes or no.

MR. HOHMAN: Chip, it might be good to review the intent of the questionnaire. I maybe missed it --

MR. TOMA: There were two areas of scenario for the

questionnaire. One was to give it at the beginning of the conference, one on Friday afternoon and one at the beginning of the session. The thought was at the beginning of the session, as I said up at the other end, was to promote the discussion and to kick the thing off and this was the pollster's interpretation of what he read in the issue book and then what he considered to be then the contrast that exists in the state, that we still have options to select here. There are options in this thing. There is a rural constituency and there's an urban constituency. This is how he was expressing it to me and he wanted to lay out those contrasts for us to decide, prioritize and to pick and choose, and the reason for giving it at the beginning was to only provoke discussion. It was not to settle or temper this thing. It was to see how much we were able to read and understand from the book and then to provoke discussion from here on in.

I will admit that there was another idea to use some of the results, but obviously there's a hundred-percent disagreement with that, so we won't be using the results of the poll publicly or even broadcast throughout the conference. We'll go on to it and decide whether to either reissue it or design another one that's more fitting for the conference itself. With that understanding, I think it has provoked and prompted discussion of the group. So if

that's the intent, then I --

MR. TOMA: We might want to set some, not the parameters, we might want to set some of the tone, and I don't think this is a very good tone-setter so far from the comments.

(Laughter)

MR. TOMA: Move up the table.

MR. MACK: I have to agree with Ron, that if this is the case, this questionnaire is just used as a starting point of the discussion, fine, but if that's not the thought, then I agree with it.

MS. LONGPRE: I echo everyone else's feelings with the limitations the questionnaire posed, especially the lifestyle descriptions. As a rural person who would seemingly fit into the first category, I don't feel that myself or the rural people that supposedly do fit into that category -- I don't think we fit into that category. We fit more into a combination category.

MR. TOMA: The definition was too strict, in other words?

MS. LONGPRE: I think there's another category of Alaskans that probably is a combination of both.

MR. MATHIESEN: I think part of the reason why we're here is because of questionnaires like that.

(Laughter)

I'm appalled that the questionnaires still ask whether you're black or white or whether you're male or female. It's unreal, unbelievable, just unbelievable.

(Applause)

MR. MATHIESEN: Then the whole thing is aimed at development and nondevelopment and just skirts the real-life issues. When we have a state legislature or administration or what have you, I mean it seems to me they have one obligation and that one obligation is to manage our resource so the damn thing is going to be there still tomorrow and the next day and the next year. And if that's the case, why, maybe we should limit the development factor to point along the lines where we can still expect to see a resource down the road some instead of being gone.

The short time I've been here we have already lost a good share of our resource and we apparently are about to lose a good deal more. My thoughts.

MR. TOMA: The last commentary.

MR. HOLTHUS: One of the other things that concerned me was that all the questions related to improvement of government and good government were also related to improved telecommunications systems and I'm not sure that it's necessarily any connection between those two things. At least in States where they do have good telecommunications system I hear people making the same

complaints about government that we make up here. And it seemed like that was pretty self-serving.

MS. LONGPRE: I'd just like to add that in the questionnaire and all the publications, both in the same, I feel a major State problem in the specially rural Alaska and also in other parts of the state is the alcohol problem, and I feel that should be something that we should --

MR. TOMA: Spend some time on, right.

Well, as hard as it may be, let's not become disillusioned by this poll. I think we're going to break for lunch here after you make your last comment here, but we'll break for lunch. Consider the proposed outline that we gave you in your issue book and come to some ideas on how you'd like to see an agenda run from here on in, starting this afternoon. I'll be prepared personally to help you with a financial discussion and provide any aids that you need or have some authors on hand for some of these financial discussions. If you do not wish to go into finances and we'd rather go into a more fulfilling discussion on what we should be deciding here, what is an Alaskan? We can then bounce out this agenda and then go into that discussion, alternative futures for Alaska discussion.

Go ahead. Is it Mike?

MR. HARUN: I was going to add that what struck me

were some of the issues that weren't in there, and one of them coming from an urban area, coming from Fairbanks, I think one of the major problems that we have in the state is the way in which urbanization is taking place within the urban areas, and we find, at least I find in Fairbanks, that a lot of our problems that we have in rural areas, a lot of the resource extraction problems, are related to the way that we urbanize in the Fairbanks area.

For instance, I drove down to Anchorage the other day and went through Wasilla and it was the first time I had been through Wasilla in a long time and I had remembered Wasilla as being quite a hippie place. And I was shocked at the lack of local indigenous identity to that place. That could have been New Jersey Route 46, as well as Wasilla, and I think something I'd like to talk about is ways in which the State and local areas can make sure that as we do develop in our urban areas and if we are going to suburbanize, that we do it in a way that we retain some kind of an identity, and there are ways of doing that.

MR. TOMA: Katy.

MS. HURLEY: I just want to say that I think there's something positive about all of this, after listening, is that having done it, we've all expressed some very strong feelings about why we're here and I think we know each other a little bit better, so I thought that was -- after

being negative, it would be positive. And thanks to Carolyn for being critical.

MR. TOMA: I might mention at this juncture, the long discussions that I had with Chuck Konigsberg, as I guess is sometimes the case when you talk with Chuck, but he tried to impress upon me yesterday, he said, "Whatever you do, don't get bound up in something that's stated as positive and something that's stated as negative." He says, "The world is round and there are those positives and negatives, and they all contribute to the same thing." So with a negative thing such as this, maybe we'll come out positive at the end ununquote.

MS. JONES: We found something we all agree on.

MR. TOMA: We'll meet back here at two, and if you would, think about your agenda and we'll consider that. If you want to write down a paragraph and suggest an agenda, we can consider that. We'll do it verbally.

MS. LINCOLN: Did you seriously mean two?

MR. TOMA: Yes, we're going to try to be punctual. I think two o'clock is the time we're due to back here. Would you prefer to meet here at one?

Let's make it here at two o'clock. Try and have lunch with each other if you have the opportunity.

(RECESSED UNTIL 2:15 PM)

MR. TOMA: To briefly explain what this sheet is I

just handed out, we ran ads in the Alaska newspapers asking the public to also submit comments, and these people, with the exclusion of five, submitted papers to the group. I have eight packets containing these papers that are listed here in the index. There were five of these left down in Juneau, unfortunately. That's a reference for you. If anyone does want one of those packets to read this afternoon or this evening, I can give it to you, sign out for it, or we can come to some arrangement on the packets. We just couldn't make, you know, 200 packets of these.

Also, if you would, add to the end of this list two more papers that were submitted by Fred McGinnis, your Deputy Commissioner of Health and Social Services. It's a very long paper that Fred did on the department and on the programs in the department. He also went to the trouble of getting a list of his recommendations pulled out of that paper. And we are going to have some copies of this available for you today. I'll make copies of that for everybody.

The second paper that we have in short supply, but we can also make more copies. It's by Milton Lipton, L I P T O N, and he's the legislature gas and oil expert from Walter Levy & Company in New York. He wrote a paper on gas policy considerations.

So we have those other papers available for you.

In addition we came up with a form, a recommendation form. After we go through this process, I think it would be very handy for the conference to put their recommendations on these forms and we have a final reporting form of the entire conference. Each room has these. They simply state the group and date, recommendation, general area of recommendation, category, specific recommendation, major factors for considerations leading to this recommendation, the financial impact for '81, projected for the ten years, and then the timing that you'd like to see involved in implementing this recommendation.

Does anyone have any comments on this proposed agenda that we gave out earlier? Do you have any feeling toward that agenda, whether you would like to immediately pick up finances and go with that?

DELEGATE: What about the first part?

MR. TOMA: The alternative futures part. Haden, did you want to say something about the alternative futures part? Do you think we ought to

MR. KADEN: I think we need to define the parameters of what we're talking about before we get into the specifics.

MR. TOMA: All right, fine. Any more comments on the --

MR. JACK: Question here.

MR. TOMA: Yes, Carl Jack.

MR. JACK: You work on the staff for the legislature of putting this thing together?

MR. TOMA: Right, I work with Senator Hohman.

MR. JACK: Based on that, for fear of potential conflict of interest of the staff imposing to the group here, I think it would be inappropriate for you, with all due respect to Mr. Toma, to act as a chairman for this group. Therefore, I would, based on that, move to designate -- your name?

MS. HURLEY: Katy Hurley.

MR. JACK: -- Katy Hurley as the chairman.

MS. HUNTER: Hear, hear.

MR. JACK: I ask for unanimous consent.

MS. HURLEY: Is that to shut me up, Carl?

MR. LADNER: Second. I think that's a good idea.

MR. TOMA: Sure.

MR. LADNER: I think probably to facilitate this thing, even though you're a Facilitator, for ourselves we probably need to establish some sort of parliamentary procedure, and I'll second Carl Jack's motion nominating Ms. Hurley.

And it is to shut you up.

MS. HAYES: I have a question.

MR. TOMA: I would help you out with the chalk board and the easel here, and as we come to recommendation --

MS. HAYES: Work with her.

MR. TOMA: -- work with her and directly with her.

MS. HURLEY: May I ask a question? I'm just to make sure that order is kept and to be the chairman, right?

MR. TOMA: Correct.

Are there any more nominations for moderator? Maybe a co-chairman to spell off Katy?

DELEGATE: I ask for unanimous consent.

MR. TOMA: We have a motion for election of Katy Hurley nominated chairman and unanimous consent was asked for. Any objections. Katy Hurley will be the chairperson of the Gamma Group. And the staff will be at her and your disposal.

THE MODERATOR: Thank you.

MR. KELSEY: May I ask a question? Can we call you Katy?

THE MODERATOR: Right.

Regarding the agenda, there's been a suggestion that we start with the first item there, alternative futures. Is that agreeable?

MR. HOLTHUS: Katy, why don't you sit at the end of the table so we can see you a little better?

THE MODERATOR: I guess so. This setup isn't very good. People can't see each other too well. I'll go down.

MR. HULBERT: Is it possible to turn all these tables sideways, at least see each other if we're going to talk

back and forth?

MR. HOLTHUS: I'd prefer that, but it's hardly worth the effort.

MR. HUSS: Maybe we can arrange that for some's meeting.

THE MODERATOR: I was thinking it would be some kind of a setup where we weren't lined up so much. Maybe we can do that during a break or something.

MS. HUNTER: Last time they had them in a U and I think a U works very well.

THE MODERATOR: I think so. I felt frustrated this morning because I couldn't see who was talking down there.

MS. HAYES: Madam Chairman, this morning our Facilitator mentioned that this process called tentative chairman would facilitate something and I forgot what that something was. The availability of resource people?

MR. TOMA: That's correct.

MS. HAYES: To float around between the five groups?

MR. TOMA: That's correct. That was the only reason for --

MS. HAYES: Do you know if that's working at all?

MR. TOMA: I think it's working someplace else. We haven't had many authors come in the room here. I asked them. I don't think they did. But we had other authors.

MS. HEDLAND: May I ask a question?

THE MODERATOR: Yes.

MS. HEDLAND: Direct services, finance, and resources. I guess I'm confused. Are these supposed to be all relating to talk in terms of alternative features and specifics? I'm a little be confused.

THE MODERATOR: I am too. I was working at the agenda and then in the first of the book they had it broken down into alternative futures which were a few papers on that. I found them most exciting papers myself. I don't know whether everybody had a chance to read those. Then the direct services, and the resources and finances is another group. What is the feeling of the group as far as your priorities? because I can see that we might get into one area and want to go a lot longer on that and maybe the whole group doesn't want to cover every single subject in here. Does anyone have any ideas on that?

MR. MATHIESEN: Madam chairman?

THE MODERATOR: Andy?

MR. MATHIESEN: I should like to suggest that we have probably the most thought-provoking author in the whole country right here in our group and that we do have an author, and I don't like to see that overlooked. Chuck Konigsberg over there has probably contributed the most thought-provoking thing that we should be thinking about here and thinking about the whole picture and we think

about all the little parts, I mean they're all in relationship to the whole, and that we can't get ourselves buried in thinking about one little thing without thinking about its consequence on the whole picture.

THE MODERATOR: Is it the feeling of the group then that you would like to question Mr. Konigsberg or to go from his paper?

MR. HARUN: I would.

THE MODERATOR: Chuck?

This is Mr. Konigsberg.

MR. KONIGSBERG: I appreciate what you're saying. I didn't come prepared.

THE MODERATOR: This is Mr. Chuck Konigsberg, if you don't know him, if any of you read his paper in the beginning on A 28.

Andy, do you wish to sort of lead off, as long as you brought it up?

MR. MATHIESEN: I'm better at taking things apart than I am at putting them together.

THE MODERATOR: Well, you got a paper.

MR. MATHIESEN: I think one of the first things we have to think about is, you know, like when you think about where you're going, I think about it I guess in terms of a puzzle. You know when you start to put a puzzle together you're dead without the picture, and we're not going to be

able to sit here and discuss bottom fishing and unemployment and all the rest of the things until we decide exactly what kind of a picture we want to fit the pieces to. Of course I have an idea what kind of picture I have, but, by god, I'm not sure I could describe it.

THE MODERATOR: That sounds like a good point. Anyone else have any comments?

MS. LINCOLN: (Georgianna) Madam chairman?

THE MODERATOR: Yes.

MS. LINCOLN: (Georgianna) I guess I am too confused.

THE MODERATOR: Would you say your name? Everybody state your name for the sake of the court reporter.

MS. LINCOLN: (Georgianna) On the agenda then are we saying we are going to this afternoon just take up finances --

THE MODERATOR: No, we're talking about alternative futures right now. It's the item before the two o'clock which we didn't get to this morning.

MS. HYLEN: Madam Chairman?

MS. LINCOLN: (Georgianna) Well, maybe if you could summarize exactly what our agenda is going to be for this next day and a half, so we could have some parameters on time. I'm not sure, are we just going to hear from different people? Are they going to come in and talk to us about, for example, the finances, those papers that were presented and the material that we had an opportunity to

read and come to some kind of conclusion at that time, or, you know, exactly how are we going to go through this next day and a half?

THE MODERATOR: Since I was just elected chairman by you, I have no idea what the scenario was by the planners, but it seems to me that we don't want to spend time having the people who wrote papers reciting the papers to us. You've all had an opportunity to read them. I think what our job is to react and to come up with some recommendations. Are you all in agreement with that?

And as far as the agenda, this was a suggested agenda that we discuss finances this afternoon and tomorrow morning resources and in the afternoon direct services, and then at -- we're supposed to go into the evening, but this group can decide and change that agenda right now, and that's what I'm asking for you.

MS. HEDLAND: Madam Chairman, I guess I do object to the agenda in terms of finances. If we're going to talk about the financing of what our priorities are in terms of alternative, it would be to know what our priorities are, and it seems like we -- is it something --

THE MODERATOR: I agree, go ahead.

MS. HEDLAND: -- about the questionnaire, you know, being the kind of reason you come to these conferences. I guess I kind of agree with that. After we talk about

finances on the basis of the papers that are presented in this book, and we don't even know what our goals are for alternative futures, I just don't think we can -- I would rather we didn't start with finances because we don't know financing of what.

THE MODERATOR: Gary.

MR. HOLTHUS: I'd like to suggest that we start with the alternative futures and that we ask ourselves alternatives to what? Not just alternatives among all the various options that are out there, but alternatives to the present. And I'd like to propose an alternative future for Alaska that I would like to see, and then if you could react to that and then we could move on to maybe others, that others would like to propose, so that we have some ideas out there that we're aiming toward maybe. Then we know where we want to put our money. If that's a legitimate procedure.

THE MODERATOR: Yes, go ahead.

MR. HOLTHUS: If I were going to live in Alaska 25 years from now or 50 years from now, one of the futures that I would like for the state is that it be a just place. That's kind of a big term I guess, but it seems to me at present there is a great disparity still in educational opportunity, in health services, in protective services, in justice systems, and so on between urban Alaska and rural

Alaska. And until we get a little more equity established, we're going to have a state that has some basic injustices.

So I'd like to see a just future. That would include those kinds of justices as well as the legal kinds of justices. That's just one thing. And when I say that, I don't mean that resource development and other things are not important, but they've been overlooked in the papers and the agenda and I think they're important.

So if we start there, then I'm sure they'll get in and we can talk about those kinds of issues. If we don't start there, I'm afraid they'll get shuffled aside, and all the other issues that are important, too.

THE MODERATOR: Anyone else?

Andy?

MR. MATHIESEN: I'll get more specific now. When it gets down to in this book here about the general consensus of the ten-year-ago group, many of the consensus that they arrived at at that time are pretty valid today. There's a gross amount of inconsistencies in here, but as far as, you know, to start with, here's one "It's a given right for each Alaskan to choose the environment in which he chooses to live." I think that's, you know, a pretty good statement of feeling.

And as far as values that go here, back a couple pages more, I'm going to quote here again. It says what

you're striving for. "Primary among values was a regard for the environment and protecting it as well as keeping a certain quality of life in Alaska which all present found vital. A brainstorming session gave these qualities of what was meant: scenic view, unspoiled wilderness, limited population, inflow, freedom, no crowding, right to participate, independence, ability to escape bonds of poverty, grandeur, serenity, vigorous work, good place to raise kids, show place for the world.

"In reverse, by the same method, the group indicated these things are not wanted: cluttered highways, traffic congestion, pollution of any kind, poor schools, too many people, poverty, over-exploitation of natural resources, stateside exploitation, colonialism, restrictions on individual, high cost of living, racial problems, slum and urban sprawl."

Okay, if that was a goal ten years ago, I doubt if there are many in here that would probably disagree that this probably is still not a good thing to shoot for, but we can't very well shoot for that thing when the same group of people say "We urge the State Legislature to pursue aggressive policy of regional economic development." It's impossible.

THE MODERATOR: Go ahead, Bev?

MS. ISENSEN: I don't see necessarily a conflict,

because when you talk about regional economic development in one area, regional economic development may just be to see that people have a chance to catch fish and market it, if they want to, or to trap for furs and market it. And for one region that may be what they want.

For another region they may very well want something different. Fairbanks may want a petro chemical refining plant. That may be what the majority of people up there support. And I still think we have enough opportunity and enough diversity here to be able to pursue the idea of regional economic development, but not have it mean that there's a factory on every river or a pipeline from every pool of oil or gas. So I don't see a conflict in those statements.

THE MODERATOR: Andy Hope?

MR. HOPE: Madam Chairman, I think the approach to regional development ten years ago might have been laudible, but I think there's a lot of defects in that approach. I think in the future I think we should take more a localized approach, develop the local resources, the local economies, and the local levels of government, and I think this would be fostered more by a sense of self-determination.

I think the regional approach, you know, back in 1968, '69, their approach was to regionalize the high schools in the rural areas and then we took on the regional

approach in the Land Claim Settlement Act to regionalize the corporations. And what happened was, all the governmental, mainly Federal Government programs were regionalized into bureaucratic centers, and at the expense of services to some of the local communities, some of the smaller villages.

So I think that in the future we should try to foster development of our local resources, more revenue sharing, more funding put to development of local governing bodies in our communities. And this would include the higher education programs, too, because now you have to go to the urban centers for education, too, Fairbanks and Anchorage. And the Rural Education Affairs Department was created about four or five years ago and it's been developing at a snail's pace, and there hasn't been too much offered to the villages, outside of the cross-cultural development program, and I'd say probably 80 percent of the native students that have graduated from the University of Alaska have graduated through the Cross-Culture Education Development Program, even though 99 percent of the funding for that program came from the Federal Government.

Now, the Federal Government has been way ahead of the State government in some aspects. I think in the native communities, like when the Indian Self-Determination and Education Assistance Act passed, that has provided the

resources to develop a lot of local leadership in the native community at the local level. So I think -- and with the funding from the Cross-Culture Education Development Program. I think they have been have been way ahead of the state in those two programs, in developing local resources and local human resources. So I would make the pitch for increased development of local government, local resources.

THE MODERATOR: Increased development of what?

MR. HOPE: At the local level.

Celia Hunter, you had your hand up a minute ago.

MS. HUNTER: Yes. I think I'm among the initial papers here Bill Spear wrote one that really expressed a lot of the things that I would like to get into this discussion, and he's talking about the two economies that we presently have in Alaska, the one which is very traditional, the very exploitive one that's based on industries and is operated primarily by middlemen, not by local people necessarily. Then he's talking about the second economy which is developing to a considerable extent.

I think that if anybody here attended the Alternative Energy Conference here in Anchorage two or three weeks ago, you saw and evidenced there a vitality and enthusiasm and a sense of comradery developing among people who are looking at the situation in Alaska from "What can I

do personally to make Alaska a better place to live in? And how can we utilize the talents and the abilities of the people who are here, not dragging in a lot of outsiders, because they happen to be able to weld a pipeline better than anybody else, but developing that kind of economy which will utilize the skills that we have present?

I think I'd just like to read a little bit from Bill's statement here. He's talking about, he's telling about the second economy, "The Neo-Capitalist-Buddhist-Bio Bush-Trickle-Up economy," which I think is a very fine title.

THE MODERATOR: What page is that?

MS. HUNTER: On page A 13. And he's talking about the fact that the consumers for that economy are right here. He said, "The impetus for this development will be the still struggling appropriate/alternative technology group whose values are self-sufficiency and independence rather than materialism and conspicuous consumption. The economy will be primarily productive, beginning initially with local food production, housing and renewal energy systems. Gardening, indoor and out, subsistence hunting and fishing (watch for a referendum which will seek to avoid race war by excluding all nonresident hunting) will expand into preservation, barter and eventually marketing. The businesses will be microand vary in organization. This

economy will be characterized primarily by a much more integrated relationship between the man-made and natural environment, provision of many more economic needs locally, less capital-intensive and more labor-intensive systems of production which will have more personal involvement, decentralization of systems and less emphasis on jobs with more emphasis on livelihoods."

I think fundamentally, you know, when we start talking about living in Alaska, there are an awful lot of us who are living in Alaska. We may be a part of this -- excuse me, I'll go back to the initial two statements on the questionnaire, in which they were trying to put subsistence on one side, jobs and a money economy on the other. I think that there are a lot of us who are definitely in a money economy. You can't be. I know, even the kids who go out and live in the bush for eight months out of the year have to get a job somewhere to earn the money to live in the bush. You can't live in the bush for nothing anymore. It's just not there.

But the whole point is that if we weren't able to get the highest-paying jobs, we take a less-paying job, we would start doing something with our hands to provide that somebody would buy or that somebody would wire us the necessities of life for, in order to stay here. This is what we mean by a livelihood. I think when we try to

divide the future of Alaska up and say that either we're going to be the happy savage living out in the boonies or we're going to be the corporate three-piece-suit type downtown, we really are overlooking what is actually happening, which is one of the most hopeful things that I've seen happening in Alaska in a long time.

And I think it's creating more self-sufficiency among bush people because they are getting into gardening, they're doing a lot more of their own -- you take a fellow like Dan Denslow, who has got a wind generator. And he is running tools, power tools, with a wind generator. You can get along with power tools, but, gee, you don't have to go pay an electric bill to run your little tools.

I think this is one of the things we need to keep in mind as we look at the future of Alaska, how to make it possible for those of us who are here to continue to life here.

THE MODERATOR: Thank you, Celia.

Karen?

MS. HEDLAND: I have this one last observation. Gary's comment was that we should think about a just community 25 years from now, and the first speaker talked about regionalization, the second speaker cited local control and Celia just mentioned individuality, and personal, you know, endeavors, which shows where we're at really in terms of

who is supposed to make a habit.

You know, somebody mentioned the Federal Government and somebody mentions the state government and somebody mentions the individual government. To me you sort of have to focus in on, you know, who is the one responsible for this just community, which is a real interesting way to begin, but the only thing that struck me was that the first three people thought it should be regional and then local and then personal. Always it's going to come back to the same question: Who is responsible in the long run? To me that's kind of where we have to start, you know. Alaska is exciting, but what do we do? Do we give every individual so much money and every community so much money? Who pays for it?

MR. MURRAN: I've been listening to these things. There's a proposal by Gravell and possibly other legislators in which we formed a public corporation that will benefit individual Alaskans. I really oppose that, because I don't think the state should be involved in forming a corporation. If it fails, if that corporation don't make any money, to appropriate more money to a point where it's another ineffective agency, even if you call it a corporation, I oppose that. I oppose that very much so, for purposes, because I don't think a state should be involved in forming a corporation for benefit of the State

disbursing monies to individual Alaskans. I really oppose that.

And also, there's also hesitancy on the part of the governor to give monies for developing the gas line to the Lower 48, our neighbors down there.

People may think that we are helping the big multi-oil corporation, multi-nation corporation, for purposes of generating them for the bigness, you know, but I think everybody should know that our United States government, as far as energy needs are concerned, there's a very definite problem. It's a problem because of international situations in which our oil from Iran, as you pretty well know, is being cut out, and I think if it helps, if Alaskan gas line helps to develop, to deviate by so many percentage points on a nationwide basis, then it will help, help not only Alaska, but also the people in the Lower 48, dependency on oil of foreign people.

THE MODERATOR: Thank you.

Getting back, Gary?

MR. HOLTHUS: No, go ahead, Carl.

THE MODERATOR: Excuse me, Mr. Jack.

MR. JACK: First let me clarify the statement I'm going to make, is that the State of Alaska is operating on the State Constitution and in the State Constitution there are basically two entities to provide the services. The

first one is a borough and the second is municipalities, second-class municipalities.

So those are the governments which by democratic process essentially dictate the lives of individuals in the future, unless constitutional convention occurs to alter these two types of government to provide these services.

So in looking at the index of -- or what we're going to be discussing within the next two days, I see two major areas in which the services will be provided. One is the type of government that will be utilized either based on the existing State statutes utilizing the borough government and the municipalities. So the type of government I think is going to play a major role in paving the road of what's going to be happening within the next ten years.

Tied to that here I see education, transportation, law and justice, resources. We can talk about all of these, but if we don't first identify the type of government to manage these in the financing part of it, then I don't think we're going anywhere. So to me the most important ones that should be addressed are the types of government and, secondly, the financing end of it to support these services either direct or developing of the natural resources.

THE MODERATOR: Thank you.

Gary.

MR. HOLTHUS: I think maybe it would help if we could clarify the difference between ends and means. It seems to me what we're asking when we propose alternative futures is the establishment of some ends that we want to reach. When we talk about economic systems and development of whatever kind and government systems, whether they're regional or state or local, we're talking about means to accomplish those ends. So it seems to me, at least for a little while, we ought to stick with this business of what our ends are that we want to accomplish, and then figure out how we structure the economic system and the justice system and the government and whatever to accomplish those ends.

THE MODERATOR: The young man from Fairbanks.

MR. HARUN: I agree, and going back to your -- you're Greg there?

MR. MATHIESEN: Andy.

MR. HARUN: Andy. Andy mentioned, he made a statement more to the effect that he --

THE MODERATOR: Can't hear you, Kevin.

MR. HARUN: He looked at the past meeting and described what some of the goals were of Alaskans ten years ago. I personally agree with those goals as enumerated there. I think, for instance, personally I want a life-style that has the values of friendliness, of freedom,

of open space, things that Alaska has quite a bit of, and other places don't have very much of.

Now, Andy sort of was leading to the question of, "Well, is economic development inimical to what we want? I also want economic development. I also want to have a livelihood. I also want that open space. I also want that freedom. I want everything. I want my log cabin and be able to go to Kentucky Fried Chicken." That's the problem with Alaska right there, is that we seem to want everything at once.

Now, they're not all mutually exclusive. We can find common ground. Now, I guess what my feeling is that the fundamental problem we're going to be facing over the next ten years is what to do with all this money. Money in itself can be a problem. It can be a curse as well as a blessing. And that money frankly scares me, because I don't know what we're going to do with it. What I see, I see some trends in the state that I'd like to see us going in a different direction, and to tie in with what the other speakers were saying, what Sue was saying and Gary, what the fellow here from Sitka was saying about regional and local education and economic development, I think we really need to decentralize the process. I think that's one of the most fundamental issues before us, is the structure, the structure of government, how services are allocated.

And I think as much as possible, we're a very diverse state, as is evidenced in this room, and I think that should be one of the goals that we should pursue in general, is decentralization. That goes for everything: power structures, economic development. We need to tailor it to fit the locale and into what people want.

Who am I to say what somebody else wants somewhere else? I know personally what I want. And within my own region we have diversity. I think within my region I'd like to pursue that diversity. But I think that should be a fundamental goal.

Along with that you have a corollary, and that is, I think, self-sufficiency. I think all of our different regions are going to have to become somewhat self-sufficient in doing what they do best, be it fishing, be it agriculture, be it tourism. We have to be able to take on a little bit on our own rather than having the State provide things for us.

These billions of dollars every year could be a curse, because it could be the State doing things for us. I think that money should be channeled into self-sufficiency and the decentralization, and that's basically my philosophy where the money should go.

MR. HURLBERT: I'd just like to make a suggestion about the process, a process suggestion. Since we have a

flip chart, and if you could act as a recorder. --

MR. TOMA: Sure.

MR. HURLBERT: See, what we're basically going through is a basic area of concern. Would it be possible --

THE MODERATOR: I thought he was doing that, putting down --

MR. TOMA: I was using the blackboard for a moment until we came to some consensus.

MR. HURLBERT: If we're just doing a general survey of concerns, would it be possible to put the concerns on the pages, the flip chart, and then just tape those to the wall as we go? And then we'll have a group memory of what's going on.

THE MODERATOR: Can we do that?

MR. TOMA: Sure

MR. HURLBERT: Because there's an awful lot of information by memory of people.

MS. HYLEN: Madam Chairman, it's good for every group to do justice, I mean have their own planning and so forth, but sometimes one group's planning comes over onto another group who may not quite agree with that. Take some of the areas like outside of Anchorage, probably outside of Fairbanks. The people are living in a big community, but when they have their recreation, they spill over into other areas and take over. Now, maybe that other area doesn't

quite agree that they want all of these people. What do we do about that?

MS. HAYES: I have a couple remarks. I hope I don't forget the second one, but the other is to support the question you raise, and that is there are some regional concerns to every local community. And where it's logical, the two need to communicate, so that you're not duplicating or abusing the energy and resources that can be shared with other communities who have a similar schedule or concern. So it seems like though I agree that the local strength is very important of any community, they still are connected within a regional area. Perhaps in problems of energy or whatever, there are some of those connections.

What I want to stress is within the next ten years or as time moves on for future Alaska, is that we give recognition and respect to private entrepeneur services. Very, very important. I'm not as impressed when conglomerate oil companies come to Alaska as I am to encouraging and giving due respect to a private citizen providing services for a local, regional or state-wide area. For instance, contracts for construction: Describe the kinds of wood you will need. Oak, for instance. This disallows Alaska resources. It has to come from somewhere else in the Lower 48, not because it's the best, but because that's the way the specifications are written.

Specifications need to give respect to our local areas, and where we can encourage intra-Alaska resource and services, I would like to see Alaska do that and give a lot of excitement to that.

THE MODERATOR: Thank you. Gary -- or, I thought, Gary, you had your hand up. Oh, it was Andy.

MR. MATHIESEN: Madam Chairman, you know, it's nice to discuss these things, but we can't continue. I guess we can; we've done it for ten years. We're going to still continue to skirt the real issue. We have not established, like Gary says, the end or the picture that we want. We must do that. I don't know. Like the money isn't a problem. The problem is worrying about what they're going to spend the money on to keep it from distorting the picture that we want.

We've already tried to set up the picture that we want. I don't know why we don't get down to nailing it down.

THE MODERATOR: Well, I gathered that what we're doing now is reacting to Gary's suggestion and we're coming up with different ideas of achieving this. Am I right, or is this --

MR. MATHIESEN: Well, we can't achieve an idea until we identify what the idea is.

THE MODERATOR: Well, his suggestion is that we have a

just future in all areas, education and justice.

MR. MATHIESEN: I think that's too broad really. I think that's pretty broad and --

THE MODERATOR: Okay. Karen?

MS. HEDLAND: I think there's some validity. Some of u are saying, just like you did, we've done this for ten years, we've rediscussed and rediscussed, but if we were just to get reactions as to what is a just community in your mind 25 years from now and how would you go about providing it, we would have to point to specifics. For instance, you know, everybody says they're not concerned about money, but we all know that's not true, because in the back of the heads is, "Where is the money coming for small businesses? Where is the money coming for jobs?"

We talked about contracts and so forth. So that's not true; we are concerned about money. Part of it is, what is a just distribution of the State's wealth in terms of encouraging the economy? because, like it or not, you got to have a line with it.

The other thing is, what is just in terms of education? It's the same thing. We're preparing for 25 years from now. I think that's kind of an interesting way to approach it, is to find out what is just in other people's minds, because what's just to me might not be equitable in somebody else's head, and it's kind of an interesting

concept. And, sure, it may be broad, it may be vague, but at least it gives us something to talk about. What is failure? What is trust? And it's kind of interesting when we approach it that way.

THE MODERATOR: John Kelsey.

MR. KELSEY: Madam Chairman, I get the feeling we're trying to reinvent the round wheel. Ten years ago it seems to me we were involved in the same discussions. I applaud the various suggestions of what we should do. I think each and every one of us that have made a suggestion has merit.

I would like to get back to what Gary said earlier, and that is, offer an alternative. I suggest that one of our alternatives is fiscal responsibility. I submit that we have been an irresponsible fiscal period beginning with the $9 million, and I think I represent a good number of people in the state when I say that I think that we're unhappy with the way that they spent our money and that we should use that as a lesson to go from this point on.

I submit that one of our alternatives is fiscal responsibility, and apply it to all of the various programs that are being promoted. I'm not against any of them, because I think they all have merit, but I think we're going to have to go back to what Andy said earlier, and Gary, is that we have to apply some good business judgment in the use of that money.

I'll use one example. I know the Anchorage people are interested in a causeway across the way, and I think that's probably commendable, but I do think that we should approach it on the basis of, if we put up the money, then you should have to charge the Alaska Railroad, the gas pipeline, the various people who are going to utilize it at all, so that the money is paid back and then is available for the fishermen or the agricultural people, so they can use it in their programs. I think it's a responsibility we have not only to ourselves, but the future generations.

I submit that fiscal responsibility should be one of our alternatives as to what we're doing now.

THE MODERATOR: I'll let Bev speak.

MS. ISENSEN: John, I wonder if you couldn't define that further and give more examples and maybe you could define a little further why you think the money was not well spent, why people notice things like the school instructional programs which the State has helped finance in the rural and the urban areas. How does that fit with the definition of fiscal responsibility, or doesn't it?

MR. KELSEY: Well, my response to that, Bev, is that I don't say that any one program is bad. I think there are certain social programs that you're going to have to fund that are, you know, that you can't pay back, but there are too many give-away programs. And if we look at foreign aid

as a prime example, when we start giving money away, we automatically gain the animosity of those same people eventually. I think that we should do it on a business like manner. I agree that there are times when there are certain projects that you can't get your money back, but I think we should limit it, like a sensible business would approach their problems, and I think we've been totally irresponsible in the past in this, and I think we have to address that at this point.

THE MODERATOR: I think what Gary was suggesting, his suggestion about the just future, had to do with the more human and personal qualities, and what you're talking about is more fiscal and getting down into finances and specifics. I think that those are two different areas. I hope I'm not wrong in interpreting what you're saying, but I think that maybe we're here to sort of dream of it and look into the crystal ball and come up with -- maybe some of us want to be practical and some of us want to dream, so I'd like to keep it on those two levels rather than getting specific as to the fiscal. I think that would come more under the finances.

THE MODERATOR: Yes, Gary.

MR. HOLTHUS: I sort of agree with what you're saying, but I like what John says. I mean part of my dream for the future, what makes a just future, is a certain amount of

fiscal responsibility. I think that's a perfectly legitimate end to try and work for. I think where the discussion and the argument comes is over what we mean by responsibility and how we achieve responsibility. So John and I may differ on what we invest in maybe, or something like that, but I don't think we disagree on that as a goal or an end that ought to be accomplished.

Certainly our economic system is fraught with all kinds of irrelevant responsibility and that we need to put an end to, and, you know, that includes some of the most obvious kinds of investments that we make with the money that we have.

THE MODERATOR: Anyone else before Kevin?

MR. HARUN: I just want to make a question, ask a question.

THE MODERATOR: Okay.

MR. HARUN: We're discussing fiscal matters here. As a follow-up to what the gentleman from Valdez is saying, we need a specific to go along with it, as a suggestion.

MR. KELSEY: I'd like to respond to that. I fully intend to, when we get into finances, to come up with some specifics to probably answer what you're saying and maybe Beverly at the same time. I totally agree with Gary. I have no quarrel with what he's saying. I just think that you have to apply fiscal responsibility to the goals that

you may want to achieve. And it gets back to what Andy was talking about earlier. If you don't do that, then your alternatives really are worthless. That's my only point. When we get to finances I think we'll have some specifics we can talk about.

THE MODERATOR: Does anyone else have another --

MR. MATHIESEN: I just want to add that a just future is not limited to fiscal responsibility.

MR. KELSEY: No, no.

MR. MATHIESEN: A just future to me, for instance, is that my children's children are going to be able to enjoy at least some part of Alaska the same way I do, and if fiscal responsibility denies that, then we weren't physically responsible. That's one of my major concerns and why I'm here, because I think what we call fiscal responsibility will soon deny us the pleasure of living here, the way we're going about it.

THE MODERATOR: Why don't you come up with a suggestion that we can put up here as to what you feel would help to sustain that for your children?

MR. MATHIESEN: Well, it's kind of difficult in just about two shakes of a lamb's tail. For instance, as an expansion, you know, you see an expansion of a network of roads. My god, that's going to deny what she goes down to Sleetmute for. That's going to deny what I spent 50 years

in Petersburg for, but what it's going to do, it's going to make a really good gung-ho highway department and that type of thing. I mean --

THE MODERATOR: Maybe we should take that very subject right now as to how do you feel about the development of roads?

MR. MATHIESEN: Expand that out to education. Education is a big thing in here. All right.

THE MODERATOR: Let's start with the roads.

MR. MATHIESEN: I think everybody knows here, excuse me, that the Eskimo culture for, godsakes, has been the most successful culture known to man. Are we up there learning anything about it? Hell, no. We're up there trying to destroy it and make them fit to ours. I mean we're so farfetched in what we're trying to accomplish, it's embarrassing to even be a part of it sometimes.

MR. MURRAN: Thank you for the Eskimo culture.

Okay, here's the thing that -- my concern. Like I come from a small village of Hooper Bay. And talking about equal and just legislation, where I come from there's been a lot of gripes from the City government to the State government demanding an opportunity for them to get a good road, a good airport, a clinic, the road systems, the sidewalks, and many other things, and yet both the State government and our immediate representatives have not been

effective representatives of our people in legislature. An equal and just legislation, that is not an equal and just legislation. And mostly they say that Anchorage legislators are far more powerful than most legislators. They get most of these monies for the programs and not enough money left over for proposed legislation.

This is something which I think should be brought up on what you mean by just and equal legislation. I'm concerned because I'm demanding to know why our legislators are not responsive to our problems in that particular village, and other villages are experiencing the same problem in their areas.

THE MODERATOR: Bev?

MS. ISENSEN: I don't know how much money Hooper Bay gets, but I do know that for every dollar from the State treasury that comes into Anchorage, $11 goes into Bethel. And there has not yet been any perfect formula devised that accounts for differences in population, differences in costs of projects and differences in needs, but I think that we are improving our performance when it comes to trying to see that those areas which have the greatest need and the least resources are getting more and more of what they need. Never having been to Hooper Bay, I don't know what you had there ten years ago.

MR. MURRAN: Excuse me. What's your responsibilities

with the State government?

MS. ISENSEN: Well, at what point do you think that the local government -- what kind of responsibilities do you think they ought to take? What kind of saying do you think they ought to have in determining what the life-style is like there?

MR. MURRAN: Well, what I'm trying to say, excuse me, Madam Chairman, --

THE MODERATOR: That's all right.

MR. MURRAN: What I'm trying to say, when there's an appropriation of monies, like eventually like appropriations for a great big bridge to Kenai, maybe hundred-million-dollar bridge or something, like he was talking about, and possibly federal building or something to that nature, those buildings they need in Anchorage, basically what actually our needs are, our municipal needs, municipality needs in the government of Hooper Bay are not very high as far as dollar signs are concerned versus the municipality needs of Anchorage, but still they are definite needs?

And the problem areas of our people in sewage, sewage and also in road systems. Right now because of this disaster we have our road is nonexistent anymore, and the State about a few years ago just spent over $800 million on the road and right now, according to their estimates, I

think it will take about $2 million to appropriate that type of money to come up with a good dependable road system to the airport.

There's a lot of sewage health problems that derives from open sewage disposals. I think that those are basic human needs, the basic human village needs that ought to be addressed and be informed upon to our legislators and the State government.

THE MODERATOR: Thank you.

MR. JACK: Madam Chairman.

THE MODERATOR: Yes.

MR. JACK: I think we're somewhat getting away from the main subject matter before us. I notice that the last few comments we made relates to direct services, such as government, et cetera, education, which we are going to discuss within the next couple days. I think we should try to bring ourself to the subject at hand about alternative future.

At this time I would go on the record in supporting Mr. Holthus, Gary's, point of having an environment that is just for all the citizens and for the type of government to ensure that as one of the primary goals that should come out from the Gamma group.

THE MODERATOR: Thank you. I think -- go ahead.

MR. KADEN: In the Brookings report, it's the first

page after the last green page in the book, their alpha group set goals for the future of Alaska. I think that they might provide a good place from which to work, or maybe there can be some additional things added to that. I don't know if you -- everybody can look at it or I can read it out, I don't know.

THE MODERATOR: Go ahead.

MR. JOHNSON: Would you say where it is again?

MR. KADEN: It's the first white page after the last green page in the Brookings report.

THE MODERATOR: It's the report of 1969.

MR. KADEN: The future which maintains "A harmony between man and natural environment, strict controls on pollution and environmental degradation.

"One where the emphasis is on living, not just making a living.

"One which places technology and material development in the service of man, not vice versa.

"One where ethnic, racial and cultural diversity is a proud and cherished accomplishment; where discrimination has been eliminated or minimized and where all men are truly brothers; where the individual is freed from the terrible psychic burden of feeling superior to the fellow man for reasons of race, creed, wealth or position.

"One where good health is assumed as a right and

men are not expected to compete to achieve it.

"One where the arts, the contemplative life in other cultural pursuits receive equal attention with material activity.

"One where the political process achieves and deserves respect through participation of alert, active citizenry."

I think there are other things that could be added to that, but that seems to me to outline it pretty good set of goals for the future.

MS. LINCOLN: (Georgianna) I had my hand up ten minutes ago to call point of order. I still -- I'm uncomfortable with and I ask the question, again I guess, on our agenda. I know it's written here. You know, here it's 3:30 now and I don't know how long we're going to go, but we haven't yet gotten to the finances, and I read somewhere in this literature that a paper was written on mom, apple pie and something. I feel like the alternative futures are somewhat like that, mom, apple pie and alternative futures. We can go around an say, you know, what we think the alternative future for Alaska should be, and I feel frustrated in that, as I understand, and I might be wrong, is that there are facilitators or other people that are wandering in and out, and we have someone who was suggested to speak on a paper they wrote. I know that there are

people here that wrote these papers that can offer just a very brief analysis, rather than a lot of philosophy at this point. I think that really what I see is the alternative futures coming down to at the end of tomorrow probably and where we start zeroing in on them. I think we're spending a lot of wasted time right now, Madam Chairman.

THE MODERATOR: Well, I thought that it was agreed we were going to discuss this item on the agenda and then go on to -- it wasn't decided whether we were going to discuss finances or resources or direct services today. I'm willing to do whatever this group wants to. I'm just here to chair.

MR. LADNER: Madam Chairman, maybe if I could just reiterate, and please correct me if I'm wrong, but the process we're in right now, and I think it's the best process, my opinion is, to start with, that right now we're setting goals. And then the next step will be to establish -- or we're making a needs analysis now. And the next process will be to establish how we're going to get to that goal. Now, I think that's where we are at this point. We have today and tomorrow and part of Saturday to do that, and maybe I'm wrong. This is only the first of several conferences. Is that correct? This is not a final conference?

THE MODERATOR: This group meets every day together, as I understand.

MR. LADNER: Yes, but I mean we'll meet again in another period of time.

THE MODERATOR: Oh, another conference is planned?

MR. LADNER: As I understand it.

MR. TOMA: Not planned, but thought about.

THE MODERATOR: Oh.

MR. LADNER: So, you know, it's good that we're philosophizing and all that sort of thing, but to kind of structure it and put it into simple terms, I think what we ought to do is lay down a half a dozen goals, maybe that's too many, and agree on that and then proceed to the means.

THE MODERATOR: Down there?

MS. LONGPRE: I see what we're doing right now as talking about the ends, and I see us talking about, I've written down a few ends that we seem to be talking about. Well, when I talk about ends, I'm thinking of us talking about an ideal Alaska, more idealistic goals, but at the same time recognizing some ways of life that we would like to preserve. Right now I think one thing we talked about is that we at present, as Alaskans, have a choice of the life-style we would like to live. One point was that this choice should be preserved, something that we have right now and that we would like to see as part of an idealistic

goal also.

It seems we've also talked about responsive legislation. Mr. Murran talked about responsive legislation as being an ideal futuristic goal, and that we haven't talked about the ends before. Just is one end and environmental is one end and fiscal responsibility is another end. Maybe we do need to kind of write down the -- in organizing this in our heads, we need to write down these ends, separate them, separate what we're talking about, as a means to achieve the ends.

I do feel like we are bringing up some ends, but at the same time we're talking about means which maybe makes it a little confusing in my mind.

THE MODERATOR: Did anyone want to question Chuck Konigsberg, since he is here, on his paper, in which he has spoken to alternative futures?

MS. LINCOLN: (Georgianna) Yes, I would like to give him a few brief minutes to make his presentation.

THE MODERATOR: Okay. Perhaps everyone hasn't read your paper and you can summarize it. Some of you never received them. So this is Chuck Konigsberg, who has a paper in. If you did get this book, you can read it later. It's "Conceptualizing Alaska" is its title. Maybe you can give it to us in a nutshell.

MR. KONIGSBERG: As I told Chip yesterday, if I had

known the people who volunteered papers were not to be participants, I would have preferred not to volunteer the paper and be a participant. I didn't really come here with the idea that I'd be giving a presentation, but just as an interested citizen.

But in listening to what's going on here, I would like to make the following comments.

For some reason, which each one of you ought to examine, I think, most of us have an extraordinary difficulty in sticking to within ourselves a consideration of values or ends as opposed to the instrumentalities for bringing about a means. There's an almost desperate yearning that I see reflected not only here, but every conference I've been involved in here over the last 12 years, to slide immediately away from the consideration of ends to means. And the reason is very simple, I think, but I'm not suggesting people do this deliberately, and that is, means become very destructive ends, and we don't want to face the fact.

It would be very much worth your while, if everybody here, for example, I'm not saying you should, but it's a thought, took the time, half hour, to sit down and write, what is it you believe in, what's important to you? Ends, values. And then say to yourself, "How will I bring it about?"

Then you have this common means and ends. It's critical that you stick to ends I think. It's absolutely critical, because, if not, you can absolutely be certain that they won't come about. It's the same thing that happens with a very common affliction in our society, smog. Every ingredient that was added to the gasoline component in its pure state was examined thoroughly in itself as a specific, but nobody took the time to determine what happens when it comes out of the pipe in the presence of sunlight, which is photo chemical smog. So the end result, which is synergistic, which Mr. Fuller is justly famous for, but which I would hope you remember when he proposes certain things, is the prime fact that it seems to me any concerned Alaskan ought to think about.

The means will become your ends, not in the sense that they remain pure, whether it be fiscal responsibility or something else, but in conjunction with the other means that are being used to bring about the kind of Alaska you think you want to see, something else is going to happen: The value in sticking to ends and values or ideals. And by the way, that's a glorious term. It's not an unrealistic terms to say something is ideal, so that once you put them down and you say, "Hey, this is what I believe," then you can examine your means and see if they're compatible with them. That's the way you ought to be, I think.

The problem with western civilization, with Americans and Europeans, and we're doing it to the natives, you know, God help us, is, we reverse the process, and we allow the means to dictate the ends. That's why we're progressively destroying our world. I don't think anybody can deny we're progressively destroying it. That's the reason why people like me are motivated to write papers like we do and the other people who wrote papers in that section of alternative futures.

Why is it so difficult to stick to what you believe in as a serious matter of discussion and concern? Why? Do it. Spend the time on it. Then the rest of your conference is worthwhile, because everything you talk about after that has got to be consistent with those ends. Everything. And if it isn't, you're on the wrong track, because you said you believed in this, right? Okay. If it is consistent, then put it down. You got something. So I would simply urge that whatever it takes, do it. And then go talk about all the rest of it. Otherwise, you're spinning your wheels. You've nothing to wheel.

Thank you.

THE MODERATOR: Thank you, Chuck.

Anyone want to take a five-minute stretch?

MS. LONGPRE: After a five-minute break, if we decide this is the approach we can take, maybe we can all have a

voice vote or some outward concurrence on everyone's part that this is the way we'll look at it or an alternative way.

THE MODERATOR: Chris?

MS. JOHNSON: I'd like to see us take more than maybe a five-minute stretch, maybe until four o'clock, and come back with the kind of things that Mr. Konigsberg suggested. If each of us would take a little time for reflection and outline some ends and not the means and maybe we could have something to go from when we came back, because I feel now like we're spinning our wheels.

THE MODERATOR: It's 3:30. Do you need that much time? Do you want to take a half an hour? I'm afraid we'll lose everybody.

MS. JOHNSON: I just want to provide everybody with enough time.

THE MODERATOR: How about ten to fifteen minutes, and I think that's what we really need to do, is set down some goals, set down some of our -- come to a consensus. Maybe a lot of us have the same ideas. And it's been bothering me in thinking maybe we need to have a motion so we could take a vote and maybe that would make us zero in. I've been trying to figure out how we could move this along and maybe during the break I can come up with something that would help us get to something. Either we can discard things or --

MR. HOPE: Let's take a break then, 15 minutes.

THE MODERATOR: 15 minutes.

MS. LONGPRE: I think we should decide the direction we take before taking a break, so that we use the break time. If we are going to be talking about the ends, we should use the break time period to jell those ideas in our mind.

THE MODERATOR: That agreeable then? We will come back with -- if you have a suggestion, you will have it ready to put on the board and then we will get some consensus as to the different viewpoints? Is that agreeable?

MR. HOPE: Break time.

MEMBER OF THE PUBLIC: I'm an observer and not a delegate, so there may be some objection to my contribution, but the sense I'm getting is a frustration with how to structure looking at the ends. If each person were to deal with five ends that they found most valuable, there could be a tally and it will automatically indicate where the weight of the group is in which items -- which ends are most important and have most intrinsic value.

THE MODERATOR: That is what I was getting at. Maybe I wasn't saying it too clearly, but I thought if we would come back and we would write them on the board and we could agree on which ones we wanted to, that we have the most

consensus on, --

MEMBER OF THE PUBLIC: It would imply responsibility within each delegate to take that seriously and to indicate each of their five most important areas, otherwise your concerns and your feelings are not represented.

THE MODERATOR: Okay. Yes.

MR. LADNER: This has been brought up before and it may not be practical, but I think that the entire group is impeded or constrained by the layout of the table. If maybe we could get together during this 15-minute period and --

THE MODERATOR: I agree.

MR. LADNER: -- and change the furniture, --

MR. TOMA: We're going to have to move to another room at 4:30. We'll try to make that -- I'll go down and make sure that room is arranged so it's more equitable.

THE MODERATOR: We have to move? Let's recess so we can get back and get on.

(Recess at 3:35 p.m.)

THE MODERATOR: Is everyone back in the room? There's some out in front of the door, would you call them?

He's putting up some pieces of paper so we can set down your goals.

We just had some distressing news that there is not going to be another room for us at 4:30, so any

suggestions from the group whether we want to break up into small groups and go -- there maybe some hotel rooms or something we could go to and talk until six. It just seems a terrible -- we're losing an hour and a half if we have to quit at 4:30.

MR. HOPE: Couldn't we sit in the corner of the ballroom?

THE MODERATOR: See, they're getting places set up. Could we go into that room at all?

MR. TOMA: Into the ballroom?

THE MODERATOR: Yes.

MR. TOMA: I doubt it.

MR. KADEN: What about the staff room upstairs?

MR. TOMA: We do have a lot of rooms upstairs. We'll make some rooms available. Like five rooms upstairs are available.

THE MODERATOR: We could break up into small groups or something. Any suggestions? Celia?

MS. HUNTER: Well, Katy, one of the things that I think could be helpful would be if we could get maybe half a dozen small groups of us where we could just sit down and each one of us put down the things that we think, looking at the future of Alaska, the future as we would like to see it, and kind of bat out a list for each group which reflects the priorities as that group sees it, and then

bring those back together and hammer it out among those lists and --

THE MODERATOR: First thing in the morning.

MS. HUNTER: -- because, you see, a lot of them will have the same things on them, and you can almost weight them in terms of which received the -- most people felt were priorities and you could go down, so we could come out with, say, a list of eight or ten aspects of the future Alaska that we all agree on. I think if we did that, we could certainly beneficially use this time, because I think you almost need to sit and bat ideas back and forth in a smaller context. This group is too big to be manageable in that sense.

THE MODERATOR: I was going to suggest that I think one of the things that's frustrating us is that we do want to talk and we're not set up in a way where we can sort of brainstorm an idea, and if we could maybe -- How many of us are there in here? Is it about --

MR. TOMA: 30.

THE MODERATOR: 30?

MR. TOMA: Yes.

THE MODERATOR: How about, is ten in a group too many? Or seven?

MR. HURLBERT: Seven.

THE MODERATOR: Seven may be better. I have a hotel

room here.

MR. TOMA: I'm making three rooms available right now on the 10th floor for this to break up.

MS. HUNTER: You can just number off or in some way --

THE MODERATOR: No, we have to get out of here. That's the problem. We have to get out of here at 4:30. Some of us could stay here for the first part.

Yes?

MR. HURLBERT: What reason is there for having to leave here?

MR. TOMA: There was something scheduled by the Red Cross --

THE MODERATOR: They're having a dinner or something.

MR. TOMA: -- two months ago. And we thought we had another room available on the 3rd floor here, but it fell through.

THE MODERATOR: I hate for us to lose the time, we can't stay together after 4:30, but we could make use of the time now to set up some goals, or would you rather just have the break? Carolyn?

MS. JONES: I think I am frustrated, but why I'm frustrated is, I want to know if we sat and talked till six o'clock, how much more would we have that would differ from the goals of the Alpha group in '69? I am going to be very frustrated if at six o'clock our list parallels the Alpha

list when we could look at the Alpha list for a beginning and say, "Yeah, we agree that all these are still important and all of these have still not been realized, and two are missing."

THE MODERATOR: We could start coming to how to achieve those goals which you do not see have been achieved in the last ten years. Maybe some progress is made, but not--

MS. HYLEN: Madam Chairman, I quite agree with her. I've been going through these and there's some that perhaps I would strike out. Maybe the rest of you wouldn't. Shall I go through?

THE MODERATOR: I think maybe the best thing would be to have a motion on the floor.

MS. ISENSEN: I move we adopt the Alpha group goals.

THE MODERATOR: We have a motion.

MS. HAYES: Why the Alpha group? Why would we be adopting those?

THE MODERATOR: Just to start as a part of --

MR. KELSEY: Madam Chairman, I'll second the motion just for discussion purposes only.

MS. HAYES: Would the Gamma group then be studying the Alpha group or whatever?

THE MODERATOR: The Alpha group of this thing, '69.

MS. HAYES: That's what I mean. That's what I mean,

too. Would that Alpha group now be selecting the Gamma recommendations or others?

MR. TOMA: No, it's all --

THE MODERATOR: No, no.

MR. TOMA: Every agenda is different

MR. HOPE: Madam Chairman, I say they're timeless, so --

THE MODERATOR: Okay. Any other comments on the motion? Do you all know what the motion is, what the goals are? The '69 report of the -- John Kelsey.

MR. KELSEY: Madam Chairman, I'm for the motion. The only thing, I don't want to be held to the Alpha group. When I say we're reinventing the wheel again, that's exactly what this lady is saying. I think we could discuss this. As a matter of fact, in 1969 it took us about six months to come up with these. So I can understand their frustrations of, you know, coming around to these same conclusions. I think it's a great suggestion that we go through these, but I don't think we should be held just to the Alpha group. I think we should take the Beta and that and the Delta and the other groups and maybe dovetail them, because I'm sure there are people who have a lot of ideas.

THE MODERATOR: Kevin?

MR. HARUN: One suggestion which Chuck Konigsberg just mentioned which I thought was a good one was, he said if we do discuss things, maybe what we should consider first is

what's wrong right now in Alaska, because if we can consider what is wrong, and somehow correct that, we're on the right track towards a better future, if we can just somehow eliminate some of the problems.

You were getting into one of them with fiscal matters, and I think that I agree with all these here. There might be some things which we might want to add which we've seen over the past ten years in addition to these, and so a small group to add to this list would be good as well as to consider what needs correcting in Alaska right now.

THE MODERATOR: Yes?

MR. HUSS: I think if we do that, I think the first thing we should do, and I think this is her point before we broke, is, we have to decide if we're going to discuss the ends now and then the means later. I think if we take your point, we're going to go right back to the means. I feel we have to decide which way we're going to go right now. I think that's --

THE MODERATOR: Okay. Well, over the break I was going to go around the room and have each one of you present a goal and we would write those down, but then this business about the time threw me. So we do have a motion on the floor, but if you do not want to adopt that motion, that's the alternative that I was going to suggest, that we

just go around until we have something.

MS. HYLEN: Madam Chairman, we have to have something to start with, and with this motion it puts these, whatever you want to call them, on the board and then from there they can be changed or added to. I don't think that you envisioned this as the whole thing with nothing else added, or deleted.

MS. JONES: No.

MS. HYLEN: And so I would move that -- I mean I would suggest that we approve this motion so that we can start with something and then we can change it.

MR. KELSEY: I call for the question.

THE MODERATOR: All those in favor of adopting the goals set by the Alpha group in 1969 --

MR. JACK: Correction, Madam Chairman, that's to read the -- it is my understanding that the motion was to read the goals established by the Alpha group.

MR. TOMA: Do you have a book, Carl?

THE MODERATOR: No, it's to adopt.

MR. JACK: To adopt?

THE MODERATOR: I gave mine to someone.

MS. KINGRA: To adopt them for purposes of discussion.

MS. HAYES: To adopt, I don't think was -- was the word "adopt" used?

THE MODERATOR: Wasn't it?

MR. KELSEY: She just restated it, I thought quite clearly.

THE MODERATOR: What did you say?

MS. JONES: Bev made the motion after my statement, and my statement was that we adopt the Alpha goals for the purposes of discussion.

THE MODERATOR: That's what I thought, okay, for purposes of discussion.

MS. LONGPRE: Before I vote on the motion, would this be adopting the suggestions of the Alpha group, discussing adopting those goals and then discussing the means, or are we going to be adopting them and stating whether we agree with them as ends?

THE MODERATOR: I really stated the motion incorrectly. Her motion was to adopt the Alpha group's goals for discussion purposes. So it's a stepping-off point.

MS. LONGPRE: For discussion of what?

THE MODERATOR: Goals --

MS. LONGPRE: Goals --

THE MODERATOR: -- which are ends.

MS. LONGPRE: As ends?

MS. KINGRA: Yes.

THE MODERATOR: Ends. Is that understood? Do you all understand? Are you all in agreement?

MR. KELSEY: Question.

THE MODERATOR: Yes, someone else has a question.

MR. LADNER: Just one more comment, maybe it would be easier to say that goals and ends are synonymous, and we're picking the Alpha group of 1969's goals and/or ends because, as the gentleman from Southeastern mentioned, the goals are timeless, so this sort of gives us a benchmark from which to start.

THE MODERATOR: All those in favor of the motion say aye?

(Delegates responding)

Those opposed?

(Delegates responding)

THE MODERATOR: Motion carried.

Do you all have a copy of those goals? I don't have my copy. I gave it away.

MS. KINGRA: Madam Chairman?

THE MODERATOR: Yes.

MS. KINGRA: Since we do have to break in half an hour, can you please tell us where we're breaking to? And if you need hotel rooms for groups of seven, --

THE MODERATOR: I don't know if that's the feeling of the group. Do you still want to break?

MR. TOMA: We're checking now to see if we can indeed go into the ballroom and use the chairs in there. We'd still break down into different groups of seven as it were

and work this out among us in the ballroom, otherwise we are getting rooms available on the 10th floor.

THE MODERATOR: Andy?

MR. MATHIESEN: Madam Chairman, if we in fact have adopted these -- or, you know, agreed to adopt these goals and, you know, because of their merit and, you know, timeliness and all this, need we go in and discuss them further? Couldn't we spend that time on trying to get, you know, some meat and potatoes on the means of actually accomplishing those goals?

THE MODERATOR: What is the feeling of the group?

MR. KEENER: I think first of all we should -- I mean I jotted down a few things. I think first of all we should add or subtract to those what we each individually think as ends and then find a means, because we all have maybe an addition or don't feel something's necessary in those. It shouldn't take long at all.

THE MODERATOR: Would someone give me a copy? I gave my copy to someone and I gave it to --

MR. HUSS: One of the staff just went in to get a Xerox copy of that for everyone. He should be right back.

THE MODERATOR: So I could go down them and see whether you agree or whether you want to add.

MR. LADNER: Madam Chairman, maybe it would be easier if we could have Chip list the goals in half a dozen words

or less so we all sort of have the same score sheet.

THE MODERATOR: Because they're long.

MR. LADNER: They're fairly lengthy. I hate to over-simplify.

THE MODERATOR: They're longer statements than just a few words.

MR. KADEN: I think they could be restated simply.

THE MODERATOR: Okay. Well, I don't like to delay it for the -- Could someone read the first statement?

MS. HYLEN: Here, if you want to use mine.

THE MODERATOR: Okay.

MS. HYLEN: I kind of crossed some out. Disregard it. She can read through it.

THE MODERATOR: "One which maintains, as we agreed on, a harmony between man and the natural environment, with strict controls on pollution and environmental degradation."

Do you all agree with that or do you want to -- is there a change?

MS. HYLEN: Madam Chairman, in view of what -- whenever you let the State take care of anything, it always interprets it to suit themselves, you'll get in a whale of a mess, like environmental control. Technically you can't even dig a little hole in the ground without violating their rules. So with strict environmental controls, we ourselves should use environmental controls, each person.

And I think that is taken care of when you live in harmony.

MS. LINCOLN: (Georgianna) Madam Chairman, I voted no on this because I wanted to make some amendments, but rather than do that I voted no, and that was for the first one, "with strict controls on pollution." I object to the wording of that "with strict controls on pollution," because in a village where they're burning wood, every house is burning wood, you carry a slop bucket and you dump it down a hole in the ground and you have an outhouse behind your house and, you know, it -- I'm very fearful of that for the very rural areas on strict control on pollution. I think it's going to have to be by community. So I would have deleted that.

THE MODERATOR: Would you like those words stricken? Is that what you're --

MS. LINCOLN: (Georgianna) I would have deleted that whole portion there after the comma, because I think just agreeing on harmony between man and natural environment is enough for a broad goal.

THE MODERATOR: Karen?

MS. HEDLAND: Madam Chairman, rather than striking it, could you add a word "local," and "strict local controls"? It does give you some flexibility. I don't want to look at the bottom of the rungs and not provide the sewage.

THE MODERATOR: Carolyn.

MS. JONES: Would the people be satisfied if we had "self controls on pollution and environmental"?

MR. KADEN: No.

THE MODERATOR: "With self controls"? Yes?

MS. HYLEN: Madam Chairman, I would suggest that "as we have agreed on" is superfluous, and that we strike "with strict controls on pollution and environmental degradation," because we are duplicating what we are saying above, a harmony between man and the natural environment.

THE MODERATOR: I think to make this move along, we will need to have some motions.

MS. JONES: I so move.

MS. LINCOLN: (Georgianna) I so second.

MR. JACK: Madam Chairman, point of order.

THE MODERATOR: All right.

MR. JACK: I'll state my point. By virtue of the motion that passed, the motion said to adopt the Alpha group's --

MR. TOMA: Future goals.

MR. JACK: Goals ten years ago. In essence you have doomed adopted --

THE MODERATOR: But for discussion.

MR. JACK: -- every one of --

THE MODERATOR: For discussion purposes only was part of the motion.

MS. HEDLAND: Are we tied into restating every one of their goals?

THE MODERATOR: It was just for discussion purposes so we would have a place to go.

MR. JACK: Okay, I'll take back my point of order.

THE MODERATOR: I know what you're saying, but the motion did carry that it was for discussion purposes.

So now we have a motion to delete. I don't know whether it was seconded or not.

MS. LINCOLN: (Georgianna) I did second it.

MR. KEENER: Yes.

THE MODERATOR: To delete "as we have agreed on" and to delete from "environment" on. So the sentence would read "One which maintains a harmony between man and the natural environment."

Any discussion?

MR. MATHIESEN: Madam Chairman, when she's talking about that problem, that is a severe problem, surely enough, but, for instance, if you take a village or a camp or whatever else, an entity where people live, that's been getting along for untold many hundreds of years, thousands of years, whatever the case may be, and they're able to live with it, it's obviously not necessarily a pollution control. The pollution control comes when the oil company or whatever else changes that entity that was there into

some other entity, that that entity is what needs the control. So really your ultimate control is perhaps just not changing your original entity.

MS. LINCOLN: (Georgianna) However, what we're talking about, ends and means, we're really talking about goals and objectives, and the goal is this and the objective could then be the type of controlling that you want. So that would be the objective rather than the goal.

THE MODERATOR: But if you take out all of that, you don't have that.

MS. LINCOLN: (Georgianna) A harmony between man and natural environment is your broad goal.

THE MODERATOR: I don't know who was first, but I think it was Sandpoint down there. ?

MR. MACK: Madam Chairman, isn't it a federal law --

MR. KELSEY: Right.

MR. MACK: -- that these restrictions be incorporated?

MR. KELSEY: Right.

MR. MACK: So I think what we're doing is looking at the broad sense of the state and just following that regulation.

MS. HYLEN: Madam Chairman, I don't think in our goals that we care about what the Federal Government in this state says.

THE MODERATOR: Somebody down there with a -- Celia?

MS. HUNTLEY: I think one of the aspects of this that I think is really crucial is that we're trying to achieve some sense of permanence in the Alaskan social order. I think this is one of the points that Bob Weeden makes in his alternative futures article. And I think that if we look upon this place as our home and we have to cope with the consequences of our actions, over the long term, then those actions have to be such that they don't degrade the environment so that in the future we won't be able to achieve from it the necessities of life. I think that there are naturally going to be controls, but I think they have to be in relation to that goal, that overriding goal, of some kind of a permanent harmony that we can live with, because if we -- for instance, it was perfectly all right in the old Eskimo way to go out and throw everything in the middle. If you do that today, you have Point Barrow where you -- I was in Point Barrow one time and there was a pile 30 feet high in the center of town and it didn't degrade. It was biodegradable. You know, we don't have biodegradable solid waste anymore. You can't handle it the same way that it was handled earlier, so you have to change your means, but the goal is the same. You want to keep that place a livable environment.

THE MODERATOR: The question we have is to amend this first statement. Is there any more discussion?

MS. HAYES: What amendment?

THE MODERATOR: We delete "as we have agreed on" and delete from the word "environment" the rest of that sentence.

MS. HEDLAND: Is that a motion on the floor?

THE MODERATOR: Yes, it is. Is there any discussion? Karen Hedland?

MS. HEDLAND: I'm going to vote against the motion, because I still maintain that the local communities need their own local controls and whatever best suits their purposes, and that would be my suggestion later, would be to add a word in terms of local control, and that way every community has it.

MS. JONES: I would like to move to amend the motion so that it would read "One which maintains a harmony between man and the natural environment, with controls on pollution and environmental degradation with respect to local needs."

MS. HEDLAND: Second.

THE MODERATOR: We have an amendment to the amendment.

MR. MURRAN: We must act upon that amendment -- do we act upon another amendment?

THE MODERATOR: No, it was a motion to amend before. Now we have a motion to amend the amendment.

MS. HAYES: Question.

THE MODERATOR: I didn't get into that, but we can read it again, but "One which maintains a harmony between man and the natural environment with controls --

MS. JONES: -- "with controls" --

THE MODERATOR: "With controls." Is "strict" out of there?

MS. JONES: "Strict" is not there. "Strict" is deleted

THE MODERATOR: "With controls on environment and --"

MS. JONES: "That respect local needs".

THE MODERATOR: I would rule that if you adopt this amendment to the other amendment, the other amendment does not need to be voted on, because this changes. Is that okay? Do you all agree? Do you understand what you're going to be voting on?

Then we don't have to have that hassle. Are you ready to vote on this amendment?

MS. KINGRA: You don't have a second.

THE MODERATOR: Mr. Kelsey?

MR. KELSEY: I submit that that's superfluous, that last part of it, because as the gentleman down on the end of the table here indicated, we have federal laws and regulations that control the sewer and the water, which is what this young lady is concerned about, and the local communities must abide by it. And the City of Skagway has

got that problem in pending litigation right now. I'm not against it. I think that's fine, except that I think it's superfluous.

THE MODERATOR: Haden Kaden.

MR. KADEN: I don't think it's superfluous because the Federal Government only comes into play when the community is already providing a system. That's why Skagway is in trouble. If the community has outhouses, then the Federal Government can't come in, doesn't come in and tell the community that they have to provide a sewer system.

MR. KELSEY: Oh, yes, they all have a time frame. Oh, yes.

MR. KADEN: I don't believe so.

MS. LONGPRE: I see the second clause "With strict controls on pollution and environmental degradation" as a means to the end that we want a harmonious -- we want a harmony between man and the natural environment. I see the goal as being that we want this harmony and we can later talk about means. One means was brought up that there are federal regulations already. If as a means we don't feel that's effective, we can talk about local regulations or local control. So I feel that that whole clause should be stricken.

MS. LINCOLN: (Georgianna) I call for the question on the motion.

THE MODERATOR: The question. All for the question? All those in favor of calling for the question say aye?

(Oral votes cast)

THE MODERATOR: Carried. The question is: To amend so that it will read "One which maintains a harmony between man and the natural environment, with controls on pollution and environmental degradation that respects local needs."

All those in favor say aye

(Oral votes cast - unanimously carried.)

THE MODERATOR: Motion carried. We don't have a court reporter, so we don't have --

MR. TOMA: Madam Chairman, you have those forms that might be a vehicle for that.

THE MODERATOR: Andy?

MR. HOPE: I wondered if -- all these motions are self-directed, aren't they? I mean it's not as if we're making any big -- adopting any charter or anything.

THE MODERATOR: No.

MR. HOPE: So why all the motions? We're directing them just to ourselves anyway. We're not directing them outward to anybody or to any legislative body or anything. We're directing this to ourselves and why do we need all kinds of motions to just direct discussion to ourselves?

THE MODERATOR: Well, I don't know how to run the meeting unless we have motions. I mean to get the

consensus, Andy.

If somebody, you know, amends something, how can you accept it unless you vote on it?

MR. HOPE: well, I mean the original motion was just to direct discussion to ourselves, so why do we have to amend that? It's just for discussion purposes anyway.

THE MODERATOR: But discussion purposes to come up with a list of goals, as I understand it. Am I wrong?

So we'll go on to the next one, "One where the emphasis is on living not just making a living." Do you all agree with that? Chris, I'm sorry.

MS. JOHNSON: I had a point of information before I would like to vote on this, what it said, but as I look down at this, that's really the only place we're talking about goals where we can address ourselves to the environment in general, and I don't think -- at least in my opinion that one statement doesn't cover all my considerations in terms of goals for the environment, so I would like to go back to No. 1 and maybe make some additions to the original statement.

THE MODERATOR: I think we're still on number -- okay, we're still on this -- you can add in another statement anytime. It doesn't necessarily --

MS. JOHNSON: Okay, I just wanted to be sure I --

THE MODERATOR: So go ahead.

MS. JOHNSON: I haven't got it formulated, go ahead.

THE MODERATOR: We're not adopting this type of thing --

MS. JOHNSON: Okay, then there is some room for flexibility. That's all I wanted to know.

THE MODERATOR: Okay. It's my feeling this is just the beginning, that you write your own concerns to add to it as we go along. This is just so that --

MS. JOHNSON: Okay.

MS. HEDLAND: So we do not necessarily need to vote on each one of these?

THE MODERATOR: No.

MR. MURRAN: Is it agreeable to take a collective vote, since this is not -- I would say these are all abstract concepts, right?

THE MODERATOR: M-hm (affirmative response).

MR. MURRAN: Since we already make recommendations on the motion, since legislators will not be entirely be involved in what kind of amendments we're making, so I make a motion that we collectively pass all these numbers with the amendment that we have made.

THE MODERATOR: We did that that already before you came in. We already did that. We adopted all of these for the purposes of discussion. What we're going to do is have a set of goals and then we're going to come up with means to achieve these goals and that would be part of our

recommendation at the end of the session in each area.

MS. JONES: I don't think that second one says anything.

THE MODERATOR: No.

MR. MURRAN: Which comment is the second one?

THE MODERATOR: Go on to one which places --

MR. KELSEY: Before you do that --

THE MODERATOR: Wait a minute, let's see about, does everyone agree that actually there isn't really much meat in that second one as far as what means you would have to achieve that?

MS. HYLEN: Madam Chairman, it sounds good though. It kind of dresses it up a little bit.

THE MODERATOR: Well, I guess you could go into -- one of those questions that we had this morning certainly was directed in this regard, where it said education, "Should education be to get a job or should education be for education itself?" And I think maybe that's what that sentence says to me.

MS. HEDLAND: Madam Chairman, I would rather see us -- some areas, from an earlier reading of the statement, "One in which" would imply any emphasis is on a just community 20 years from now, 25 or whatever, in all aspects of life, rather than emphasis on living. What does that say?

MR. KADEN: I think what that's talking about is

something that, you know, that was the first question on that questionnaire, was about life-style, and it's something about preserving the diversity of life-styles in Alaska.

THE MODERATOR: Why don't we say that instead of this? I like that better.

MS. HEDLAND: Go on down to the fourth one and it talks about -- the word "diversity" is even used there.

MS. LINCOLN: (Georgianna) Madam Chairman, I agree with the gentleman there, that what this is saying, the emphasis is on subsistence, not just jobs. That's what it's primarily saying. I heard everyone pretty much unanimously say that "preserving the life-style that's desired by its Alaskan people," and I think that's what that's saying. It's just different words.

THE MODERATOR: Well, maybe somebody could come up, rather than hashing it out right here, why doesn't somebody come up with a wording for that and we'll come back to that, rather than doing it right piecemeal? Is that okay? Come up with a different language on that.

MR. MURRAN: Yes, I think there's something missing. You're trying to make some kind of emphasis on little living. You know, I'm an Alaskan Eskimo living -- I've got different life-style from the different group here. They're trying to say something over here, except they

didn't really pinpoint it. They kind of (pause) --

THE MODERATOR: Maden?

MR. KADEN: What about something like "One which recognizes and preserves the diversity of life-styles in Alaska or which allows for the diversity of life-styles in Alaska"?

MR. JACK: That's covered in No. 4.

MR. KADEN: I think that speaks for the justice, or to the just society.

THE MODERATOR: "One which recognizes and allows the diversity of life-styles."

MR. KADEN: "Of Alaskans."

THE MODERATOR: "Of life-styles"? Will that do it? No.

MR. HUSS: I don't think that's what this is addressing. What this means to me is, this isn't just subsistence living to me. It means like in our education system there's such an emphasis on minimum levels or something rather than, and this was brought up last night and it made so much sense, rather than emphasis on our major roles in life, like marriage or raising children or just living, you know. I mean there's so much emphasis on a minimum level of reading, writing and arithmetic, or a skill, and so little attention paid to families and to that whole aspect, and I think that's what this says to me more

than a subsistence life-style.

THE MODERATOR: Carolyn?

MS. JONES: I think it's clear from all the definitions around this table that this statement is unclear, and -

(Laughter)

- and that someone should write something that we can all agree on what it says if we're going to adopt it as a goal.

MR. MATHIESEN: Madam Chairman, may I ask? I think she's right. It says things that it doesn't mean, and part of it might be just living includes making a living, but what we may be talking about is that we don't necessarily want to create a whole mess of new living, which in turn mess up the old one that we were trying to preserve and save. I don't know if that's what that lady is talking about, as far as clarifying this or not. It would clarify it to me, but it might not to other people.

THE MODERATOR: It's obvious it means different things to each one of us, and so we do need to have another statement, but Haden had a suggestion, but if you don't want to take it up now, and go on and come back to this one --

MR. KADEN: I'll make a motion that whatever I said --

MR. MARSHALL: I second the motion.

MR. LADNER: Could we have it restated, please?

THE MODERATOR: I think I got it. "One which recognizes and allows the diversity of life-styles --" First you said "preserves," then you changed it to "allows." So I don't know what you want. "Preserves" I think is better.

MR. KADEN: "Preserves."

THE MODERATOR: "One which recognizes and preserves diversity of life-styles."

MR. KADEN: "The diversity of life-styles found in Alaska."

THE MODERATOR: "The diversity of life-styles."

MR. HUSS: Maybe rather than --

THE MODERATOR: You have to always go back to the very beginning, which says "Envisions a future for Alaska as one where, one which recognizes and preserves the diversity of life-styles."

MS. HYLEN: "In Alaska."

THE MODERATOR: Well, we're talking about Alaska. The future of Alaska is it.

THE MODERATOR: Yes?

I think "preserves" is too limiting. I mean that says to me that it's something that's already there and that doesn't allow for something to develop in the future, which needs to be respected, too. I think maybe "respects" or "allows" would be a better word than "preserves."

THE MODERATOR: Would you accept that, Haden?

MR. KADEN: Yes.

THE MODERATOR: All right, "allows," change it back to "allows."

MR. KADEN: "Respects."

THE MODERATOR: "Respects"? Okay, "respects." We got "recognizing." "One which recognizes and respects the diversity of life-styles."

MS. LONGPRE: What about something that says that State citizens can choose the life-style that they would like to live? For instance a person may not be born into a subsistence life-style, being able to choose that as their life-style?

THE MODERATOR: That's what this states. That's what this statement says to me.

MS. HEDLAND: Question.

MS. LONGPRE: Except that it preserves an existing --

MS. KINGRA: They took out "preserves."

THE MODERATOR: We took "preserves" out, "respects."

MS. LONGPRE: "Respects"?

THE MODERATOR: "Recognizes and respects the diversity of life-styles." Do you all have that?

MS. HYLEN: Question.

THE MODERATOR: "One which recognizes and respects the diversity of life-styles." All agreed? Any objection?

Adopted.

Okay, "One which places technology and material development in the service of man not vice versa." Any objection to that statement?

MS. HYLEN: Madam Chairman, it seems to me like that "not vice versa" is superfluous. I like the first part of it, "One which places technology and material development in the service of man," period.

THE MODERATOR: Well, may I just comment? I think the reason for that is that there are many times that technicrats take over and forget the element and I think that's why it's there.

MS. HYLEN: It's redundant.

MS. HEDLAND: No, it's not at all.

THE MODERATOR: No, because it means that the technology should be considering man first and not the technology as a means without the human element. That's what it means to me.

MS. HYLEN: It says "in the service of man."

THE MODERATOR: "One which places technology and material development in the service of man," but if you don't say that, --

MS. HEDLAND: Without "vice versa," it implies man in the service of technology and material development.

THE MODERATOR: Yes, right, right. Any objection?

Okay, that one is okay. Now we're down to the longer one. "One where ethnic, racial and cultural diversity is a proud and cherished accomplishment; where discrimination has been eliminated or minimized and where all men are truly brothers; where the individual is freed from the terrible psychic burden of feeling superior to his fellow man for reasons of race, creed, wealth or position."

MR. KELSEY: Another one is motherhood.

MR. KADEN: Sex.

THE MODERATOR: There's a lot of extra words in there that are sort of editorialized, but --

MR. KEENER: This "or minimized and," it's -- I feel -- I like the part where it says "where discrimination has been eliminated and where all men are truly brothers," I like that, but where you say "eliminated or minimized," you know, that's kind of --

THE MODERATOR: That waters it down, doesn't it?

MR. KEENER: Yes, I'd like something strong and powerful to say. I don't like that.

THE MODERATOR: All agree to eliminate those words "or minimized?"

MS. HEDLAND: Yes. Yes.

THE MODERATOR: Any objection?

MS. HUNTER: No.

THE MODERATOR: Okay.

MS. HUNTER: I think the last part of that is very poetic, but I'm not sure that's necessarily the best way to say what you're trying to say there, if it needs to be said at all.

THE MODERATOR: "A terrible psychic burden" bothers me.

MS. HUNTER: As I say, somebody got poetic.

THE MODERATOR: I agree.

MR. LADNER: I recommend we strike that last sentence.

THE MODERATOR: "Where the individual is freed" and all that?

MS. HUNTER: Yes.

THE MODERATOR: Because I don't think it's necessary really.

MS. HUNTER: I think the first two clauses are what you're saying.

THE MODERATOR: Carolyn?

MS. JONES: I go with eliminating. So that that item would end with "brothers" and the rest of that would be eliminated, or is there some other suggestion?

MS. HEDLAND: Eliminated, you eliminate the two words "Or minimize."

THE MODERATOR: Yes. So that section reads "One where ethnic, racial or cultural diversity is a proud and cherished accomplishment; where discrimination has been eliminated and where all men are truly brothers."

MS. HYLEN: That's good.

MS. JONES: I have a little correction.

MS. HEDLAND: I'm waiting for you, Carolyn. I thought, "She's got it."

MS. JONES: I'm trying to think of the right thing to slide this across the table. I would like it to read "One where ethnic, racial and diversity is a proud and cherished accomplishment; where discrimination has been eliminated and where all Alaskans are truly brothers and sisters."

MS. HEDLAND: Second.

MR. LADNER: Outstanding.

THE MODERATOR: Any objection to that change? I am sure we will accept that.

MR. KELSEY: No chauvinists around here.

(Laughter)

THE MODERATOR: "Brothers and sisters and all Alaskans."

Okay, the next one, "One where good health is assumed as a right and men are not expected to compete to achieve it."

MS. HUNTER: Why would you add that second clause? I can't see it.

THE MODERATOR: Beg your pardon?

MS. HUNTER: I don't see in what way you're supposed to be competing to achieve good health. That doesn't really convey much of anything.

THE MODERATOR: Yes.

MS. HUNTER: I think the first clause, to --

THE MODERATOR: "One where good health is assumed as a right," period, hm?

MS. HUNTER: Yes.

MS. HAYES: There probably was before that conference in '69, Madam Chairman, reason to include that.

THE MODERATOR: Yes, probably, that's -- I think that's a good suggestion. Any objections to shortening that?

MR. HUSS: I don't understand. What was the last comment?

MS. HUNTER: Well, just simply on this one --

THE MODERATOR: She said probably in 1969 there was some compelling reason for putting that in.

MR. HUSS: I see.

THE MODERATOR: But no one sees the need for that now. Okay?

MR. KELSEY: Right.

THE MODERATOR: That shortens that.

MS. LINCOLN: (Georgianna) Madam Chairman?

THE MODERATOR: Yes?

MS. LINCOLN: (Georgianna) Would there be an objection, I'm not going to make it a motion, but would there be an objection to adding in there "One where good

health and education is assumed as a right"?

MS. HEDLAND: I think education is supposed to be separate.

MS. LINCOLN: (Georgianna) Special?

THE MODERATOR: Down here at the bottom I think it's Priority 1.

MS. KINGRA: Priority 1.

MS. HYLEN: But they didn't say anything.

THE MODERATOR: Let's make education separate.

MR. LADNER: I think we should determine whether education is a means or a goal.

THE MODERATOR: Yes. Okay, you're agreed it reads "One where good health is assumed as a right," right?

Next one, "Where the arts, the contemplative life and other cultural pursuits receive equal attention with material activity."

MS. HEDLAND: That's poetic.

THE MODERATOR: Yes, I think that could be stated more --

MS. JONES: Contemplated by --

THE MODERATOR: No, I mean I would welcome some stronger words in there.

MS. HUSS: Somehow it assumes that all arts are nonmaterial activities.

THE MODERATOR: I beg your pardon?

MS. HUSS: It assumes arts are nonmaterial activities.

The wording somehow is all fouled up.

THE MODERATOR: How about someone giving some attention to that so we could make it a little stronger?

MS. HEDLAND: Someone that's good with words think about it as being used. Its use of leisure time is really what they're talking about.

MS. HAYES: Yes, leisure is an asset to be used for the cultural pursuits and how we word that. We need help on that.

THE MODERATOR: I made a note that it needs to be improved.

MR. KEENER: You should keep in mind also the cultural pursuits, some people take it a little bit more seriously than in just leisure life, --

THE MODERATOR: Yes.

MR. KEENER: -- and that I think it is a suitable subject to, say, "One where the arts and cultural pursuits are enhanced in some manner," you know. Give it something where we -- I feel like I want to support the arts and cultural pursuits.

THE MODERATOR: David, I'm passing that over right now so we can come back and somebody come up with some stronger language.

I don't know what pressure is going to be on us. I suggest we sit here until they move us out.

MR. LADNER: Sure, carry on. Moving right along.

MR. MURRAN: Madam Chairman?

THE MODERATOR: Yes?

MR. MURRAN: I move we delete "contemplative" and delete "other" as far as cultural pursuits are concerned, to read that "life and cultural pursuits receive equal" --

THE MODERATOR: Would you mind if -- I think the feeling is that the whole thing needs some improvement; rather than just by amending one word or two right in this sentence right now, that we'll come up with something that will be stronger. Would you object to that --

MR. MURRAN: I don't object to that, --

THE MODERATOR: -- from Hooper Bay?

MR. MURRAN: -- but I'm objecting to the wording of -- asking the deletion, delete the "contemplative life," delete "other" before "cultural."

THE MODERATOR: Okay.

MR. MURRAN: And leave the sentence as it is.

THE MODERATOR: Okay.

MR. HARUN: There's another dimension to this, too, which I think we should consider. That is the amenities and the aesthetics and how you develop these communities, because too often we think of the performing arts or shows, but actually in the actual development of the city you mean to provide some amenities, something that we haven't really

looked at.

THE MODERATOR: I think that that's a good suggestion. This whole sentence needs to be a lot stronger and cover more.

"One where the political process achieves a deserved respect through participation of an alert, active citizenry." Boy, the way they use adjectives in this.

(Laughter)

How do you feel about that? I think it could be stronger. Yes?

MS. HYLEN: I think it could be taken out, because it doesn't really make sense.

The political process is not going to get respect or participation from alert citizenry.

THE MODERATOR: Maybe it is not a goal, but --

MS. HULEN: I don't think it is.

THE MODERATOR: Our active participation by the citizens certainly makes Alaska a better place to live, but I'm not sure the way this is stated. Okay, Karen?

MS. HEDLAND: Perhaps where I'm coming from on that, from the League of Women Voters, "One where access to the political process," whatever it is, that it's the citizens' access to the governmental structure that's difficult. They don't know how to do things, and so so I think in terms of one where the political process, you know, the

words "achieves a deserved respect" is not really what --

THE MODERATOR: What the concern is.

MS. HEDLAND: -- my concern is. It would be one where the political process is accessible for participation by the citizenry, and they shouldn't have to really be alert and watch for this legal notice.

THE MODERATOR: Can you come up with a better sentence?

MS. HEDLAND: I would move that it says "One where the political process achieves a deserved respect --" no, I can't. We removed that.

THE MODERATOR: No. Yes?

MS. LINCOLN: (Georgianna) Before you start to write anything up, because I don't know how to rework it either, but I think that when I'm reading it and when I was listing my goals out, that I think that there needs to be emphasis and I thought it would be in this line here, this sentence "on equal representation," that the rural people have representation, too. And the political process, you know, through participation of, it doesn't say -- I put "Equal participation" but I think it needs "balanced participation," "balanced representation" or something to that effect, so whoever rewrites this, I hope they take that into consideration.

THE MODERATOR: Well, that is a little broader than what this is, but I agree that's one of my goals, that a

rural part of the state not lose representation in the next go-around.

MR. TOMA: Madam Chairman?

THE MODERATOR: Yes? We have to get out?

MR. TOMA: We do have a conflict. They're pressuring us to get out.

THE MODERATOR: Okay.

MR. TOMA: We don't have any set rooms lined up. The other groups also have to get out of these two rooms. So this group has the choice of whether to adjourn for today or whether to decide among yourselves whether you want to get in hotel rooms, groups of five or so, and work together on this.

If I could make a short statement, the reason why this conference was called, obviously, was because of the surplus monies being generated by the change in the oil prices, and at the same time there were a number of goals that were lined out in your letter as a delegate that asked you to come to some conclusions on fisheries policy, oil and gas policy, transportation, education and the overall question of financing. I'm not going to at all discourage or try to move, you know, this discussion from where it's going. I think it's very healthy.

Some of the people who have been visiting other groups have told me that the other groups are all

concentrating on specific proposals at this point, as it is, the hard data, so this group is in a very good place, if they want to continue this philosophical discussion on Alaska and our roles as humans and people here. So consider that. You're doing a good job as you are, because one group at least has to stay with this subject or should.

So decide. I think we should decide whether to break up now for the next hour and a half or so into hotel rooms, preferably yours, and bring three or four or five people with you to continue these group discussions. Maybe within the smaller groups you can --

THE MODERATOR: I think something could be achieved by breaking into small groups and brainstorming and talking, and then we could come back tomorrow morning with these ideas.

MR. TOMA: Right.

THE MODERATOR: And I would suggest we take -- I have a room. Does anyone else have a room?

MS. HYLEN: I have a room.

THE MODERATOR: You know, we could sit on the floor or so forth, and anybody who -- how many want to continue? You all want to continue? How many is that?

MR. KEENER: I would like to, if we go ahead and go through those ends, --

THE MODERATOR: Yes.

MR. KEENER: -- if we went on and kind of discussed the means as this financing, fisheries, I think that would also help speed things along.

THE MODERATOR: I think a small group talking will make it easier tomorrow when we come back tomorrow and see how we're going to proceed in the different areas.

MR. TOMA: Those of you who do want to continue stay around for a few minutes, then those who do stay, the 12 or 15 who want to stay on, we'll get the 15 of you directed to the hotel rooms and then we can proceed.

MS. HEDLAND: When you talk about transportation, remember mass transit. Certainly will save me two hours this afternoon.

(Adjourned 4:45 p.m.)

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Friday, December 7, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Juneau, Alaska 99811

Reported by: Charlene Beovich, RPR

GAMMA GROUP MEETING PROCEEDINGS

(December 7, 1979, 9:40 a.m.)

THE MODERATOR: Could we get seated? We're already 45 minutes behind the schedule on the agenda. It says "Continuation of Work Groups," and, as you see, we're supposed to be organizing comments by this afternoon and this evening. We've got quite a bit ahead of us.

When we recessed yesterday, we were talking about goals, and some of us met, I think there were a couple of groups who met and worked on a few statements, but right now I think, let's go around and each one of you make, if you wish, and have a goal, would you state it, just one, in this first time going around. And if you want to pass, that's fine. I think we may get something then that we can come to agreement on. Would you accept that?

Okay, let's start with Ellen. I'm sorry, start with -- Are you ready?

MS. HUNTER: No, I'm not ready.

THE MODERATOR: How about Ellen?

MS. HAYES: No, I need to check with Georgianna first.

THE MODERATOR: All right, Gary.

MR. HOLTHUS: Maybe this doesn't need to be said, but I stick with the theme of justice I guess. I like to see

the law fall with equal weight and force on all segments of society. It's an old constitutional guarantee, but it doesn't happen in Alaska. We don't have enough policemen to provide police protection in most of the state, and when people do have difficulty with the law, there is discrimination between whites, natives, blacks and others. And the sentencing statistics that have come out in recent years make the point. So I want some kind of equal justice.

THE MODERATOR: Carl.

MR. JACK: Pass for now. I'll come back later.

THE MODERATOR: Okay.

MS. HEDLAND: Madam Chairman, are we going to write these down in any kind of wording?

THE MODERATOR: This --

MS. HEDLAND: That isn't really what he said, is where the law falls in equal weight --

MR. TOMA: Anytime you want to correct me, please do so.

THE MODERATOR: I don't think that covers it enough either. Gary, why don't you be sure that it says what you mean?

MR. HOLTHUS: You know, what the constitution says is the law should fall with equal weight on all segments of the society. And in our case it doesn't, in your terms of protection or in terms of enforcement.

Just keep to -- excuse me a moment

THE MODERATOR: Yes.

MR. HOLTHUS: Just to keep that from seeming abstract, that I guess means that I want to spend some money on the State Troopers and the police department, the court system and so on. Sooner or later, we get to talking in more practical terms.

MS. LINCOLN: (Georgianna) My very rock, rock goal is to preserve the life-style desired by its Alaskan people.

MS. LUDWIG: I'd just like to add to what Gary said and say that in our area, we have no legal aid. We have a Trooper that covers the whole Aleutian chain that is very seldom in our town. And in our particular area we need a lot of things. The legal aid would really be a great help. You have to go clear to Anchorage or call on the telephone and our phone service is very poor, so we have very poor legal representation out there.

THE MODERATOR: Then is one of your goals also communication?

MS. LUDWIG: Yes.

THE MODERATOR: Better communication?

MS. LUDWIG: Yes. Transportation is one of the major things. Our air fare is $350 to Anchorage roundtrip.

THE MODERATOR: Could you make a goal statement out of that, Chip?

MR. TOMA: I'm sorry? Excuse me.

THE MODERATOR: Could you make a goal statement out of what she said regarding better communication for --

MR. TOMA: Communications, transportation and --

THE MODERATOR: Communication and transportation for --

MR. TOMA: And protection services? Equitability --

THE MODERATOR: For all areas.

MR. TOMA: Equitability of service.

THE MODERATOR: Okay. Gene.

MS. KINCKA: I have two things. One is short and sweet and may seem facetious, but to me it's not. Tourism dollars, the tax dollars. I'd like to see them spent to give a dignified impression of our state.

And also I would like a system of perhaps tax incentives or investment incentives to private industry to figure the terms of human profit and perhaps head off the horrendous effects of the aftermath of some businesses coming into our area. I'd rather see it headed off in the beginning than to do an impact study afterwards and see what's left behind in regard to women, education. I've seen five or six studies done on the impact of the oil pipeline in Fairbanks. If it had been done ahead of time, some of those terrible effects might have been headed off, and if we can figure some of the profits in human profit instead of dollar profit, it might be done in advance. I

don't know how else to say it.

THE MODERATOR: Well, we need to do some editing of that kind of statement. We're just getting, talking out ideas right now. Maybe someone who is get --

MS. KINGRA: Tax incentives and incentives to encourage businesses to provide services and offset adverse impacts developing after the fact.

THE MODERATOR: Why don't you give that to him and he can write that down after we're going around here?

MS. KINGRA: Can you read my writing?

MR. TOMA: Sure.

THE MODERATOR: I don't want to get too far ahead of you.

MR. TOMA: That's all right.

THE MODERATOR: Next.

MS. LONGPRE: I'd like to echo the preservation of Alaskan life-styles --

THE MODERATOR: Speak up. She can't hear you.

MS. LONGPRE: That the preservation of Alaskan life-styles should be a priority.

THE MODERATOR: We have that on there.

MS. LONGPRE: I'd just like to echo that. Also we talked about a clause where good health is assumed as a right yesterday and I would like to see the consideration --

THE MODERATOR: I didn't hear you.

MS. LONGPRE: We talked about a clause yesterday where good health is assumed as a right. I would like that to be included, and I'm particularly concerned about alcoholism as fitting in under there.

THE MODERATOR: I think the statement was --

MS. LONGPRE: One where good health is assumed as a statement.

THE MODERATOR: Yes, good health is assumed as a right, instead of rights of good health.

MR. TOMA: All right.

THE MODERATOR: It's from this goal statement of ten years ago.

MR. TOMA: All right.

THE MODERATOR: Next?

MR. LADNER: I'd like to see a continued development of the transportation intrastructure within the state.

THE MODERATOR: Wouldn't that be the one that she's got down there? Isn't that within the state that she was speaking to?

MR. LADNER: Well, equitability I'm speaking about. She's speaking about equitability of services and I'm talking about expansion of services, development of services.

THE MODERATOR: You mean you wish to have expansion of better -- of transportation system.

MR. LADNER: Improvement of.

THE MODERATOR: Improvement?

MS. HEDLAND: To include mass transit.

THE MODERATOR: Would that include mass transit?

MR. LADNER: I don't have an opinion on that.

THE MODERATOR: Okay.

MS. HEDLAND: But would it?

MR. LADNER: Yes.

MS. KINGRA: I didn't say encourage tourism. I said that our tax dollars be spent on tourism to encourage a dignified impression of the state, not a woman in a bikini on the glacier.

THE MODERATOR: Could we edit these later? I want to go around. We'll take a break and you can straighten them out.

THE MODERATOR: Andy.

MR. MATHIESEN: Well, it sounds to me like everybody is saying essentially the same thing, that we have a quality of life in Alaska that's rather unique and we're desperately trying to preserve it and that essentially is my goal.

THE MODERATOR: John?

MR. KELSEY: I have no problem with what I'm hearing. I think -- I would like to say though, to underscore, I called it fiscal responsibility yesterday, I call it

responsible action. I think we have responsibility to our children and our grandchildren to act in a responsible way so that they have some of the things that we are enjoying today. Whether you include it in the matter of preserving our culture or whatever, but I'm thinking in terms of wasteful action.

And I have a problem when I see programs that were suggested to us this morning. I think it's great, and I think that we need to address the matter of our delinquent children, but I think that we shouldn't always look to our government to solve those problems. I think we should look to our family units. I think they have the responsibility of keeping our kids within line.

And I don't think we should just increase our bureaucracies with the idea of they're going to solve our problems. I think we have that responsibility, and if I were to say any one thing, I think responsible action should be a goal. I called it fiscal responsibility and I don't think it was too well received yesterday, but that's about --

THE MODERATOR: You mean to save some of the money then?

MR. KELSEY: Absolutely. I don't think we'd have the right to dissipate all our assets in our generation. I think we have a responsibility to our children.

THE MODERATOR: Haden?

MR. KADEN: I have three things. Is that all right? Or do you want just one?

THE MODERATOR: Well, we're going to say one. How about, if none of these have been covered, say one now and we'll come back to extra ones.

MR. KADEN: Okay, I'll take the most important. One where, this is a future where, one where large areas of Alaska still exist in their natural state for their own sake and for the sake of still future generations, because of our continuing recognition of our stewardship for the land.

THE MODERATOR: Marion?

MS. HYLEN: One where continuing education is provided for all age groups.

THE MODERATOR: That's good.

Andy?

MS. HYLEN: I think we're ahead of him.

MR. TOMA: Excuse me Marion, that was education --

MS. HYLEN: One where continuing education is provided for all age groups.

MR. TOMA: Okay, thank you.

THE MODERATOR: Andy?

MR.HOPE: Well, the first thing I'd like to see is a government that stays out of the way. Now, after that I'd

like to see increased educational opportunities from childhood through adult, through the whole span of adult life. That's including vocational and higher education. And then a short note on that impact: How do we place a price tag on the cultural traditions of the native people? Suppose they're severely impacted or destroyed. How do you compensate for the loss of those cultural traditions? If you want to try --

THE MODERATOR: I've given you one goal this first time around, then can we come back, Andy?

MR.HOPE: All right, I want to stress again the theme of localization. I think that's important that we provide the means to develop local governments, recognizing the cultural diversity of the people of Alaska, too.

THE MODERATOR: First you said keep government out of the way, --

MR.HOPE: I mean a centralized bureaucratic government. Do you think that's a contribution?

THE MODERATOR: No, I just wondered, I was giving you one goal and you've given me about three.

MR.HOPE: Well, I think they're all --

THE MODERATOR: I want to keep --

MR.HOPE: They're all the same.

THE MODERATOR: -- them in mind but right now we'll go around and come back to those, okay?

Carolyn.

MS. JONES: I have several so would you come back to me when you do the second run?

THE MODERATOR: Okay.

MS. JONES: One where political representation reflects not only the population but geographic diversity.

MR. KELSEY: Is that legally possible, Madam Chairman? Can I ask the lady? She's an attorney.

Is that legally possible in a one man, one vote --

MS. JONES: I think there are ways to get around it. For example, in the U. S. Government the senate provides for two senators from every state regardless of population. If we turned our senate into something similar -- I think there are probably lots of ways to get around that particular situation.

MR. HUSS: That would have to be in charge of the Supreme Court though.

THE MODERATOR: Could we hold the discussion until we get all these down?

Mr. Marshall?

MR. MARSHALL: Well, I'd like to speak on education. I think we should be putting more emphasis on the basic education, because without the basics, the higher education would be null.

THE MODERATOR: Then you would like an expansion of

education goal?

MR. MARSHALL: Education, yes, because you have children who are coming out of high school today that can't read.

THE MODERATOR: Should broaden the education goal then.

Kevin.

MR. HARUN: I've just hastily scribbled it down. Some of it may have come up with another person brought it up. I would just like to read it. Won't take that long.

Whereas, the vast majority of Alaskans are urban dwellers;

And whereas the way in which urbanization is taking place has great effects on Alaska as a whole, specifically settlement and resource demands on rural Alaska;

Whereas, Alaska's major cities should begin major efforts to enhance the aesthetic qualities in urban areas, to encourage the ability to walk, to reduce strip commercial sprawl, strip commercial development, and to reduce the homogenization of Alaska;

And whereas, the leading detriment of Alaska's urban development and land-use patterns are transportation patterns, specifically the total dependence on the automobile;

Now, therefore, be it resolved that the State of

Alaska make a massive commitment to reshift transportation funding from automobile dependence to mass transit.

THE MODERATOR: That's good.

MR. HUSS: I just have one more. I'd like to provide employment that's necessary to support all Alaskans, and an economic base. I don't know if that -- it could even enlarge it to say some sort of acceptable employment on employment.

MR. TOMA: I'm sorry, Bernie, can I have that again?

MR. HUSS: An economy which could support every Alaskan, or something like --

MR. TOMA: An economy to support all Alaska?

THE MODERATOR: Christy?

MS. JOHNSON: Okay. I'd like to see us develop energy sources which utilize renewable resources and which are localized whenever it's feasible.

THE MODERATOR: David?

MR. KEENER: Only thing I would do is renewable resource, but that's just discussion.

THE MODERATOR: Karen?

MS. HEDLAND: The same. They're all up there, although I'm not satisfied with them.

THE MODERATOR: Well, I think the wording --

MS. HEDLAND: Wording, right

THE MODERATOR: Needs work. They're not exactly

saying what everybody has said.

Getting back over here --

MS. HEDLAND: Kay.

THE MODERATOR: I'm sorry, ahead. Yes, it is.

MS. LINCOLN: One of the goals that I'd like to see us work on is the educational system, the education under one system instead of two, the state and federal.

MR. TOMA: Want a state educational system, strong State?

MS. LINCOLN: Just one. Whichever way is the best.

THE MODERATOR: You mean --

MS. HUNTER: Equal educational opportunities for all?

THE MODERATOR: You mean state --

MR. TOMA: You're talking about the administration, aren't you?

MS. LINCOLN: Yes.

THE MODERATOR: You mean with the university and the --

MS. LINCOLN: No, I'm talking about the State and Federal Government in education. What I'd like to see, one of the goals worked on, is all the education being under one system instead of two separate ones.

THE MODERATOR: Oh, you mean like BIA and --

MS. LINCOLN: Yes.

THE MODERATOR: Oh, okay. One educational system. That's clear now.

MS. HUNTER: I would like to see, "Protection of the environment and maintenance of viable ecological systems shall be major factors in assessing impacts and making decisions on both public and private projects."

THE MODERATOR: I think that sort of goes along with with your statement, doesn't it, in the pink sweater?

MS. KINGRA: Me? Yes, but I think she stated it very well.

THE MODERATOR: But they're similar.

MS. HUNTER: I'll keep this wording and you can put it on either way you want.

THE MODERATOR: Alan?

MR. MACK: Stan.

THE MODERATOR: Are you ready to proceed?

MR. MACK: Not really. As I got into it quite late, my major concern would be in the education department, providing a little more stronger educational department. That's just one of them.

THE MODERATOR: Okay. Ellen.

MS. HAYES: I'd like to reinforce this. There's language that can be developed. In the broad category, educational needs or emphasis to work toward preventive health rather than to try to set facilities after, you know, everyone is needing care. And then, you know, address ourselves to care. I would like to address ourselves to an

educational program where prevention is an emphasis as well as including alcoholism, understanding and good nutrition, so I'd say education, with the idea of preventive prevention, good nutrition and alcoholism.

MS. HEDLAND: Under the preventive sections, not only for health and education, but I would like to see somewhere in there the day care availabilities for single parents. It's nice to say everything should be the family structure, but, unfortunately, that is not the fact. We have a horrendous need for after-school care, particularly for kids up to the ages of ten, and I understand that is not just an Anchorage problem, that is a state-wide problem, so I don't know where it fits. But I think it's part of preventive and you're preventing these juvenile delinquency things.

I do not think the programs were shown -- I think the programs that were shown today were wonderful, but I think there's a lot more to it, and that a two-week session is not really the answer. I like the word "preventive" and under preventive I'm talking in terms of not only health, not only alcohol, not only drugs, I'm talking about child abuse. That hasn't been brought up at all. Education in these areas, also. I don't know how to say it.

THE MODERATOR: I want to be sure that everyone has had a chance to have one goal before. I think Jack did not

have. He passed. Do you have one now?

MS. HAYES: Carl.

THE MODERATOR: Do you have one now?

MR. JACK: I have five.

MR. TOMA: Can you work on a little bit of wording now?

MS. HEDLAND: I can't decide if it works in with something else.

MR. TOMA: Go ahead, Carl.

MR. JACK: Let me preface the points that I'm going to say, reiterating what I've said yesterday, that we are going to be discussing the direct services, the finances and the resources, and all of these type of services will revolve around the type of government that will be there to provide these services. So I would request the chairman of the group here to extend to me the privilege of presenting these with no objections.

No. 1 would be to reaffirm that which were established ten years ago as by the Gamma group in '79.

Second would be to reaffirm such as Gary stated, and that is just state that is fair and can provide equitable treatment for all the citizens of the State of Alaska. The second one is to maximize local control, with the type of government to meet these local needs through the foundation formula similar to the REA system.

And the last one would be that the rural areas be

guaranteed legislative representation on geographical basis.

THE MODERATOR: That is what Carolyn was stating in her goal.

MR. JACK: Yes.

THE MODERATOR: I think now that we've gone around the table, Haden Kaden had some more and so did Andy and so did Carolyn.

MS. KINGRA: I had one.

THE MODERATOR: Excuse me.

MS. KINGRA: Yes, I do, too.

MR. HOLTHUS: So do I.

THE MODERATOR: And Gary, okay.

So, Haden, do you want to give your other two?

MR. KADEN: Okay, one in which there is a maximum of flexibility in the types of government available on the local level, and where experimentation and the means by which we govern ourselves is encouraged. This is at a local level, because right now we're locked into just certain forms of government which came to us from outside the state, essentially, and they work well for urban areas, but not necessarily for rural.

Okay, and the other one is one which provides for maximum possible self-sufficiency by and for the people through the encouragement of small-scale, self-sustaining businesses, agriculture, manufacturing, resource and energy

utilization.

THE MODERATOR: That's the one that we were discussing yesterday. That's good wording.

MS. HAYES: Very good.

THE MODERATOR: Very good.

Okay, Andy, those of you have written out your statements, could you just give them to Chip? And it would be -- then we'd be sure to have them to have the exact wording. We're sort of behind here.

MR. HOPE: Do we have an agenda that we're following?

THE MODERATOR: Pardon?

MR. HOPE: Do we have an agenda that we're following? If we don't, I wanted to make a motion that we break into five different groups.

THE MODERATOR: Could we finish these goals and then --

MR. HOPE: Well, how long is this going to carry on to? because I --

THE MODERATOR: The goals is just going to take until the two of you finish, then we're going to have --

MR. HOPE: Okay. Then you're going to have a what?

THE MODERATOR: -- you give your goals. We'll take about ten more minutes and then we're going to break. Then we'll come back to the agenda that was suggested yesterday and see how you feel about the agenda.

MR. HOPE: Okay. Okay.

THE MODERATOR: Andy, didn't you have a couple more?

MR. HOPE: No. I was going to make a motion.

THE MODERATOR: Carolyn.

MS. JONES: I have two more. I see in Alaska as one where we have high expectations for all our students and where the opportunity for an enriched education is available to all Alaskans without discrimination. I have that.

THE MODERATOR: Do you have that language to give him?

MS. JONES: I have that, yes. I have it written down. I'll give it to you.

MR. TOMA: Okay.

THE MODERATOR: Just make a note it's an educational goal.

MS. JONES: Is the gentleman from Hooper Bay here?

THE MODERATOR: No.

MS. JONES: Okay, I wanted to hear if this reflected what he was saying yesterday.

One where the arts and cultural pursuits are seen as valuable life-styles in themselves essentially, too, and enhancing the quality of life.

THE MODERATOR: She's got that written out.

MR. TOMA: Okay.

MR. HOLTHUS: I think this maybe ties in with what John was talking about, maybe what Karen was talking about,

one of my concerns though, it's a just state that provides for the health and safety of families. The reason that's a concern is that Alaska has a terribly high suicide rate. It has the highest rate in the nation. It has very high incest rate. The alcoholism and the drugs we've talked about earlier. Anchorage has a homocide rate that's second only to Detroit. We get 60 to 70 child abuse reports every month in Anchorage, with about a 60 percent verification rate.

Cordova has a high child abuse rate. Ketchikan has a high child abuse rate. Fairbanks has a high child abuse rate, so evidently it's wide spread throughout the state. Spouse battering, VD, which is a kind of violence we perpetrate on each other, although it's not normally classified as violence. And for awhile, at least in '75 and '76, Anchorage was cranking out divorces faster than it was marriages.

So if we are able to raise kids to the time they're 20, and they are not involved in drugs or alcohol, if they haven't been the victims of violence or the perpetrators of violence, or if they don't have some really warped idea of what families are all about, I think we've been just lucky. So, when we think about Alaska being a good place to raise kids, the reality is maybe a lot different.

So, somehow or other, you know, those are all symptoms of a society that's got some real problems. And somehow or other, we've got to make a state that's safe and healthy for families.

THE MODERATOR: You had some more goals.

MS. HEDLAND: I just wanted to add to the --

THE MODERATOR: Okay.

MS. HEDLAND: It's not a set thing, but I would just like to add, the words I wrote down is a strong support system for troubled families, if you would, also. Then we get to the means that would include the child abuse centers and the counseling and so forth. But the strong support system is what's important to me under the health and safety of family.

MS. KINGRA: We've all been talking about education around the table, and if it's presumed that we all start out equal by these new Headstart programs and everything else, and there have been studies that show minority children start out the same as white kids, but by the time they graduate from high school, they're behind, and I would like to see a two-step certification for our teachers, one certifying in education abilities and second, a certification in cultural understanding, that it might help as a starting place.

THE MODERATOR: That's a very good goal.

MS. LINCOLN: Madam Chairperson, I'd like to emphasize that. We in the rural areas have been concerned with that for a number of years now.

MR. HOLTHUS: Could I speak to that, too?

THE MODERATOR: Yes. She wanted to speak.

MS. LINCOLN: (Georgianna) Well, it's a different subject.

THE MODERATOR: Go ahead, Gary.

MR. HOLTHUS: I agree wholeheartedly, especially with that latter. We need some kind of training program for teachers that are new to the State so they're not going out as strangers to lay more strange stuff on village kids, but one of the problems with the certification process is that sometimes, for instance, where a bilingual instructor -- what that means is that a woman who is 55 and been in the village all her life and is working in a bilingual program is now required to go to the university and pursue an academic career and maybe leave her kids and her husband for weeks at a time because she has to do something in Fairbanks and get the kind of education that leads to certification.

MS. KINGHA: Not necessarily.

MR. HOLTHUS: So I think the kind we want is some informal sort of methods to provide that certification, so that she's not required to go --

MS. KINGRA: Within the state here are --

MR. HOLTHUS: -- to the university to get it.

MS. KINGRA: -- experience levels that correspond to educational levels and certainly they could be applied unto this.

MS. HUNTER: I would like to say, Gary, that one of the things I think might be used as a model is the training they give the medical aides in the villages, where they come into Anchorage for maybe a week --

MR. HOLTHUS: Yes.

MS. HUNTER: -- a year and get the technical things they need, but their practicing and any other training is right on the job.

MR. HOLTHUS: That would be great.

THE MODERATOR: Well, there's a lot of possibilities. If we had a communication system, a network of telecommunications, and television, you could do a lot of that through in-service right in the community, too.

MS. LINCOLN: (Georgianna) I'm stealing the thunder of the Council of Energy Resources, part of it, and Alaska was included in it, and it was an article that was in the paper yesterday, but I would like to see as one of our goals here for the future Alaska, that the goal of national energy independence not be reached at the expense of the Alaskan citizens.

MS. HUNTER: And environment.

THE MODERATOR: And the environment, would you add that?

MS. LINCOLN: (Georgianna) Sure.

THE MODERATOR: Kevin?

MR. BARUN: I just wanted to touch back on the last one, the previous one, before Georgianna's.

I was down in the Yukon-Kuskokwim Delta last week and I'd been there last spring, too, in different villages, and one thing I noticed is that almost all the teachers were from Texas and Oklahoma. And I asked about that and I said, "Well, what about our local teachers that we put out in, say, Fairbanks and Anchorage from the university?"

And I understand they have a hard time placing Alaskans in the bush. I don't know whether that's because Alaskans don't want to go there or whether it's just an inbred system where the principal comes from Texas and brings his friends up. That's what appeared to be happening down there.

I was wondering, is that a problem, that Alaskans aren't in teaching positions?

MS. LINCOLN: I have been finding that the native or the people born and raised in Alaska, whether they be white or native or whatever, I've been finding out that they go to school and they go and get their teaching certificate,

then they move out of the village or out of rural into urban.

MR. HARUN: So they don't want to go down there?

MS. LINCOLN: Some of them do. There's a very high percentage though that do stay in rural Alaska.

THE MODERATOR: Now that I've heard all these goals, it seems to me that there are certain -- there's a grouping that comes through, that what we could do now is break up into groups and refine these statements rather than doing it in a large group--

MS. HEDLAND: Madam Chairman, before you --

THE MODERATOR: -- under certain areas.

MS. HEDLAND: Before you do, I made a commitment to my friend out there, that the needs of senior citizens would be addressed. That has not come up at all. And I guess I'm a little disturbed when I look back at all these things and I see we've got 90 percent dealing with the land and ten percent dealing with the people on the land. And I think we're a little bit amiss, remiss, off base in that fact, and I would just like you to put up there with a word later that we address the needs of senior citizens and that somewhere the right of adequate housing is assured, also. To all people.

MR. HOPE: Madam Chairman?

THE MODERATOR: Yes, Andy.

MR. HOPE: I'd like to present a motion that we create seven committees.

THE MODERATOR: I can't hear you. Could you speak up?

MR. HOPE: I move we create seven committees. I'll name them off here, the ones that I have in mind. No. 1 is financing Alaskan government. No. 2 is marine resources. No. 3 is energy policy. No. 4 is transportation systems. No. 5 is education. No. 6 is governmental structures. And No. 7 is social concerns.

MS. LUDWIG: How about health?

MR. HOPE: Well, that would come under social concerns.

THE MODERATOR: What was the first one? Finance and what?

MR. HOPE: Financing government, Alaskan government.

THE MODERATOR: Finance and government?

MR. HOPE: Financing Alaskan government.

THE MODERATOR: There's a motion that we break up into seven committees.

MS. HEDLAND: Has it been seconded?

THE MODERATOR: No, it wasn't seconded. Was there a second?

MS. JONES: I second it.

THE MODERATOR: You second it.

MS. LINCOLN: (Georgianna) Madam Chairman, discussion.

THE MODERATOR: Yes.

MS. LINCOLN: (Georgianna) I don't know if that's such a wise idea. Seven. I don't know. Yesterday we were saying there's 30. I don't know if there's still 30 here. But that's --

MR. TOMA: 23, I think.

MS. LINCOLN: (Georgianna) Okay, three people per committee, and I feel a little uncomfortable that I'd have my input into the committee system, in that I think we need to just get ourselves a little bit better organized. I don't think we necessarily have to go into committees to complete our function here. We only have two things we're going over today, finances and, this morning resources. And I feel like certainly we could do it as a group.

THE MODERATOR: I'd like to say that I think it will destroy the -- what the -- the way this was set up, because there's no way that we can have a record of what's going on, because she's here to take it all together, and I just throw that out.

MR. LADNER: Madam Chairman?

THE MODERATOR: Yes.

MR. LADNER: If I might, I think Andy has come up with seven good categories and I didn't write them down, but maybe Chip could put them on the board for us.

MR. TOMA: Okay.

MR. LADNER: Perhaps those seven categories might

simplify and amplify seven goals that we want to talk about.

MR. HOPE: Well, as far as having her record everything, everyone of us can write. Everyone of us knows how to write. And each group could write their recommendations out and hand them to her.

MS. HEDLAND: Madam Chairman?

THE MODERATOR: Yes.

MS. HEDLAND: I'd like to take her suggestion, his, one step further in terms of the categories. That's an excellent idea. And what we were to do, as I understood it, was to get our goal to the end and then we go to the means to the end, and that's all of the things that are on the agenda. I think it would lose a lot with only three of us in a group, because I really enjoy the input of all 20-plus individuals. And if we would go with the categories and then consider them a so-called end and then get to the means, we are discussing financing of all of them. We are discussing resources of all of them, and we're discussing direct services. So we would, in fact, be doing what we're supposed to be doing.

THE MODERATOR: Well, that was what I was -- I don't have that letter that was sent to all the delegates, where the mission was that you were to come up with --

MS. HUNTER: You should get a copy of that for us. I don't have it either.

THE MODERATOR: -- the suggestions for the meeting which is to be presented, I believe, tomorrow morning. Saturday. Yes, Saturday morning. And there's five --

MS. HUNTER: Ask Chip if he can get it Xeroxed.

THE MODERATOR: There are five categories, and the one category that this group has addressed the most is not anything that was asked for, and I think you have the prerogative to add that, and that is the social needs, because there's just educational needs, financing Alaska's future, development of marine resources, Alaska's oil and gas policy, transportation system and educational needs are the five categories. Those do not touch very many of the kinds of concerns that this group has. And it seems to me i. this group wants to present those kind of concerns, that's exactly -- we're free to do that.

MS. LINCOLN: (Georgianna) There's another part to that though. It says "Additionally the conferees will be asked to generate long-range goals for the investment of " -- "intelligent" investment, I can't forget that word -- "of revenues derived from the slope." So I think that falls into that category.

THE MODERATOR: Investment, intelligent investment? Okay. Well, those seven categories that Andy had, you only added -- I think you added two more to what this list that was in the delegates -- isn't that correct?

MR. HOPE: Feel free to add.

THE MODERATOR: Those five, the social concerns and the government structures are the two additional.

MS. HEDLAND: Madam Chairman, is No. 1 not a part of all of the other six?

THE MODERATOR: Financing Alaska's future?

MS. HEDLAND: The government, I mean the category of financing government, is it not a part of --

MR. HOPE: Everything's a part of everything.

THE MODERATOR: Yes.

MS. HEDLAND: So that one I would suggest might be --

MR. TOMA: There are structures. I mean there are choices to be made on the structure you want to devise for doing that, too. You can invest it, you can spend it, you can leverage it.

MR. JACK: Madam Chairman?

THE MODERATOR: Yes.

MR. JACK: I'm going to speak against this motion, if it comes to a vote, and that is, I think this motion is premature, because we are going to discuss these, and I would rather discuss these as a group. I think the appropriate procedure would be, No. 1, for the Chair to direct Mr. Toma to take a look at these and get them into some semblance of order and entertain a motion for the adoption of these by the Gamma group, and then move on to

the next one.

THE MODERATOR: Any more discussion on the motion? Kevin?

MR. BARON: Well, I guess I'm not in favor breaking up into groups, and I think maybe the best thing we could do would be to take these and try to think of specific solutions that would fit these goals, specific strategies as to how we could, say, encourage tourism or how we could preserve Alaskan life-styles, specific ideas that people can latch onto, and then of the time on them.

THE MODERATOR: Any other comments?

MR. HUSS: I just think, well, yesterday we went -- we started going through the Alpha list, right? We decided on several of those. I think we should take those. And then it seems to me you could group almost all these groups into several categories, like education or health or whatever the four or five main categories are and we could derive four or five more goals. Then we'd have these and for those four or five additional goals, then we'd have a set list of our goals.

THE MODERATOR: Well, the mechanics right now, we're discussing whether we want this motion.

MR. HUSS: That's what I'm --

THE MODERATOR: You're opposed to the motion.

MS. HEDLAND: Let's vote.

MS. JONES: I second the motion for the purpose of the discussion. What I want to discuss is the basic implementation of the goals that we've been passing around the table, because I have a feeling of hopelessness right now. I know we're going to disagree lots when we start talking about actual implementation and I want it to happen now.

THE MODERATOR: Okay.

MR. HOPE: Madam Chairman?

THE MODERATOR: Any more discussion on the motion?

MS. HULEN: Motion.

MR. HOPE: Little defense in here.

THE MODERATOR: Okay.

MR. HOPE: We're not locked into anything the committee recommends. It would just hasten the process up a little, I think, and provide a little bit more meat to the discussion. The committees can meet for a short amount of time. The way I was thinking, and then come back and present the recommendations. Those could be added in at any time.

MS. LONGPRE: I'm not in favor breaking up into these groups, as I feel that it would be limiting. I'm going to have a hard time choosing just one group, you know. I'd like to be in several of those groups, which would be impossible.

THE MODERATOR: Are you ready to vote on the motion?

MR. JACK: Question.

MR. KEENER: I'd like to say one thing. I've been sitting here day and a half, or whatever, I feel the reason why we're doing this is so that when we get those goals, we can take those, these different suggestions talked about, and plug them into our goals, and it will expediate the whole process. These other groups are having a hard time getting to their ends because they're going through the means. We are putting down the ends so we can run through these and just plug them right in, and the means should not take the length of time as the ends.

THE MODERATOR: Very good point. Are you ready now to --

MS. HAYES: My remarks was that I think these categories do help us get to the means and, therefore, the means will come out this afternoon. I like the idea of the categories. I also feel like I'm interested in several of those categories. And breaking into -- I couldn't break myself into that many groups.

THE MODERATOR: Okay. The motion is to break up into seven committees. All those in favor say aye.

MR. HOPE: Aye.

THE MODERATOR: Those opposed? Motion failed.

Okay, it seems to me that the wording of some of these goals was much stronger than what we have in the

short statements on the board. I think before you can adopt these goals and know whether you accept them, we must have the actual wording.

MS. HEDLAND: But I would like to suggest that we use these as these -- these categories as a guideline and just zip through them and go, you know, No. 1, 2, 3, 4, 5, 6, where it does go? Where does it belong?

THE MODERATOR: Is that on a sheet?

MS. HEDLAND: See how many we have under each category, then we'll be able to combine, condense and rework the wording.

THE MODERATOR: Okay, but the point is that these were all suggested and we have to actually adopt them as a group, and you wait till they're categorized and then adopt them.

MS. HEDLAND: Right. I don't feel --

MR. LADNER: Madam Chairman, I would like to move that we adopt the categories as established on the green board over there, moving right along, with the exception that we strike government structures and add tourism.

MS. HEDLAND: Second.

MR. LADNER: Maybe I should finish that, I'm sorry, before the second is made, and that we adopt these as our goals and/or ends and proceed.

MS. HEDLAND: Then I won't second that, because you can't adopt two words as a goal.

THE MODERATOR: No, you've got two --

MS. HUNTER: Tourism would be too long.

THE MODERATOR: You want to amend this list and put tourism?

MR. LADNER: Okay, I wanted to make sure it was covered. Then I'll amend the motion to say that.

MS. JONES: There's no second.

THE MODERATOR: She withdrew her second.

MR. LADNER: You withdrew your second.

THE MODERATOR: So start over again.

MR. LADNER: I move we adopt the seven goal as listed on the green board as our ends, and proceed to the means, discussion of the means.

THE MODERATOR: You don't mean goal. You mean you just want to adopt these seven categories --

MR. LADNER: All right.

THE MODERATOR: -- and proceed to put the goal under the categories? Is that what you're saying?

MS. HUNTER: That's the only way we can work it. Is that okay?

THE MODERATOR: Did somebody second it?

MR. LADNER: I feel like these superimposed over these. I think we should adopt these as our --

MR. TOMA: Structure?

MR. LADNER: -- structure, categories, goal, ends,

whatever, and proceed to the discussion of the means.

THE MODERATOR: Is there a second?

MS. HEDLAND: Get Gary.

MS. JONES: No.

MR. HOLTHUS: There isn't a second.

THE MODERATOR: Okay, the motion dies for lack of a second.

MR. HOPE: I'll second it.

THE MODERATOR: It already died. Go ahead.

MR. HOLTHUS: I'm not ready to make a motion, but before we adopt that list I'd like us to look a little harder at that list, because it seems to me one of the categories, for instance, under resources ought to be resource development. If we're talking about goal for resources, we don't want to limit ourselves to marine resources, for instance. I mean there's timber and oil and a lot of other resources that we need to talk about.

MS. HEDLAND: Fish.

MR. TOMA: Oil here, right?

MR. HOLTHUS: Well, energy policy ought not to include just oil, but all kinds of alternative energy.

MR. TOMA: Well, I admit that.

MR. HOLTHUS: So I think, you know, we need to talk about that list a little bit before we adopt it, but we ought to adopt some sort of categorization like that.

THE MODERATOR: Mr. Jack?

MR. JACK: Madam Chairman, I think I would agree with Gary on this. I think everybody has a copy of this, in which all of these are listed. I think the appropriate way to handle this would be to, No. 1, take care of the direct services, financing, resources, that every one of these on the board either falls into resources or direct services.

MS. HEDLAND: Madam Chairman, I'd like to reverse that and have the direct services or financing fall into every one of our categories, but I believe it does need to be amended. And bear in mind that you have a resource of fish, which is in there somewhere, I suppose, but, if you would change that, if you only had marine resources, then it's only fish, right? What about timber and so forth? So perhaps the word "marine" ought to be deleted.

MS. HYLEN: Madam Chairman?

THE MODERATOR: Marion?

MR. TOMA: If I might elaborate, the reason why we don't have timber, for instance, in this book this time around is because 90 percent of the timber, 95 percent of the timber in this state, that is marketable is federal. All right? And we have very little State timber that is either going to be put on the block or has been put on the block, just because of the way it is. I can expand on that, if you want to, but that's the reason why it wasn't

included under State policy.

MS. LINCOLN: (Georgianna) But it was included in the questionnaire, you know, as to what our --

MR. TOMA: I know it was.

MS. LINCOLN: (Georgianna) Yes, so I think it should be considered.

THE MODERATOR: Marion?

MS. HYLEN: I think we should get back to the goal and finish them and then get onto this other work or we're never going to get through.

MS. LINCOLN: (Georgianna) A suggestion that was made earlier, Madam Chairman, was that you direct the Facilitator to group these things while we move on, so we're not spending our time doing that. I think that's a good suggestion.

MR. TOMA: Okay.

THE MODERATOR: But what would we move on to?

MR. MATHIESEN: I would suggest where we move on to.

We can't lose track of why we're here. This is a conference on the future of Alaska. And we've decided, essentially, what kind of a future we want. We know the administration in the legislature is going to be the ones implementing this, and generally, while they implement these types of actions or whatever they're doing, they seek the best minds that they can find on various and sundry

contractual activities to come in with proposals on how to achieve it, and I would imagine that they will do it again if we see fit to do that. And if we suggest merely that this is the direction we want to go, now you find the experts to see that we get there, that we will be through with this conference.

MS. LINCOLN: (Georgianna) Madam Chairman, since the question was asked --

THE MODERATOR: Just a minute, she--

MS. LINCOLN: (Georgianna) -- about how to do that, I'm saying that I agree on that recommendation. I think we can go ahead, since those are very broad things and these will probably fall into a majority of those, then what are our objectives to reach those things? And I think we can be addressing those while he's doing this. He is now saying what the objectives are in reaching these various--

MS. HEDLAND: Madam Chairman, I'd like to pursue that one matter further.

THE MODERATOR: Carolyn.

MS. JONES: My point of personal privilege is, in the future how may I get recognized?

THE MODERATOR: I'm sorry, Carolyn.

MS. JONES: I know it's not your fault. But I raised my hand. That's my style. And other people -- I can't get your attention by calling you, and my arm's getting sore.

I wanted to be recognized to say that I have been looking at the goal over there and I've tried to put in some categories. I would like to suggest these categories as the outline under which the goal can be grouped, and then we could move on to deal with the goals under these categories.

Category No. 1, just --

MR. TOMA: Just one second, Carolyn.

MS. JONES: Okay.

MR. TOMA: Excuse me. Okay.

MS. JONES: Okay. Category 1: Justice, political. Category 2: --

MR. TOMA: Political?

MS. JONES: Yes. I see political representation as justice.

MR. TOMA: Okay.

MS. JONES: Life-style.

3: Communication-transportation.

MR. TOMA: Okay.

MS. JONES: 4: Development. 5: Social. 6: Education.

MR. TOMA: Okay.

MS. JONES: Government style.

THE MODERATOR: What?

MS. JONES: Government style, form, government form.

MS. HYLEN: Is that education?

MS. JONES: No, that's next.

And the last one is economy and finances.

THE MODERATOR: Structure?

MS. JONES: Structure is fine. I'll take any of those.

The last one is economy-finances.

THE MODERATOR: Ellen?

MS. HAYES: Does the Category 4 include resources?

MS. JONES: Yes.

MR. KELSEY: What? Would you say that again, please?

MR. TOMA: Category 4 include resources, the answer is yes.

THE MODERATOR: That's development of --

MS. JONES: Yes.

MR. KELSEY: Madam Chairman --

THE MODERATOR: Do you want to add that in there-as resources? If you want to add it as slash development, that was my intent, too.

MS. HOLLAND: Does it also include energy question of alternative sources?

MS. JONES: Yes.

THE MODERATOR: Resources of energy come in that, too. John Kelsey.

MR. KELSEY: Yes, I'm concerned about the resources that you've been talking about. And nobody said anything about human resources. I think that's one of our more

important resources in the state. I think it should be included.

THE MODERATOR: Did you intend to include it under social concerns?

MS. JONES: Yes. Yes.

THE MODERATOR: Should you add the word concerns and social concerns? Would that include human --

MS. JONES: I would accept that, or I even would have accepted changing human to social resources.

THE MODERATOR: Would that be a better title for it, human resources?

MS. JONES: Fine.

THE MODERATOR: Would that cover it then? And the social concerns would come under that?

MS. JONES: M-hm (affirmative response).

THE MODERATOR: Okay, I guess, were you next, Marion?

MS. HYLEN: What happens to the ones that we accepted yesterday?

THE MODERATOR: Well, we accepted --

MS. HYLEN: A lot of them cover a good part of this.

THE MODERATOR: We accepted them yesterday for discussion purposes.

MS. HYLEN: I know, but are we going to use them or discard them and start all over?

MS. HEDLAND: They fit into this.

THE MODERATOR: They fit into all of these, I believe. They were just stated differently.

MS. HYLEN: They cover a lot of these we have already taken care of.

MS. HUNTER: This is merely a categorization.

MS. HEDLAND: Is Carolyn's in the form of a motion?

THE MODERATOR: Did you make a motion?

MS. JONES: I move that we adopt this list as an outline of the goals to be addressed, and address those goals.

MR. LADNER: Second.

THE MODERATOR: It's been moved and seconded that we adopt these eight goals as categories so we can -- no, that's not what we said. We adopt these titles for the categories.

MS. JONES: As an outline of our goals.

THE MODERATOR: As an outline. Is there any discussion?

MS. HEDLAND: Question.

THE MODERATOR: All those in favor--

MS. LINCOLN: (Georgianna) Under discussion, then alternative futures is going to be within all these categories?

MS. JONES: I think all those categories together would be put together to make our alternative future.

MR. HUSS: Right. Before I vote on this, I'd like to know if our next step is going to object to try and write a goal for each area like this. Are we going try to consolidate all of these into a single goal for each area? Then we have a page of eight goals. Then when we try and do our means, we can look and see if that means is going to conflict with any goal? Is that our next step? I have to know where this is going to go before I can know whether I want to vote yes or no on it.

THE MODERATOR: The question was that we categorize all of these statements that have been presented under these eight areas, and then we will adopt each goal, I gather, as a group, if that's your wish.

Andy?

MR. HOPE: Some of those categories are too wide open, you know, for me to tie anything. How can you tie anything to political or life-style? How can you tie anything onto that? I just can't see it.

THE MODERATOR: Celia?

MS. HUNTER: I think, well, what Andy was trying to do and what Carolyn was trying to do, is simply to give us a handle in which to place each of these goals, and it isn't a matter of reducing the goals to one goal for each of the areas. It's simply that these categories will then have a number of different goals listed, and those goals, which we

already have pretty much put down on paper, -- this is simply a device for making them easier to handle

MR. TOMA: Gives you a direction.

MS. KINGRA: We're getting bogged down in semantics again. We're all saying the same thing. We want to move ahead. We want to find a way to categorize these things under some form, either that one or the one suggested by Andy and I suggest we either vote on this motion or move ahead to something else, because all we're doing is filling the air with words.

THE MODERATOR: How about --

MR. HOPE: That's what we're here for.

MS. HEDLAND: Question.

THE MODERATOR: There is nothing that would lock you into not changing a title if you feel that the goal doesn't fit that particular name, as we move along, as Celia said, it's just a matter of let's -- a way to operate.

All those in favor of the motion, Carolyn's motion say aye.

(Responding)

THE MODERATOR: Those opposed? Motion carried.

MS. LUDWIG: Could I ask a question, please?

THE MODERATOR: Yes. Will you describe which category would sewer and water be under?

MS. KINGRA: Resources.

THE MODERATOR: Development. Human resources, government.

MS. HEDLAND: Life-style.

(Laughter)

MS. HAYES: Madam Chairman, I also have a question, and that is I notice hands go up, and which form do you want us to use? holler at you like I just did, or else, you know, like Stan has been doing for a long time, holding his hand up, and he doesn't get recognized. I do immediately.

THE MODERATOR: I'm sorry. I didn't see you.

MS. HAYES: Which form do you want us to use? is all I want to know.

THE MODERATOR: I think --

MS. HUNTER: Just ask people to help you point out people that need attention.

THE MODERATOR: Really I can't have my eyes all over.

MS. HUNTER: I try to help you.

THE MODERATOR: And I'm sorry, Stan.

MR. MACK: I was going to suggest maybe to satisfy this problem we might after we're recognized, stand and present our topic and then be seated, and then you could go on and recognize that person and that person will be through speaking,'s and then you can recognize another person.

THE MODERATOR: I think that would be better, because it would help the recorder, too.

THE MODERATOR: Go ahead, Stan.

MR. MACK: I'll be the first to stand. I was just looking over all this, and it might help us if we just put this all under one group as health, education and welfare. And then divide it up into what's concerned with health, what's concerned with education, and what's concerned with welfare. Suggestions came up on the resources. We can categorize those in two, renewable and nonrenewable. And then we can take the renewables and list all those and then the nonrenewables, and then go from there, if that might help us speed things up here a bit.

THE MODERATOR: Well, we have a suggestion of these categories, and maybe when we're going through them, ou can -- that would be another set of categories, you can start working with this one right now. We voted to do that right now.

MR. JACK: For the benefit of the chairperson, I've noticed, with all due respect to the chairman, that I notice some editorializing in some cases. I'd like to try to avoid that as much as possible. So I think it would be better if the chairman does have some specific comments to say on these subject matters, that we establish a Vice Chairman, so when the chairman wants to, again, say

something, that she can turn the chair over to the Vice Chairman and state his opinion -- her opinion. For that I would move to nominate Kevin Harun as the Vice Chairman.

THE MODERATOR: Kevin, come on up here.

MS. LINCOLN: (Georgianna) I'll second it.

THE MODERATOR: It's been moved and seconded --

MS. JONES: Point of order.

MS. HEDLAND: Yes, point of order.

MS. JONES: We haven't discussed --

THE MODERATOR: You're supposed to stand, Karen.

MS. JONES: -- whether or not we want a Vice Chairman. I would like to discuss that first, nothing personal, but that is the first point.

MS. HEDLAND: Madam Chairman, I want to second what Carolyn said. You know, we're not in here for parliamentary procedure. We have now wasted about 25 minutes on procedure. We did take a motion. We voted on categories. I would like to suggest that we don't really need a Vice Chairman. I would hate to think that Katy couldn't talk because we put her in the position of having to sit at the front of the room.

I would like to suggest that we have adopted the categories. Let's take them one by one. Let's just start going through. Let's make an indication of what category they lie in. Let's not get all bogged down in this picky

stuff.

THE MODERATOR: In answer to Carl Jack's suggestion, in the future when I feel that I want to discuss something, I will just turn it over to anyone around. Anyone of you could be as good a chairman as I am, so let's not get bogged down into that detail.

MS. REDLAND: Let's move.

THE MODERATOR: I'll try to be careful about my comments.

Was somebody else wishing to speak?

MS. HUNTER: I would. Madam Chairman, did we have a motion on the floor and can we get rid of it?

THE MODERATOR: It wasn't seconded.

MS. HUNTER: Okay, fine.

THE MODERATOR: Was it?

MS. LINCOLN: (Georgianna) Yes.

THE MODERATOR: Oh, you seconded it.

MS. LINCOLN: (Georgianna) Okay.

THE MODERATOR: There's been a motion to nominate Kevin as Vice Chairman.

MR. HARUN: I'll just decline, okay? We'll just get on with it. I think we could just go through and put in the categories.

THE MODERATOR: Do you wish to remove the motion?

MR. JACK: Madam Chairman, I'll check the motion, with

the understanding that if you have something to say, you'll turn the chair over.

THE MODERATOR: I will. The motion has been withdrawn.

We now have the categories. Shall we start with the goals that we started yesterday and put them under these categories? I think they are up there, aren't they, the beginning statements?

MR. TOMA: Yes, they are. I'll use the numbers, if I may for right now, and we'll go with that.

THE MODERATOR: Okay.

MR. TOMA: We have "preserve choice of life-style," we have an agreement on 2, life-style? Preserve choice of life-style, life-style.

THE MODERATOR: Yes.

MR. TOMA: Means are the ends --

MR. MATHIESEN: Hold off a minute. The choice of life-style, that's got to include every last one of those, because every one of them is apt to upset the life-style.

MR. TOMA: How do you want to do it?

MR. MATHIESEN: Life-style is included in every one of those.

THE MODERATOR: What you're saying, Andy, life-style is not necessarily separate categories?

MR. MATHIESEN: That includes all these categories, and I've been trying to get that across ever since I got

here.

THE MODERATOR: Let's remember that. Does everybody agree with Andy's statement that life-style -- all of these other categories infringe on life-style?

MS. HEDLAND: Madam Chairman, I agree with them, but I think that can be a prefacing remark for all the rest of those. Once again, let's not get bogged down. Can we eliminate some of the formality? Quickly when he goes through, say, is this No. 1, 2, 3. Everybody just say 3, 6, 8, whatever.

THE MODERATOR: Yes.

MS. HEDLAND: I think that deserves a separate statement in itself. We can preface them and separate the issues. In fact, it was strong enough that it deserved a separate statement, is the way I look at it.

MR. TOMA: These are more statements than goals. How do you feel about that? Do you want --

MS. HEDLAND: Just put them into categories and let's go.

MR. TOMA: Put these in a categories, means are ends, means are the ends, okay? An ideal is an Alaskan word. So these are life-style then? You want to put them in your category life-style?

MS. HUNTER: Would you read those off, Chip? Some of us can't read this far away.

MR. TOMA: Yes, means are ends, the means are the ends, an ideal Alaskan word.

MS. HEDLAND: That's a very poetic introduction.

MS. HUNTER: I don't think that's relevant.

MR. TOMA: That's what I saying. Any statement, we have to nail down this plan.

THE MODERATOR: Chip, I don't think those are -- those are the beginning of the goals.

MR. TOMA: Okay, those --

MS. HUNTER: Those were discussion points I think yesterday.

MR. LADNER: Just pick up on Friday's goal.

THE MODERATOR: I don't think those got written down yesterday. We were working from this sheet of paper.

MS. HUNTER: Right up here, Chip, is where you should start.

MR. TOMA: This is Friday then. Equal justice. I think everyone can read these here, right?

MS. HUNTER: Category one. Why don't you make a big 1?

MR. TOMA: Okay, fine.

MS. JONES: Two.

MR. TOMA: (writing)

MS. JONES: Three

MR. TOMA: (writing)

MR. LADNER: Three.

MR. TOMA: (writing)

MS. JONES: Four.

THE MODERATOR: That's five.

MS. HUNTER: No.

THE MODERATOR: Human resources, isn't it?

MS. HUNTER: No, no, it said --

MR. TOMA: I guess they're government form in a lot of ways.

MS. HUNTER: Impact prior to development, impact prior to development. It would be development, it would be four.

THE MODERATOR: The author of that goal, where do you think it should go? The lady in pink.

MR. TOMA: Is this one yours here?

MS. KINGKA: Yes.

MR. TOMA: Consider the impact prior?

MS. KINGKA: That is considered under human --

MR. TOMA: Considered to be a human value?

MS. KINGKA: Yes. Social concerns.

MR. TOMA: Five. Under impact, okay.

MS. HAYES: No. 5.

MS. HUNTER: But I also think a form of it is four, but go ahead.

THE MODERATOR: Well, it could go under two. You could have it --

MS. HUNTER: No, not two.

THE MODERATOR: -- in two places maybe if it was --

MS. HUNTER: Well, you'll come to it again. That's fine.

MR. TOMA: I'm sorry. I think these might -- are supposed to be broken here?

MR. MACK: Right.

MR. TOMA: I think these are three different statements right here.

MS. HUNTER: Definitely.

MS. HEDLAND: But it is both four and five.

MS. KINGRA: Consider impact prior to development in relation to human profits, and in relation to human --

MR. TOMA: Okay, we'll introduce it five then?

MS. KINGRA: Right.

MS. HEDLAND: Five.

MR. TOMA: Excuse me?

MS. KINGRA: Five.

THE MODERATOR: Chris?

MS. JOHNSON: I just wanted to object to tourism going in, communications and transportation. I'd like to see it go in four in development.

MS. HEDLAND: How about both?

MR. JACK: It's resources. It's resources.

MS. HUNTER: I think it should be in both.

MR. TOMA: It really is a main function of

transportation, Chris, if you think about it.

MS. JOHNSON: I know, but how she introduced, the thing was, she wanted to have the tourism in Alaska as a dignified industry and I think she talked about it apart from transportation and communication.

MR. TOMA: Okay.

MS. HEDLAND: Just put it in both of them, three and four.

THE MODERATOR: Why don't you put it in both of them?

MR. TOMA: (complying)

MS. HUNTER: Let's come back and argue about it later.

MS. JONES: Okay, alcoholism is five.

THE MODERATOR: Five.

MR. TOMA: (writing)

MS. JONES: Three

MR. TOMA: (writing)

MS. JONES: Eight. Is that eight?

MR. TOMA: (writing)

MR. KADEN: Four.

MR. TOMA: (writing)

MS. JONES: Six.

MR. TOMA: (writing)

THE MODERATOR: That was yours. Is that right for you?

MR. KADEN: Well, it could be, you know, it's one of those.

THE MODERATOR: Because your statement was --

MR. KADEN: Well, it has to do whether you're going to develop resources or not, but it also has to do with life-style, which is --

THE MODERATOR: That's what Andy says also.

MS. JONES: Two also?

MR. KADEN: And two.

THE MODERATOR: Go ahead, education is six.

MR. TOMA: Six here?

THE MODERATOR: Six.

MR. TOMA: Okay.

THE MODERATOR: Government form, which one is that?

MS. JONES: Seven.

MS. HEDLAND: Seven.

THE MODERATOR: I mean this one, culture values have priority.

MR. KADEN: Five.

THE MODERATOR: Human, five.

MR. TOMA: (writing)

MS. HAYES: I think life-style is also --

MS. JONES: Make it two also.

MS. HUNTER: Make it two also.

MR. TOMA: (complying)

MS. JONES: One.

THE MODERATOR: One.

MS. HEDLAND: It's also seven, isn't it?

MS. HAYES: Government form.

THE MODERATOR: Representation?

MS. HAYES: Seven.

MR. TOMA: Which one?

MS. HAYES: One also has another aspect, that's the government form.

MS. JONES: Six.

MS. HAYES: Six.

THE MODERATOR: Transportation, three.

MS. HAYES: Three.

MR. HARUN: That wasn't my intent though. It was more encompassing. I think there needs to be more addressing of urbanization in the state, how urbanization is taking place. I think that's one specific -- I think that's a major component, transportation in urban development.

THE MODERATOR: Is that human resources, too?

MR. HARUN: Aesthetics is something we haven't put up there.

MS. HUNTER: I think, when I started looking through them, that we might need a 9th category which would be community development, which could encompass things like reduction of your ban sprawl and amenities for rural communities and that sort of thing.

MS. HAYES: Development, would development for now

cover it?

MS. HUNTER: Actually development was resources pretty much.

THE MODERATOR: It's his goal.

Where do you think it should go?

MR. HARUN: That's one of the problems I had with categories. I think it's a good idea we're going through categories, because once we get them I think we can be more specific, but I think one major thing that we really have to look at as far as the future Alaska is concerned is what is happening in the urbanized areas and how that affects the rest of the state, because I think it has vast implications how Anchorage, Juneau, Fairbanks develop on the rest of the state. I don't know which it would fit in under.

THE MODERATOR: Government form? Would it come under that category?

MR. HARUN: That has more the connotation of government.

MS. JONES: Maybe life-style.

MR. HUSS: Could we ask that be an extra category?

THE MODERATOR: Is that agreeable with you, community development as a separate category?

MS. HAYES: Madam Chairman, I'd like to think that development category can cover community development or a

conglomerate development or whatever development, and add our aesthetic component to that development category. I think, to me, it fits in there.

MS. HEDLAND: Madam Chairman, philosophically I think we all agree with you, except we have this directive letter that kind of emphasizes that we have to have a separate emphasis, and I think if we're going to have any impact, we have to think of it strong enough as an addition to what was proposed.

MR. HARUN: Yes, that's true. I think I agree with that, too, because these categories are important, because if someone in the legislature looks at them, they'll say, as Ed Merdes, priority No. 1, education. The categories largely determine how they view the goals, because we're putting the goals in the categories. And I personally feel that urbanization itself is strong enough, you know, it's an important enough thing.

THE MODERATOR: Would you like that category rather than the community development?

MR. HARUN: What does everybody else think?

MR. KADEN: Community development is more encompassing, because you can fit other things in.

THE MODERATOR: Would you all accept we have another category of community development, No. 8 --

MR. TOMA: Nine.

THE MODERATOR: Nine, okay. Without objection, we'll have that as the 9th category.

MS. HAYES: Is this nine then?

MR. HARUN: Yes.

MR. TOMA: Okay. How about this one here (indicating)?

MS. JONES: Eight.

MR. TOMA: That's an eighter?

MR. JACK: Eight.

MR. TOMA: (writing) Okay, energy, renewable and localized.

THE MODERATOR: That's four.

MS. JONES: Four.

MR. TOMA: It is four?

THE MODERATOR: Well, Carolyn had suggested or I put down that energy would come under like development, resources and energy.

MS. JONES: No, it wasn't my topic, so I --

MR. TOMA: It's kind of life-style, too, but --

MS. JOHNSON: That was my topic.

MS. HEDLAND: The emphasis was renewable resources.

MS. HUNTER: It's a community development.

MR. TOMA: One educational system, six. Health education, --

MS. HUNTER: That would be social concerns, five.

THE MODERATOR: -- five (writing). Protection of --

MS. HUNTER: That would be four, is where I visualized it.

MR. TOMA: Okay. I'll try to read these for the people down here at the end.

Address needs of senior citizens?

THE MODERATOR: Five.

MR. TOMA: Maximize local control, that might make government.

MS. HUNTER: Style. Seven.

THE MODERATOR: Is that seven, government form?

MR. TOMA: (writing) Diversity of government systems, seven. Self-sufficient, sustaining local resource supply, that's your community, isn't it?

THE MODERATOR: Is that where you MR. TOMA: Adequate housing?

MS. HEDLAND: Five.

THE MODERATOR: Five.

MR. TOMA: Okay (marking). Education?

MS. JONES: Six.

MR. TOMA: That's six.

THE MODERATOR: That's more than education, isn't it?

MR. TOMA: Excuse me, without the --

MS. HUNTER: Without justice, that would be one.

MR. TOMA: Justice, yes. Cultural life-styles emphasis.

MS. JONES: Two.

MS. HAYES: I think that's education as well.

MS. JOHNSON: That's the same one, isn't it?

MR. TOMA: In education.

THE MODERATOR: Ellen said she thought it was education also.

MR. TOMA: Okay, Carolyn, this is yours.

MS. JONES: Life-styles. My intent was that we respect people who do things in the arts as a part of their culture as well as respect people who do it to earn a living and people who are engaged in it for leisure.

MR. TOMA: So --

THE MODERATOR: Life-style?

MS. JONES: I think it would really be life-style.

MR. TOMA: Excuse me, I forget the numbers here. No. 2, all right.

health and safety of families, strong support systems.

MS. JOHNSON: Five.

MS. JONES: Five.

MS. HUNTER: Five.

MR. KEENER: One.

MR. TOMA: Five and one?

MR. KEENER: Yes, justice and safety.

MR. TOMA: Okay, certifying teachers.

THE MODERATOR: That's education.

MR. TOMA: Six. And national energy goals, that's our development?

MS. JONES: Development.

MR. KADEN: Development.

MS. HUNTER: That would be four, because florist going to have to contain energy.

MR. TOMA: Yes.

THE MODERATOR: Then we have these other ones. Are they included in --

MR. KEENER: If they can be.

THE MODERATOR: I believe this is a good time to have a coffee break and come back in about 15 minutes. Ten minutes?

Yes, David?

MR. KEENER: Madam Chairman, I would like to see -- now, I haven't personally -- I don't have anything written up there. I don't have a direct form of goal that I plug in. There are people here that have written down direct goals or could help other people write their direct goals so that you have one central feeling.

I'd like to see those people gather together possibly over a half-an-hour break and come back with them rewritten under each of the categories, all put in their proper respective places, and those people that had a

directive that they wanted to enter could get together with the other people and have them written out, and if they would meet together, --

THE MODERATOR: That was where I was about an hour ago. That's where I wanted us to be, but now we've gotten it to a very good point.

MR. KEENER: Those particular people, I don't know if you want to gather together under your specific number or what, --

MS. HEDLAND: You got to make sure all numbers are covered though.

THE MODERATOR: Yes. We'll take a break now and come back at 11:30. Those of you who wrote goals that are up there, and I know those are not the words that you -- those are shortened versions of the goals and the language really flowed on a lot of those and made them much more exciting than the way they are, and I think we can analyze and appreciate them more when we see them written out. So I would suggest that you write them --

MR. TOMA: We have a blank right here, Katy.

THE MODERATOR: Yes, a blank on those pages so that everyone can see them.

MS. HUNTER: I think we ought to have them on a sheet, because it's going to be much too long to go up. Couldn't we then --

MR. KEENER: Mimeograph them.

MS. HUNTER: -- turn them in to you and we'll have a small break and quickly put them under their headings.

THE MODERATOR: I think we all want to view them as we're voting on them and we do not have time to have them duplicated or anything, so each of you who had those goals write them on one of those sheets and they'll be right around the room. There are not that many.

MS. JONES: Do we have enough paper to put nine sheets up?

MR. TOMA: Sure.

MS. JONES: And put a number on each one, go write our goal under the heading number.

THE MODERATOR: Put the heading number and under the numbered things and then we'll have it before us, and if it takes longer than a half hour, okay.

MR. KADEN: Is somebody going to deal with the first three things that we picked out of the Alpha statement, four things, whatever it was? Did you write those down yesterday?

MS. HEDLAND: Those should be included.

THE MODERATOR: Some of these are included up there, and the language is a little bit different, but some of them are not, so we can add those in where needed.

MR. TOMA: Madam Chairman, just one suggestion on

yesterday's notes and trying to formulate ourselves, those people that want comments off of this, let's say, would you take those down into your note form before we break here, then I can take down these five sheets and we can start condensing things this way, as it were, okay?

THE MODERATOR: Okay.

MR. TOMA: Let's get the stuff off.

THE MODERATOR: Anybody who wants anything off those notes, will you take them off? because he's going to take off the board

MR. TOMA: I'll take off Thursday. Thursday starts down here and goes this way. So let's try and remove these and we can formulate everything this way.

THE MODERATOR: So we'll recess for half an hour.

MS. HEDLAND: Until what time?

THE MODERATOR: Well, I have ten after 11, so if it takes us -- it will probably take us a half hour to do this, so 20 to 12 could we come back?

MS. HEDLAND: My only concern is that some of the people that were the most eloquent will only be writing something in one area, and so some of the --

MS. HUNTER: I don't think it's necessary to limit it.

THE MODERATOR: If they can help with the writing of it to improve them, --

MR. HUSS: I think it can be added once it's on the

board as we go through maybe, like we did yesterday. It seemed to work all right on those -- on the Alpha suggestions.

THE MODERATOR: We're recessed now.

(RECESS: 11:10)

1:30

THE MODERATOR: We'll come to order.

For the benefit of those of you who weren't here who are here visiting, and also for the benefit of the other delegates. We have another delegate here, Yule Kilcher from Homer.

Before we recessed, we had suggested goals and they were all put under the nine categories. What I would like to do now is have -- oh, where is our facilitator? -

MR. HUSS: He was just here. He must have stepped out.

THE MODERATOR: -- to have Chip read each one and then we'll vote the time on accepting or rejecting, and rather than spending time amending, changing commas, words and so forth, I would like to have volunteers for a committee which I would like to call Style and Drafting from my experience at the Constitutional Convention. And if we could have that committee, then any comments that would be picked up, they will meet then after we get through and come up with a nice, clean group of goals. And then we will come back tonight, or maybe we can get to that this afternoon, see how we carry out the goals, what kind of services are needed or what kind of projects would be needed to carry out those goals.

So do I first of all have volunteers for the Style and Drafting Committee?

John Hurlbert. Marion? And Haden Kaden, I see your hand. I don't think we need a big committee. I think it's easier if we have a small committee. But anyone could --

MR. KILCHER: Yes.

THE MODERATOR: You want to be on the committee, too. That's four.

MS. HEDLAND: That's enough.

THE MODERATOR: That's enough. So I don't like to go ahead without the facilitator but I certainly don't really want to -- John Kelsey.

MR. KELSEY: Would you give us a clarification? Do you want comments now about, you know, the feelings at this point or later?

THE MODERATOR: Oh, no, this is the way I think we should proceed. We'll read the resolution or the goal. Then I would like a show of hands. If there is an overwhelming support, the minority I guess would be entitled to make a minority report, rather than spending time arguing about whether it's a good goal or not.

Does that seem fair to everyone?

MS. LUDWIG: Couldn't we just try to see if we could go through it all together to see what happens?

THE MODERATOR: You mean go all the way? We have to accept one of them each as we go along. You mean without any discussion --

MS. LUDWIC: No.

THE MODERATOR: -- since we have discussed it?

MS. LUDWIC: Rather than go in committees, just see --

THE MODERATOR: We're not going to go into committees. We're going to do it here.

MS. LUDWIC: Oh, okay.

THE MODERATOR: No, we're not going to break into committees.

Let's see and what happens.

MS. HEDLAND: Chip is going to read each one?

MR. HARUN: Just one question.

THE MODERATOR: Yes, Kevin.

MR. HARUN: Some of the goals are also the means, as we referred to.

THE MODERATOR: Is that what happened, we got means in there?

MR. HARUN: I think that's what happened. Some of them are interspersed. I think maybe the thing to do is, some of them we may want to keep or amend and some of them we may want to elaborate on them.

MS. HEDLAND: Except that we have got an Editing Committee, and I hope the person that edits is intelligent enough to separate the means from the goals. I think I'm leery of us getting bogged down in the first three things in the next couple of hours without being able to get an

overview, if this is even the way the group feels. So I would support her concept of going through, finding out if there's a lot of support for that, and if some of them come out real iffy, you know, obviously we'll go back to them and spend more time.

MR. HAKUN: What I'm saying is that some of them might stand as means without having to go through the whole process all over again.

MS. HEDLAND: I see.

MR. HAKUN: And duplicate them. Might suffice on some of them.

THE MODERATOR: I take it when we read it, if someone thinks it's a means, say so, we'll pass that one over then.

MS. HEDLAND: Would you also include short one-sentence suggestions for means at this stage for them to take notes on to include in their writing or not?

MS. HYLEN: Oh.

THE MODERATOR: I'm afraid if we get into that, we've got to stick with the goals right now. I think if we get into the means, it will take us too long.

Let's try it and see what happens. I always feel you can change your mind on procedure if it isn't going to work.

MR. TOMA: I was going to suggest just one thing, that's that form I showed you yesterday, on the

recommendations. What we were trying to do is use that in all the five groups. I will get a copy of that, Madam Chairman, --

THE MODERATOR: I don't know where it is.

MR. TOMA: -- and run 30 or 40 copies off. It's just a form that said category, recommendation, specific regions, and funding suggested.

THE MODERATOR: Wouldn't that be what we would be after we go through the goals and we come back to see how to implement the goal?

MR. TOMA: Right, exactly.

THE MODERATOR: Before we proceed, I did neglect to tell you about this that was handed out before lunch, the summary of recommendations of a paper on health and social services. I wanted you to know that this had been presented and we didn't get copies of it, and if anyone has any questions that they would like to direct during a break to Dr. McGinnis, he is here, but it might be in some of this paper here.

MS. HEDLAND: I just said I would bring to your attention the fact there was another paper submitted also.

THE MODERATOR: Oh, someone else submitted a paper on biological Significance of the Exploitation of Space and Geographical Barriers by Transportation Technology, and that paper is here for anyone who would like to get copies

of it. We'll have Chip make some copies.

So, Chip, can we have the first goal down there under, what is it? Justice?

MR. TOMA: Justice, political.

THE MODERATOR: Okay.

MR. TOMA: "One where the political representation reflects not only the population but the geographic diversity as well."

THE MODERATOR: Would all of you who accept that raise your hand?

(complying)

MS. HEDLAND: Point of information. Will we be able to, Charlene, get a printout of these nine things as they are said? Is that a possibility, or should we all be writing them down?

MR. TOMA: This will be easy to transcribe. That's no problem

THE MODERATOR: She means if we could have it, so that tonight we could be seeing what those goals are.

MR. TOMA: That's what these recommendations sheets could be for, too. I mean we could pass out 30 of these forms. Each of us could be responsible, just assign numbers, everyone write one down and then we're done, right?

THE MODERATOR: How is that?

MR. TOMA: We can make up any kind of a form to work

from, and then if you want one of us to do one thing, then it's all done.

THE MODERATOR: Yes, tonight, okay.

MR. TOMA: "One where we have high expectations for all our students and where an opportunity for an enriched education is available to all Alaskans without discrimination."

MS. HEDLAND: All in favor raise your hand.

MR. KILCHER: I don't think it's pertinent to the title of justice, political justice. It's on education.

THE MODERATOR: Well, the author of the goal felt that it was equalization and that we talked about that this morning when you weren't here.

MR. KILCHER: Oh.

THE MODERATOR: And we decided it was justice.

Okay, would you vote the time on that one please?

(complying)

THE MODERATOR: Opposed?

MS. HYLEN: It's in the wrong place.

THE MODERATOR: Oh, just because it's in the wrong place. Make that note, you people who are drafting, styling and drafting, you may decide that you want to rearrange it, okay?

MR. TOMA: "One where justice and enforcement of the laws are applied with an even hand without regard to race,

ethnic group, geographic location or sex."

THE MODERATOR: Race, ethnic group, is that two different things?

MS. HEDLAND: Uh-huh (affirmative response).

THE MODERATOR: All in favor raise your hand.

(complying)

THE MODERATOR: Opposed?

MR. KILCHER: Question: Could something be amended later after it's accepted?

MS. HEDLAND: No.

MR. HUSS: No.

THE MODERATOR: If it doesn't change, my feeling, if it doesn't change the meaning and it makes it clear so that you can read --

MR. KILCHER: Well the group mentioned, I think should include a status, social class.

THE MODERATOR: That would be something that everyone would have to agree on.

MR. KILCHER: It's the discrimination.

THE MODERATOR: Do you think that's important, social class?

MR. KADEN: Somebody put up there, they just added "to all Alaskans," then you just leave out all the rest of the words. How is that? Instead of race, ethnic group.

THE MODERATOR: Well, who is the author of that goal?

I don't want to --

MS. JONES: (Raising hand)

THE MODERATOR: Carolyn, would that --

MS. JONES: I thought about stopping her and just putting justice.... an even hand for all Alaskans," period, and the reason I added the rest, I thought it was important to add the rest. Just because the way things are.

THE MODERATOR: Because it underscores it, I think your point is right.

MS. HEDLAND: I would agree that social status may be a word that should be added. We've got that in different of our different ones, in terms of economic status, so forth, and that our economic status --

THE MODERATOR: Is there any objection to adding social status in that listing? If not, we'll accept that amendment.

Did you put that in there then, Chip?

MR. TOMA: Excuse me. Again on social status? I was reading ahead there.

THE MODERATOR: Race, ethnic group. I don't know where it would fit in there, social status.

MS. JONES: Down below. After sex.

MR. KILCHER: After sex, third line.

THE MODERATOR: After the life one.

MR. HARUN: Or sex.

(Laughter)

THE MODERATOR: Moving right along then,

MR. TOMA: "One where ethnic, racial and cultural diversity is a proud and cherished accomplishment and all Alaskans are truly brothers and sisters."

THE MODERATOR: Is that a duplication? Could that be worked in, some of those words be worked in with some of the other ones?

MS. HEDLAND: But, Katy, that's the point of the editorial thing.

THE MODERATOR: That's right, okay. All in favor of that?

(Voting)

THE MODERATOR: Opposed? I think that that's something that Style and Drafting would have to take into consideration.

Are we still on justice?

MR. TOMA: Yes, we are. "Legal aid be available to rural communities."

MS. HEDLAND: Where did that come from?

THE MODERATOR: Someone put that on

MR. HARUN: That's a means.

THE MODERATOR: That's a means, isn't it, of carrying out equality?

MR. HUSS: Yes.

MR. TOMA: Are the means in this writing here?

THE MODERATOR: No. Not necessarily. Make a note on there that the group considers that a means.

MR. TOMA: (complying) Do you want to go to a means now or go on to goals?

THE MODERATOR: Just goals.

MR. TOMA: Under life-style.

THE MODERATOR: Read that. We don't know -- was that the last one there?

MS. HYLEN: There's another one.

MR. TOMA: Expansion of public safety in rural areas.

THE MODERATOR: That's another means.

MR. TOMA: Yes.

THE MODERATOR: Okay.

MR. TOMA: "One where the arts and cultural pursuits are seen as integral to our life-styles as well as essential to and enhancing the quality of life."

THE MODERATOR: All accept?

(Voting)

Opposed?

MR. TOMA: "Protect and respect the diverse life-styles desired by its Alaskan people."

THE MODERATOR: In favor?

(voting)

Opposed?

MS. HEDLAND: Might be easier if you asked for those opposed.

MR. JACK: Just say "Are there any objections?"

MS. HUNTLEY: Sure, that would be easiest.

THE MODERATOR: Sure, are there any objections? Okay.

MR. TOMA: "One which maintains a harmony between man and the natural environment with controls on pollution and environmental degradation that respects local needs."

THE MODERATOR: Any objection to that goal?

(No response)

THE MODERATOR: Okay, we'll accept that.

MR. KELSEY: I have some concerns.

THE MODERATOR: Oh, I'm sorry.

MR. KELSEY: I don't know whether or not you want to discuss them now, but maybe under means, I don't know.

THE MODERATOR: Well, if you have an objection to it, I think it should be noted at the time that we're voting on it, and then we can -- let me see. I don't like to cut off anybody's debate on an issue, so unless it gets completely out of hand, you know, we get bogged down, I think that a person should feel free to express their objection to a goal.

And if you have at this time, John --

MR. KELSEY: Yes. I only have this -- I have no objection to that, in fact I'm for it. I would like for

the editorial group though to keep it in mind that if they have that, they should couch it in such a way that it doesn't encroach upon, because there's contradictions throughout here, and if you adopt this, you may eliminate it all. I'm concerned about that. I'm not for development. I'm for what this stands for. I'm concerned about what happened ten years ago, because the legislature took what we gave them and they ran right the end of the chain with it, and they passed some legislation that I'm not very proud of.

And they have done some things I think that have prevented us from going ahead. They've made legislative action that has allowed delays that I think were uncalled for. I just in some way would like to have that couched so that it doesn't show that we want to stop everything from happening, because I always think in terms of not too long ago for every dollar we created in this state for our own welfare, the rest of the states had to produce $11. We were a welfare state. I don't think that's something to be proud of. End of speech.

THE MODERATOR: Well, there might be a point where you might want to make a minority statement on that to go with the report, if it gets to that point, John. You can keep that in mind.

MR. KELSEY: All right.

MR. JACK: Madam Chairman, I would share his views.

MR. KELSEY: For minority report.

MS. HEDLAND: Point of information. That is going to be hit, that was -- and I think we're a little bit premature to talk about minority reports at this stage. I think the editorial people should be taking these comments into line, but I'm not prepared to say it's a minority report, because --

THE MODERATOR: Just a minute.

MR. MATHIESEN: I want to add one thought there on that respects local needs. I think "meets local needs" would be better than "respects," because you can respect a local need without meeting it.

THE MODERATOR: Editorial Committee, take that into consideration. Or if without objection we could change that, is there any -- without objection we'll change "Respect" to "meets local needs."

The Editorial Committee for those of you who were late, they were volunteer jobs, and John Hurlbert and Marion Hylen and Haden Kaden and Yule Kilcher, and we figured three or four, but if you wished to be on the committee, I'm sure that they would welcome you. We have adopted the first. All of those first statements were goal statements and have been accepted on under Justice. Okay.

Go ahead.

MR. TOMA: Transportation and Communications. "The state should incorporate aesthetics, green belts, open ways, art, in appropriate scale in State transportation and public facilities planning."

THE MODERATOR: Any objection?

(No response)

THE MODERATOR: That's accepted.

MR. TOMA: "The State Department of Transportation, PF, should avoid homogeneity in highway design standards through incorporation of aesthetics through a more holistic approach to planning through employing people of various disciplines, not just engineers."

THE MODERATOR: That's a new one. Would you read that again?

MR. TOMA: What does PF stand for? Oh, Public Facility.

"The state Department of Transportation, Public Facilities, should avoid homogeneity in highway design standards through incorporation of aesthetics through a more holistic approach to planning, through employing people of various disciplines, not just engineers."

THE MODERATOR: Oh. Any objection?

MR. KELSLY: Comment.

THE MODERATOR: Comment.

MR. KELSEY: When you get 97 percent of your money

from the Federal Government for such projects, you're going to have strings attached and regulations to conform to, and that sounds like a tremendous goal, but it's really not --

THE MODERATOR: It still could be a goal.

MR. KELSEY: Yes, it can still be a goal. I don't know whether you can accomplish it.

THE MODERATOR: We'll get to that when we get to meeting the needs.

Chris?

MS. JOHNSON: I agree with what that one is trying to say, but I have a concern that that's moving into means again. I don't know if you would want to separate it or not, but I just wanted to bring that out.

THE MODERATOR: Gary?

MR. HOLTHUS: I agree with Chris. I think maybe the first part of that phrase is the goal. The rest of it is means. What you want to avoid is homogeneity in highway design and standards. That's the goal. You can do that through the following means, by incorporation of aesthetics, et cetera, so I suggest we drop the last part of it and keep the first, and when we get to the means, incorporate that.

THE MODERATOR: Okay, the Editorial Committee will take note of that, please.

THE MODERATOR: Celia.

MS. HUNTER: Wouldn't standardization be better than homogenous.

THE MODERATOR: Excuse me, I have one person talking here and I haven't -- I'm not hearing back there.

MR. TOMA: Sure.

MS. HUNTER: I just wondered if standardization isn't what's meant by homogeneity there.

THE MODERATOR: Whose goal is that? What do you think?

MR. HARUN: I think either one is fine. My concern is how everything is the same wherever you go, and it should somehow reflect the indigenous concerns of an area.

THE MODERATOR: Carolyn?

MS. JONES: To the Editorial Committee, I think that second clause starting with "The state DOT-PF" is all means to the person.

MR. HUSS: I didn't understand.

THE MODERATOR: Is that what we're saying?

MS. JONES: No.

THE MODERATOR: Part of it is means?

MS. JONES: I think the whole second one starting with "The state DOT-PF," that whole phrase is all the means of accomplishing the previous goal. That one.

MR. TOMA: Right.

MS. JOHNSON: We can't see that. What does that do?

MR. TOMA: What she's saying is the entire statement I

just read, the State DOT -- excuse me, I forget what it says, is the means of this goal here, [illegible] the State should incorporate aesthetics, green belts, open ways, art, in appropriate scale in State transportation and public facilities planning."

THE MODERATOR: Would you accept that, the author of that?

MR. HAKUN: Sure.

THE MODERATOR: That's Kevin. Wasn't it his goal? Next one please.

MR. TOMA: And of course he has a means here that says "To accomplish this, the State should at times seek waivers of federal standards and/or build the projects with State monies."

THE MODERATOR: Well, that's a means.

MR. TOMA: Okay.

THE MODERATOR: Did we accept that? I can't remember whether that --

MR. TOMA: Excuse me, yes.

THE MODERATOR: I don't think we voted on that first one, did we?

MS. HEDLAND: We did on the first part, but we're not accepting any means right now.

THE MODERATOR: No, no, that's why we're saying it's a means and we're setting that aside. I'm not sure we voted

on that one.

MS. HAYES: Madam Chairman, I believe that was in a resolution, a long resolution, that was presented to us. And the language was changed to fit this form.

THE MODERATOR: I see.

MR. HARUN: Yes that was a give one.

THE MODERATOR: I mean right now did we accept it? Is what I meant.

MS. HYLEN: It's a means; we don't have to.

THE MODERATOR: Any objection to that now as it's written. Okay.

MS. HEDLAND: Would you read again?

MR. TOMA: "The State should incorporate aesthetics, green belts, open space, art, in appropriate scale in State transportation and public facilities planning."

THE MODERATOR: Good, fine, okay. Go on then.

MR. TOMA: "There should be great public involvement in transportation decisions."

MR. HARUN: "Greater" is what that should be.

MR. TOMA: "Greater"? Okay.

THE MODERATOR: Any objection?

MS. HEDLAND: Except maybe it's a means again.

THE MODERATOR: I was wondering about that a little while ago.

MR. KILCHER: No, no, goal, some people don't have.

MR. TOMA: No objection?

THE MODERATOR: No objection.

MR. TOMA: Okay. "Spending tax dollars in a dignified manner to encourage tourism," dignified meaning not an exaggeration of Alaska.

(Laughter)

MS. HEDLAND: What?

MS. KINGRA: That still is not what --

THE MODERATOR: No, I think that needs -- that will need some editing. To spend dollars in a dignified manner --

MS. KINGRA: What we were objecting to --

THE MODERATOR: I know what you're talking about. You mean advertising should be dignified instead of --

MS. HUNTER: No topless beauty.

MS. KINGRA:

THE MODERATOR: No topless women sitting on glaciers is what you're talking about. So maybe the Editing Committee will try to strengthen that. Is there any objection to that goal?

(No response)

MS. HUNTER: I think you have to be careful how much you promote tourism, and frankly, well, it's all right.

MR. MATHIESEN: I've been in the tourist business, and I totally agree. We shouldn't have to pay to get them here.

THE MODERATOR: All right, next. This is very

difficult for the reporter, so please be careful about your comments, because you should address the chair.

MS. JOHNSON: I have another concern with that one. What that means again, I know developing the tourist industry in itself is not means, but the way you have specified this one, I just have this concern.

MS. KINGRA: Let the Editorial Committee, because I haven't been able to say what it is, it comes out different.

MS. JOHNSON: Right, but you're addressing a manner of approaching the tourism industry, and I would say that belongs in the means category.

MS. KINGRA: We are already spending tax dollars to promote touring.

MR. KILCHER: No, it's closer to goal, because the goal being a different approach, about how to do it, not what to do.

MS. JOHNSON: That's right. It is a how. And I would like to hear Celia's and Andy's comments on what other ways we should be advertising ourselves to --

MS. KINGRA: Yes, it's a means.

MS. JOHNSON: To other areas.

MS. HUNTER: I think that should be under a discussion of means.

THE MODERATOR: Go ahead and say it.

MR. MATHIESEN: Well, you're being hornswaggled into

spending millions of dollars to encourage tourists here at the request of airlines, tour ships and what have you that are almost totally based out of the state and you're just being milked, that's why.

MR. JACK: Madam Chairman --

THE MODERATOR: I don't know who was first. Jack?

MR. JACK: Madam Chairman, I have a qualifier on that that can be read, that basically no tourism to be promoted without the involvement of the local community or people that are going to be affected.

THE MODERATOR: That's better, that's --

MS. KINGRA: Yes.

THE MODERATOR: That's a better goal than what the other one is. Could we do this right now? Could we withdraw that one and you write up something --

MR. JACK: It's already up there.

THE MODERATOR: Would you write up another one and then we'll put it up there?

MR. JACK: It's up there already.

MR. TOMA: Yes. "No tourism should be developed without the involvement of the affected communities."

THE MODERATOR: I think you can combine the wording that's in that other one and make a stronger goal without means in it. Kevin?

MR. KILCHER: I've seen some of the goriest stuff

start in the community.

THE MODERATOR: Yule, please, we're trying to keep this orderly and it's difficult for the reporter. So, Gary.

MR. HOLTHUS: It just seems to me it's in the appropriate column under development rather than under transportation. They're sort of intertwined, but I think as a goal one of the things we may want to develop or may not want to develop is tourism.

THE MODERATOR: What you're suggesting is that that should be moved to --

MR. HOLTHUS: Well, the one he has in his hands on now is in the category of development.

THE MODERATOR: Okay, all right.

MR. HOLTHUS: Seems to me that's where it belongs.

THE MODERATOR: Let's remember that, Editorial Committee.

MR. TOMA: This is the means. We'll work on the wording here.

THE MODERATOR: Those two should be combined with the one in development.

MR. TOMA: All right.

THE MODERATOR: Was anyone else's hand up? I'm sorry, I can't see you, Enid. You're going to have to yell.

MR. KEENER: Our recorder is having a very bad time.

THE MODERATOR: Yes, that's what I'm admonishing the

group. Please wait until I recognize you.

Kevin?

MR. HARUN: Well, on the one on no tourism to be developed, I would think a more positive way of saying it would be "tourism should be developed the" -- what is that? "with the involvement" --

MR. TOMA: With the involvement of the affected communities.

MR. HARUN: I personally am in support of tourism, provided it's done in a certain way. I wouldn't want to impose something that people wouldn't want, but I think --

MS. KINGKA: It is a good resource that we have. It can be. It isn't necessarily a bad thing. I think the words "no tourism," kinda gives the impression that we as a group aren't for tourism.

MR. TOMA: We'll come down here to this.

THE MODERATOR: May I see that statements should be made not in a negative way. They should be positive statements, so you would have to turn it around.

MS. LINCOLN: (Georgianna) We're talking about something that's in the development column and I think we should stick with transportation communication and address that when we get to in the development column.

MS. HEDLAND: Madam Chairman, what's the chance that we move the tourism subject itself over to development and

discuss it there, and continue on with the other transportation?

THE MODERATOR: Very good.

MR. TOMA: Okay. Under transportation "Improve airport systems, rural. Larger and longer airports. Monies for maintenance and operation. Lighting systems. Safety to be the major emphasis, to have major emphasis."

THE MODERATOR: I believe the last part of that are means, but the first is a goal, correct?

MR. TOMA: Okay.

THE MODERATOR: So, read the first part.

MR. TOMA: "Improve rural airport systems."

MS. HEDLAND: It was my understanding that we were interested in improving rural transportation, not necessarily just by air, but also by boat. And I would --

MR. TOMA: We're coming to that.

MS. HEDLAND: -- suggest that they be combined, that they come from somebody that was in the area that suggested what they wanted.

MR. TOMA: Why combine? It's a positive statement toward one goal, right? I mean airports are different from boats.

THE MODERATOR: We have a comment from Jack, please.

MR. JACK: That's the one I put. That's one of the marching orders that I got from the 57 villages. So I

would stick to the airport, just improve airport systems as part of the transportation system.

THE MODERATOR: Well, is there going to be another --

MS. HEDLAND: That's okay, but then let's go on and put all the rest as means.

MR. JACK: Yes, no objection.

MR. LADNER: I would go with Carl on that. Airport and water are separate modes under the transportation generic term.

First of all, I think that the A, B, C, D there that are listed there are good ones. There should be one more, and that is airport warehouse facilities, because I think in the bush you got some problems with --

THE MODERATOR: Well, that's a mean that we're going to come to. We're not actually --

MR. LADNER: All right.

THE MODERATOR: Is there any objection then to the first, that statement "Improve bush airfields, rural airfields, rural airfields."

MS. HEDLAND: "System" is a better word.

MS. KINGKA: Tht's what he said, "system."

MR. TOMA: Improve "rural airport systems".

THE MODERATOR: Any objection to that as a goal?

MR. HUSS: I just wonder if it wouldn't be easier to incorporate all the transportation facilities into a single

goal.

THE MODERATOR: But they don't want it that way, because it's important to the rural that it be set out separately.

MR. HUSS: Yes, but I think then you're possibly overlooking --

THE MODERATOR: Well, maybe they're coming up to those. Could we wait and see?

MR. HUSS: Okay.

THE MODERATOR: As I understand it, you have some other goals in that area, have you not?

MS. LUDWIG: Yes.

THE MODERATOR: Okay.

MR. TOMA: "Improve the dock facilities in regional transportation centers."

THE MODERATOR: Any objection to that?

MR. KELSEY: I'd like to know what they mean by that.

MR. HUSS: Yeah.

MR. KELSEY: What do they mean? Build new ones or improve the ones they have?

THE MODERATOR: Whose goal is that?

MS. LUDWIG: The ones that are there are privately owned and they have withdrawn their permission for the City's use. We need new docks, public.

MS. HYLEN: Such as where?

MS. JONES: Isn't that a means of a broader goal to improve the water transport system?

MR. JACK: Madam Chairman?

THE MODERATOR: Yes, Jack.

MR. JACK: I would be amenable to revise that to improve the marine transportation system. Whereas the dock facilities would be the means to achieve that.

THE MODERATOR: Okay, to improve the marine transportation system is a goal. Do you have any objection to that? And then the other thing would be the suggestion there would be a means.

David?

MR. KEENER: Maybe I'm just repeating things. "Marine transportation system and support facilities."

MR. MACK: That's it.

MR. JACK: Yes.

THE MODERATOR: Okay.

MR. TOMA: I would suggest, Madam Chairman, you say marine transportation systems "throughout Alaska," because my contacts is that's a southeast turn, the marine transportation system. But that's up to the group, too.

MS. JOHNSON: I would agree to that.

THE MODERATOR: Well, we have another suggestion over here that it say "Including facilities."

MR. KEENER: "Support facilities."

THE MODERATOR: "Support facilities." Improve marine transportation, including support facilities."

MR. TOMA: All right.

THE MODERATOR: Do you accept that?

MS. HEDLAND: Yes.

MR. HUSS: This might be something for the Editing Committee, but I'd like to make it known before they get there. I have trouble with the word "improve." I think it should be something like "provide for adequate," or whatever, because the case could be in an isolated case. I realize you need facilities, but there might be a certain area that has adequate facilities, and if we say across the board "improve all docks and harbors," you know, there might be an isolated area that doesn't need any improvement. Maybe that's just semantics, but I just have trouble with that.

THE MODERATOR: Well, "provide" of course is broader.

MS. HEDLAND: And if he says state "throughout the State," that would also indicate.

MR. KILCHER: Madam Chairman

THE MODERATOR: Yule?

MR. KILCHER: I think the word "expand" would cover some of your objections. "Expand" is a verb.

THE MODERATOR: Expand. There may be places that do not have facilities at all.

MS. LUDWIG: Right, right.

THE MODERATOR: Just a minute please.

MR. LADNER: How about "improve as required" or "as needed"?

MR. KILCHER: And expand.

THE MODERATOR: Carolyn.

MR. LADNER: "Marine transportation facilities, including support facilities throughout Alaska."

THE MODERATOR: I have a suggestion; it just hit me. If we get to a goal where we have objections to it, can we put them aside and come back to them? By that time we will maybe have worked out -- the person who objected can work out what would improve it, rather than doing this right now. I think it will facilitate our going along.

So can we put that one aside until we finish?

MR. TOMA: I'll read what we have on this last point, our last touch with it here. "Improve marine transportation, including support facilities, throughout Alaska."

MR. HARUN: That's great.

MS. HEDLAND: Sounds good.

THE MODERATOR: Is there any objection to that? Or do you want to wait? Do you want to come back to it?

MR. HUSS: I'd like to come back to it.

THE MODERATOR: Okay, we'd like to come back to that

one. So can you make some kind of a mark so we know we are going to come back to that?

Okay

THE MODERATOR: Carolyn.

MS. JONES: Could we please take a vote or something on that? because I think the majority of us are happy with the way it is.

THE MODERATOR: Do you want to go along then?

MS. HEDLAND: Take a vote.

THE MODERATOR: Okay, take a vote on it. Is there any objection to this --

MS. KINGRA: Let him read it, again, Madam --

THE MODERATOR: Read it again, please.

MR. TOMA: "Improve marine transportation, including support facilities, throughout Alaska."

THE MODERATOR: Any objection? There's three, four objections, five.

It will be adopted. Let's go on.

MR. TOMA: I guess we need a minority report or minority phrase at that point.

THE MODERATOR: You might get a change with the Editorial Committee.

MR. TOMA: "Roads should be developed according to regional plans based on existing transportation modes."

THE MODERATOR: Read that again.

MR. TOMA: "Roads should be developed according to regional plans based on existing transportation modes."

THE MODERATOR: Any objection?

MS. HUNTER: No.

MS. KINCRA: Haven't we covered that?

THE MODERATOR: Beg your pardon?

MS. KINCRA: Haven't we covered that up further?

MS. JOHNSON: I disagree. Excuse me.

THE MODERATOR: Wait a minute. I have a hand down there. Andy.

MR. HOPE: What about the local government agency? What if they don't sign off on the regional plan?

THE MODERATOR: Are you asking me?

MR. HOPE: Well, that's an important issue I think.

THE MODERATOR: Kevin?

MR. HARUN: I have a question. Did you make that, Carl?

MR. JACK: Yes, I did.

MR. HARUN: Is what you're getting at the existing types of transportation in areas be what are supported by the -- where there are no roads, don't support roads, but support air and water, and in areas where there's roads, support those types, or what is the goal?

MR. JACK: Madam Chairman, in response to the inquiry, I have marching orders that no roads be developed to the

urban centers, such as Anchorage, Fairbanks, to the Bethel area. That is a mean in itself, but I thought it would be more acceptable to the group to state in such a way that the road systems, as part of the transportation system, should be developed according to the regional plans.

THE MODERATOR: Well, what I gather Andy is saying is that he this is it should go further and the local government should have --

MR. HOPE: No, I don't like like the regional plan.

THE MODERATOR: Oh, I see. David?

MR. KEENER: I'm interested. You say you don't want a road to Bethel, but you want State funding for water and air into the area, whereas, if you're looking for a goal for 20 years from now, limiting the modes of transportation, you're also limiting the number of people that are using those funds. You're eliminating your tourist industry, the travel-by-car, whatever means. Now, it could be that the local input from Bethel is their need of air and water transportation, but they don't want the accessibility by road to an urban area like Anchorage.

Myself being from Kenai, we're Anchorage's backyard every weekend in the summer, and I can understand the feeling, but I don't know if that should be something that we come up with in a future planning organization like this.

THE MODERATOR: We have some other comments here.

Karen?

MS. HEDLAND: I would like to suggest that we reread our first goal that we have already adopted, because I consider the road part of the standardization or whatever the other homogenous, whatever we had, to be incorporated there, and I think we're down to the specific means again in terms of roads.

But would you reread that first one? What does it say? I can't see it.

THE MODERATOR: Haden.

MR. HADEN: Well, I think that is a goal that should be looked at, because we're talking about preserving life-styles. You can't preserve a life-style if you've got a road from an urban center going into a bush area. You know, there's just no way.

MS. HEDLAND: How about no more to the urban centers, either, you know?

THE MODERATOR: Just a minute.

THE MODERATOR: We have a comment in the back.

MS. LINCOLN: (Georgianna) Yes. I think this is a crucial area for all of the State of Alaska in the rural areas. In the interior we want to see some type of a plan developed before someone gets hot on the idea of there should be a road to Rampart without the input of the village people and those that live in the area. A plan has

to be developed, and I don't think that that's saying that in that first goal. So if that goal can be broadened, fine, but I for one want to protect the rights of the rural people in having their say whether there's a road in there or not.

THE MODERATOR: Celia had her hand up, and then Mike and, oh, Andy was next.

MS. HUNTER: Okay. I think that even Woody Johansen, who is one of the most terrific highway builders we have, recognizes the need for local option to be preserved in road construction. He says in here, "We must upgrade the Seward and Glenn Highways. In Western and Northern Interior Alaska, we must build access roads to airfields, boat landings, material sources and garbage dumps. We must improve the village streets and develop material sources. We must not connect these villages with a highway system."

So I think even a highway builder recognizes the local option has some validity and the big people of Minto would verify this.

THE MODERATOR: Okay, thank you, Celia. Mike.

MR. LADNER: I could only second Celia's remarks, and I might say this. I'm not an expert in DOT policy, but I believe that built into their structure, and it could be probably addressed further under government form, but I believe that part of their procedure for building and

developing roads is input, and an important part is input from the people that are being affected by that road, so there's protection there.

THE MODERATOR: Before I ask you again, is there anyone else who hasn't spoken on this motion, I mean this goal, who would like to speak? Chris, did I see your hand?

MS. JOHNSON: Yes. I have a concern with the second part of the goal, although I agree with what Georgianna said about the first part, and that is, limiting ourselves to existing modes of transportation. I don't think we want to do that either. It really presents all kinds of future -- who knows what we may be driving or flying in or moving in in ten years? I don't think we want to do that.

MS. LONGPRE: I agree that maybe that last part could be stricken about limiting ourselves, but I think the people from the bush want to have input, and the Department of Transportation, they provide for hearings on proposed roads, but that we don't feel that we have actual input. Maybe people are listening, but not acting on.

THE MODERATOR: Andy, you had something you wanted to say?

MR. MATHIESEN: Yes, I really get nervous here. We spent all day yesterday talking about preserving a quality of life in Alaska, and yet, here we're now jumping into every damn thing you can dream up that's going to change

the quality of life, and I'm afraid it's going to change it down rather than up. We must be very cautious of this. It's out the window as soon as we start doing all these things. It's a good example. You know, we're going to get local input. Okay, you get the local input, you get the highway, too.

THE MODERATOR: Georgia.

MS. LINCOLN: (Georgianna) I feel I must respond to what see Celia read in there. What Woody said, I think that's the point, Woody said, "We must not develop roads." That's not for Woody to say. You know, that's for the village to say, and I'm not so sure that Minto wouldn't have said, "Yeah, we want a road " --

MS. HUNTER: They did.

MS. LINCOLN: (Georgianna) And we would want a road again. So it's a two-way street there.

THE MODERATOR: One more comment and I think we ought to take a vote on this or else pass it and come on.

MS. HEDLAND: I think we ought to pass it and come back to it again.

MR. TOMA: We have a request to hear it.

MR. HARUN: Without saying no road at all without consent.

MS. JONES: That's negative.

THE MODERATOR: That's negative.

MR. HAKUN: How about road development without local consent? It's true though.

MS. LONGPRE: Carl wrote that.

THE MODERATOR: Yes.

MS. LONGPRE: Would he consider rephrasing that, what the input has been?

MR. LOPL: I got one.

MR. JACK: Madam Chairman, let me try to rephrase that in such a way that it would be palatable to everyone here. And that is, recognizing that the State Highway Department has a method or the process for the design and construction of the roads. Along those lines, those plans, regional plans, on the road system should accommodate or have -- before they're approved, have the local preference in terms of planning.

THE MODERATOR: Since there is this much discussion on this, how about passing this over and you reword the goal and we'll come back to it, so that we can go along? Okay? Reword it. You've heard the input.

MR. JACK: Yes, will do.

THE MODERATOR: Now, you know, maybe what you should -- you want more comment?

MS. LONGPRE: Just one more comment. It seems that I'm hearing that people are agreeing that regions should have input in roads in their area. Maybe we could have

something simply stating that.

MS. HELLAND: Madam Chairman, but what I also heard is we should come back to it and we should not limit ourselves to existing forms. We might have a monorail from Anchorage to the Kenai or we might have a train system that's a lot more elaborate, and I am leery of the word "road," and that's where I come from. I don't want the highways either, but I don't want us to just be limited to any future mode of transportation, and that would be -- I would like to see us come back to it, but I would like to think about rewording it in such a way that we give some flexibility and room for 25 years down the road when we might have monorails or something.

THE MODERATOR: We'll pass this over then. Chip, would you go on?

MR. TOMA: Okay. "Improve village communications." Then the means were cited as UHF-VHF microwave system."

THE MODERATOR: Let's not read those then now. Let's just have the goal statement.

MR. TOMA: Okay. "Improve village communications."

THE MODERATOR: Any objection?

(No response)

THE MODERATOR: Accepted.

MR. TOMA: Okay. "The extension of the Marine Highway systems to Western Alaska."

MS. HEDLAND: We already have that.

THE MODERATOR: Don't we have something that covers that up above there?

MR. TOMA: We have "Improved marine transportation, including support facilities throughout Alaska."

THE MODERATOR: Well, that's it.

MR. MACK: Improve. Improve and expanded.

MR. TOMA: We mean ferries here now, people ferries?

MR. HOPE: Well, there's a transport goal, too.

THE MODERATOR: Mike.

MR. LADNER: I think there is a difference there. The Marine Highway system to Western Alaska was treated in those white papers and they're talking about the extension of the Alaska marine ferry highway system, not necessarily with passengers, but with a high-density freight-handling capacity as opposed to the interior, the improvement of the interior riverway transportation system.

THE MODERATOR: Carolyn?

MS. JONES: Would we say it by amending the earlier one to develop and expand marine highway --

THE MODERATOR: To improve and expand? Would that do it?

MS. JONES: Okay.

THE MODERATOR: To improve and expand the Marine highway system, would that cover that last one?

MS. HEDLAND: Yes.

MS. JOHNSON: M-hm (affirmative response).

THE MODERATOR: The Editing Committee should take note.

MR. HUSS: Do we want Marine Highway system or marine transportation?

MS. HEDLAND: Transportation.

THE MODERATOR: Marine transportation.

MR. HUSS: Yes.

THE MODERATOR: Are we ready to go on?

MR. TOMA: I'll read this one again. "Improve and expand marine transportation, including support facilities, throughout Alaska." That would then incorporate the extension of the Marine Highway system to Western Alaska.

THE MODERATOR: The Editing Committee may want to be sure that's clear, so you may want to add a phrase in that goal.

Okay? We're on --

MR. TOMA: Development. "Protection of the environment and maintenance of viable ecological systems shall be a major factor in reaching decisions on both public and private development projects."

THE MODERATOR: Any objection?

MR. HOPE: Well, isn't it kind of presumptuous to say it will be for the private? It will be a major factor.

MS. HUNTER: No. No. The Alaska pipeline was a

private project. It was --

MS. HEDLAND: Let's take a vote. All in favor, all opposed.

THE MODERATOR: You have an objection. I'll note that objection, Andy. Any other objections to that goal? John Kelsey?

MR. KELSEY: Well, I object to this point. I'm for this concept, but we did this ten years ago, which had a lot to do with delaying the oil pipeline.

MS. HUNTER: Which was a great help to the construction of the pipeline.

THE MODERATOR: Please, for the sake of not only the secretary, but for order let's not make comments without addressing the chair.

MR. TOMA: Do you want it read again? Does anyone? Or do you understand?

THE MODERATOR: No, I think we had two objections and otherwise it's acceptable; is that correct?

MS. HEDLAND: Right.

MR. TOMA: "The energy needs for a future Alaska shall be based on renewable resources to the greatest extent possible, and on smaller localized units allowing maximum self-sufficiency and affordable costs."

THE MODERATOR: Any objection?

MS. HEDLAND: How can you object to that?

MR. KEENER: Was that "and/or at affordable cost"?

MR. TOMA: It says and here --

MS. JOHNSON: Oh, it should be "at," I'm sorry.

MR. TOMA: Okay.

THE MODERATOR: No objection? Carolyn?

MS. JONES: Question: Should it be allowing for maximum self-sufficiency?

MR. TOMA: Allowing for? (writing) Looks good. Put a comma here.

THE MODERATOR: No objection? Chris?

MS. JOHNSON: Could I strike one word from it, I'd like to strike "smaller," please.

THE MODERATOR: That's your goal?

MS. JOHNSON: It's mine, right.

THE MODERATOR: Would you read it now?

MR. TOMA: Yes. "The energy needs for a future Alaska shall be based on renewable resources to the greatest extent possible, and on localized units allowing for maximum self-sufficiency at affordable costs."

THE MODERATOR: Any objection?

(No response)

Accepted.

MR. TOMA: "The State must recognize its stewardship role for present and future generations of Alaskans, in protecting the natural environment, including wildlife

habitat and wild and scenic areas and in preserving air, land and water quality."

THE MODERATOR: Any objection?

MR. JACK: Objection.

THE MODERATOR: Two objections, three objections.

MR. KELSEY: Udall is doing a great job for us.

MR. HOPE: You're talking about a government that's in the way.

THE MODERATOR: Excuse me, Georgianna?

MS. LINCOLN: (Georgianna) Could the author of that goal explain what -- I don't understand the whole intent.

THE MODERATOR: That's Haden Kaden's, isn't it?

MR. KADEN: Yes, and Celia.

THE MODERATOR: Okay.

MR. KADEN: It's just that the push is to turn over State land to people regardless of what cost, without planning, without anything. There is no recognition that the State has an obligation to future generations to preserve large areas of wild land for all Alaskans. And that's recognizing that, you know, that obligation on the part of the State.

THE MODERATOR: Okay.

MS. LINCOLN: (Georgianna) I'd like to note my objection, too, please.

THE MODERATOR: The objections -- if you want your

names, it's Jack Carl, John Kelsey, Georgianna, Andy Hope, --

MR. HYLEN: I'm objecting.

THE MODERATOR: -- Marion.

MS. HYLEN: Rosemary?

MS. LUDWIG: M-hm.

THE MODERATOR: David?

MACK: Stanley.

THE MODERATOR: Stan. So how many -- I don't know.

MS. HEDLAND: Let's vote again.

THE MODERATOR: We better vote again on this one.

MR. MATHIESEN: I would like to make one comment, if I can, Madam Chairman, before you take a vote on that. I don't understand how anybody can sit here and not think that the State has the responsibility in taking care of our lands for us, to make sure they're there tomorrow and the next week, our fish, our game, our resources. I don't see how we can -- who is going to be responsible for doing it if our own selves aren't?

MS. HEDLAND: I would like to --

THE MODERATOR: Karen.

MS. HEDLAND: -- reiterate that my understanding of this was a dream for our future, and granted I was not born and raised here, but my three children were born and raised here, and I would like to see there is something left for them to pass on when they come along and that's one of the

reasons why I really believe in that. We've got to be thinking of what it's going to be like 25 years from now.

THE MODERATOR: Kevin.

MR. HARUN: I think people might have in their minds in objecting to it some specific means. For instance, you look at the Udall bill. That's a means lot of people don't agree with to get to that, but the goal itself is a very, very laudible goal, I think. It's something like what we were supporting yesterday.

THE MODERATOR: Go ahead, Marion.

MS. HYLEN: I think the first one does it. "Protection of the environment and maintenance of viable ecological systems."

THE MODERATOR: It's not enough.

Georgianna?

MS. LINCOLN: (Georgianna) In stating my objection, I felt that that was maybe one of the means for the overall goal, but also I think that Alaska sometimes tends to look at the environment more than it does its people, and I think that to me the people are more important than the animal.

THE MODERATOR: I think on this one for voting purposes, I'm going to have to ask you to stand, because some of you are sitting back there in the area of where the public is, so I'm not going to be able to count it very

well. For voting on this one, I think we better stand. Those in favor of this as a goal, please stand.

(complying)

MR. HOPE: We've got to vote on this and pass a lot of others.

MR. TOMA: Is there an objection?

THE MODERATOR: 15. Am I correct in counting 15? Did anybody else count and check me? Mike, would you stand? Keep standing.

MR. LADNER: (complying)

THE MODERATOR: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and I'm 15.

MS. HUNTER: Did you count me?

THE MODERATOR: Yes, 15. I started with you. Is that correct? It passed.

I think there are how many of us in here?

MS. HEDLAND: 23.

THE MODERATOR: 23.

Would you go on, please?

MR. TOMA: Excuse me, Madam Chairman. Next one. It passed. "Tourism should be developed -- " I changed this, Madam Chairman, to make it, take out the "not" in there, without -- "Tourism should be developed only with the involvement of affected communities." Then the means is this one over here, which we're going to work with.

THE MODERATOR: Any objection?

MR. KELSEY: I have a question. What do they mean by involvement, what extent?

THE MODERATOR: I'm not the author of that. Are you?

MR. JACK: I'm the author of that. There is fairly strong feeling in the Bethel area that most of the tourist industry development have been done by the people from outside, by package tours and all that, and they're fairly adamant about that, even though, frankly, the tourist industry is a clean industry itself.

THE MODERATOR: Chris?

MS. JOHNSON: Yes, I'd like to see us strike the word "only," because I know that there are some maybe state-wide tourists plans that it would simply -- that really in a very broad sense affect every community. Who knows where tourists who are brought in on these state-wide plans would end up? That to me is a little unrealistic. So I would like to see "only" stricken.

THE MODERATOR: Georgianna?

MR. TOMA: That's a motion? I put it in, so we'll just take it out.

THE MODERATOR: Without any objection, we'll take "only" out.

MS. HUNTER: How does it read first?

THE MODERATOR: Read it first.

MR. TOMA: It's Carl's. "New tourism to be developed only without the involvement of community. I changed it to "Tourism should be developed only with the involvement of affected communities." And the change then "Tourism should be developed with the involvement of affected communities."

THE MODERATOR: That makes sense, doesn't it?

MR. HUSS: How is something like that regulated though? I mean we live in a free state --

MS. HEDLAND: This is a goal.

THE MODERATOR: That's a goal. You have to figure that out when you get to the means.

MR. HUSS: But if I want to land my plane in Bethel airport, and want to show people around, --

THE MODERATOR: Georgianna.

MS. LINCOLN: (Georgianna) I'd like to add a word in there that tourism should be involved and implemented, adding the word "implemented" to involvement, because I think tourism, I'd like to see more of the development, the implementation and the actual tourism in the affected community and not someone from the Lower 48 coming up and doing the implementation after it's developed.

THE MODERATOR: Ellen?

MS. HAYES: Madam Chairman, there is a comment made back here that if we would insert the word "when" ahead of tourism, "that when tourism is developed," --

MR. TOMA: How about "promoted and developed"? Is that what we mean?

MS. HAYES: I don't know whether we want to say promoted, or, you know, that's one of the things we're doing, I'm not sure, but when it is --

THE MODERATOR: I think the chairman will say that we will pass this one over. It sounds like it needs a little bit more working-up. A couple of people get together during our first break and see if you can straighten that out, because I'm afraid we're going to be taking up too much time on a statement that we could do in a few minutes on the side.

Go ahead.

MR. TOMA: "The goal of national energy independence should not be reached at the expense of Alaskan citizens and its environment."

THE MODERATOR: Any objection to that goal? I think it needs some --

MR. KELSEY: I think it needs some editing. Aren't you flying in the face of a national goal? Do we have the right to totally keep them from reaching that goal?

THE MODERATOR: We're a sovereign state.

Andy?

MR. HOPE: I would think expense cuts both ways. I think it cuts both ways, both ways. You got to define what

you mean by expense.

THE MODERATOR: Whose goal is that?

MS. LINCOLN: (Georgianna) That's mine.

THE MODERATOR: Georgianna?

MS. LINCOLN: (Georgianna) I don't think it was looked at as expense in the word dollar expense, but that the extraction --

MR. KILCHER: Impact.

THE MODERATOR: Maybe you mean -- use the word "Impact" instead of expense?

MS. LINCOLN: (Georgianna) Like the oil and gas maybe being, you know, pulled out and --

MR. KILCHER: Sucked out.

MS. LINCOLN: (Georgianna) -- and there's no doubt given to what alternative energies should be developed in these areas where that's done, and not just come in and do it because there's a national crisis.

It sounds good to me still. I don't know how --

THE MODERATOR: Karen?

MS. HEDLAND: Madam Chairman, I would suggest that's something we come back to, because alternative energy is not actually addressed in that, and I also do not believe that we are willing to have people freezing to death in nursing homes in Kansas or someplace, because, you know, they can't get the oil from Iran. I don't just think

that's really what was intended originally and I would suggest we come back to that one.

THE MODERATOR: We'll pass this over. Are you making a mark so --

MR. TOMA: I made a check. Are we going to --

THE MODERATOR: No, we're not. We're going to pass this one over.

MS. LINCOLN: (Georgianna) Why don't we take a vote? I get the feeling we're starting to say, "Let's come back and come and back."

THE MODERATOR: Karen had an objection, thinking that the wording should be changed.

MS. REDLAND: My suggestion came from her statement in terms of alternative energy sources. There is no way that addresses alternative energy sources being explored, the extraction of our nonrenewable resources.

MR. KILCHER: But you talk about mean. I think she talks about means when she talks about this. I think the goal is very close. I personally think we can vote.

THE MODERATOR: All right, we'll vote then. Any objection to this goal?

(Responding)

Two objections -- three objections. Four. Did I get them all? Four objections, okay.

MR. TOMA: "There should be a commitment to

agriculture for local and state. It should be commitment to -- " oh, I see, "There should be a commitment to small-scale agriculture for local and state food self-sufficiency as opposed to large agriculture just for export."

MS. HUNTER: Madam Chairman, I think if you look up under Economy, that's almost duplicated, and I'm not sure where it should be, but those two are very similar.

MR. KILCHER: Yes, right.

MR. TOMA: Under development then we have an agriculture here.

THE MODERATOR: "One which -- " okay. Well then, which one do you want to discuss now?

MR. JACK: I move to table that, take that under Economy.

THE MODERATOR: Take it up under Economy? We'll hold that one to discuss economy.

MR. LARUN: Madam Chairman, I agree with that goal up there under Economy, but I think that one is getting something else, too, and I think what we should always be getting at, is production for food self-sufficiency. In other words segregating that as a separate item. There it's lost as business, agriculture. I think we need to send a message to the legislature that we need to produce more food in our own state rather than importing it.

I was just reading today in the Anchorage Daily

News if the lines were cut off to the Lower 48, we'd have hardly enough moose in the State to feed Anchorage for a year if we killed every one of them.

I think with transportation costs going up as they are, and with possible things happening in the future with energy and transportation problems, we should try to develop, as best we can, some agriculture self-sufficiency.

MR. TOMA: I might add, Madam Chairman, that the State has a committed development goal, you know, on this agriculture. I think it fits here also.

THE MODERATOR: Well, I don't think -- that's fine. Perhaps we should vote on this now and --

MR. JACK: Point of order, Madam Chairman.

THE MODERATOR: Yes, you've made a motion to table it.

MR. JACK: Tabling motion does not require a second unless there's an objection.

MS. HAYES: We can adopt any rules of order though.

(Laughter)

THE MODERATOR: Motion to table is undebatable if we're going to go by Roberts Rules of Order, and I should not have recognized anyone after Jack spoke, but I didn't think we were running such a tight ship, but I will defer to his motion and the motion to table is before us.

MR. KILCHER: Point of order, Madam Chairman. As the lady said, since we have not adopted any rules of order,

the point of order is that we have no order. Consequently, you're free not to accept his motion, which I strongly suggest, --

THE MODERATOR: Well, I will --

MR. KILCHER: -- on the point of order.

(Laughter)

MR. HOPE: I'd like to ask for a short recess.

(Laughter)

MS. HEDLAND: Madam Chairman, it does seem we should have a show of hands, how many want agriculture under Development, and let's just ask that question.

MR. KILCHER: No, Madam Chairman.

THE MODERATOR: Yes, Yule.

MR. KILCHER: I agree with the young gentleman over there. The two things are different, one is socioeconomy. The other one is subsidization, everything else is subsidized. And we're talking about surplus money for the next ten or 20 years, and it's a strong case for subsidization funds and they need help outside the normal economic pattern. The state has agriculture and development, but precisely for large export. I think that there's a good --

THE MODERATOR: Jack, would you be very upset if I ignored your motion to table and that we took a vote on this right now?

MR. JACK: I withdraw that with one exception, --

THE MODERATOR: Everybody is being so cooperative.

MR. JACK: -- and that is as far as exporting, that does not exclude exporting of the goods.

THE MODERATOR: Okay.

MS. LONGPRE: I'd prefer the words as "opposed to" to be changed to "in addition to" instead of separating the two forms of agricultural development to be more positive and --

THE MODERATOR: Any objection, the author of that?

MR. HARUN: No.

THE MODERATOR: Kevin? Okay. Change that "in addition."

Chris.

MS. JOHNSON: Yes, my objection to that would be you have the words "in addition to" prioritize the two, making the exportation of more importance than the commitment to our own use of the products, and I'd like to see it reversed in some way, so that that has first priority.

MS. HEDLAND: Would you read it again?

THE MODERATOR: Read it now, please.

MR. TOMA: All right. "A commitment to small-scale agriculture for local and state food self-sufficiency, in addition to large agriculture just for export."

MR. JACK: Madam Chairman.

THE MODERATOR: It does change.

MR. TOMA: I'll change it, "There should be a commitment to small-scale agriculture to local and state food self-sufficiency."

THE MODERATOR: Period.

THE MODERATOR: Okay, any objection to that goal as stated?

MR. KILCHER: Now we got it.

THE MODERATOR: Would you read it, please?

MR. TOMA: Yes.

THE MODERATOR: Mike.

MR. LADNER: I've got a little problem with that, because if we take off that last part, it does eliminate the Delta agricultural projects.

MR. JACK: Yes.

MR. TOMA: No.

THE MODERATOR: No, it doesn't. It doesn't talk to that, does it?

MR. JACK: It doesn't talk to importing. That's what I was --

MR. LADNER: Then does it include an agricultural project of that magnitude?

MS. JOHNSON: Yes.

THE MODERATOR: Because this is just a commitment to small farms, isn't it?

MR. LADNER: Well if it's a commitment to small farms, then I think we're talking about again two different things. Granted the State has funded as a development project, where it's correctly categorized, the Delta Ag project, for example. For two years they've been saying they're going to be exporting grain, not for food, but for protein supplement. Well that's a food, but it's also for soybean for oil, but they haven't exported a pound. Currently they're looking, they've changed some of their philosophy, and they're looking at developing the Delta Ag project to develop the red meat industry within the state.

So, you know, we are developing an industry that, as Kevin wants, or has suggested, that does provide some State self-sufficiency. But I think if we take off, you know, the way it's written now, it's written towards everybody having a garden out in their back yard.

MS. HEDLAND: Not me.

THE MODERATOR: No, it's just meaning that it -- I take it that the State should have a commitment and the means would be that they should appropriate some dollars to see that that is being done, and it doesn't take away from the fact that they're already doing the other business. Am I wrong?

MR. HOHMAN: You can grow night tomatoes, because I can't.

THE MODERATOR: Kevin.

MR. HARUN: To give you an example, we have 25,000 acres coming up for State disposal. A lot of the tracts had been scheduled in large acreages, in other words, to where local people couldn't afford to get into the business. And what people in Two Rivers have asked for by petition is that they be gotten down to under 300 acres, to 40-acre, 160-acre parcels. I agree what Mike is saying is true. We've changed our thoughts on this large-scale agriculture, and we're finding a lot of stuff we're planning on exporting is going to be used locally for the red meat production, and the State has that as a goal at present, but I really think -- I can see putting in a support of the Delta barley project as well, but that's already supported.

What I think isn't supported at the state-wide level are the smaller farms, I don't mean garden, but 40, hundred-acre tract farms, and perhaps if we did have a commitment to that, I think it would really help out.

THE MODERATOR: Is there any objection to the way it's written now, or are we going to -- Jack?

MR. JACK: I would propose to add a wording such as "inhibiting exporting of the agricultural products where feasible."

THE MODERATOR: That's a suggestion. Did you all hear that?

MR. MATHIESEN: I'm wondering if we aren't trying to decide whether we want a higher, lower or equal priority to this commitment, if that isn't what we're trying to establish here, whether we want an equal commitment to small farms or higher commitment or a lower commitment.

THE MODERATOR: I think that is a problem of --

MR. HUSS: Could we just add possibly a commitment to both large and small agriculture for local and State food self-sufficiency? Would that --

THE MODERATOR: I think we need to give the secretary a break, and I think that maybe during the recess you can come up with something. I think we should have a ten-minute break, but please let's not make it longer than ten minutes, because we want to -- we're going along and we need to move. So we'll now have a ten-minute break, and get together on that one issue.

(RECESS: 2:45)

THE MODERATOR: These forms that Chip is passing around are the suggested form that the committee in charge of arranging this conference came up with. It isn't anything that we need to necessarily use, but I thought if we passed them around now, that if you had some ideas of means as we're discussing it, you could just make a note on there now rather than bringing it up, but we could -- you know, it might help when we get back to it tonight. That

was all the reason for giving it to you now.

So, Chip, --

MR. TOMA: Yes, ma'am.

THE MODERATOR: -- may we continue then?

MR. TOMA: Yes.

THE MODERATOR: We're on this agriculture one.

MR. TOMA: Okay.

THE MODERATOR: I think during the recess the authors got together and will accept that change, I believe.

Is that correct, Kevin?

MR. HARUN: We're just going to end it with a period?

MR. TOMA: Yes, right here. "There should be a commitment to small-scale agriculture for local and State food

self-sufficiency."

THE MODERATOR: Any objection to that?

(No response)

We'll accept that then.

MR. TOMA: "The State should be a place where technology and material development works in the service of man, not vice versa."

THE MODERATOR: That was the goal from ten years ago from the Alpha group that we discussed yesterday.

Chris?

MS. JOHNSON: I just have to register an objection to

that. I think that's basically rhetoric. I really don't think it says anything.

MR. TOMA: Okay.

THE MODERATOR: Any other comments?

MS. JOHNSON: Could we vote on it?

THE MODERATOR: We did discuss it yesterday, but we didn't accept it, so now do you wish to accept this as a goal?

MS. JOHNSON: I object.

THE MODERATOR: Any other objections?

MR. BUSS: I object.

MR. MACK: I object.

THE MODERATOR: Object? Four, five? Is that an objection, Carolyn?

MS. JONES: M-hm (nodding head).

THE MODERATOR: Let's take a vote, there's so many objections. All those in favor of this as a goal please stand.

(complying)

THE MODERATOR: Those opposed stand.

(complying)

THE MODERATOR: That one will be stricken.

MR. JACK: One abstention.

THE MODERATOR: One abstention, okay.

THE MODERATOR: Excuse me, I'm sorry, Stan.

MR. MACK: Before the vote, I was just going to tell you, if it's already been established as a goal ten years ago, you know, it's there already, if we don't vote on it.

THE MODERATOR: Okay.

MR. MACK: Are we voting to strike it from the ten-year plan or are we --

MS. HUNTER: No. No.

THE MODERATOR: No.

MS. HUNTER: Just not reiterating it.

THE MODERATOR: Right.

MR. TOMA: Under human resources "The State should guarantee the dignity and well-being of Alaskans of all ages and economic status."

MS. JONES: Madam Chairman?

THE MODERATOR: Yes, Carolyn.

MS. JONES: I handed Chip a third page.

MR. TOMA: Excuse me, I forgot. Under Development, "No oil and gas leases should occur until the Coastal Resource Service Area plans have been completed and approved by the cognizant agencies."

THE MODERATOR: That's under Development?

MR. TOMA: That's under Development, yes.

MS. HYLEN: Would you read it again?

MR. TOMA: "No oil and gas leases should occur until the Coastal Resource Service Area plans have been completed

and approved by the cognizant agencies."

THE MODERATOR: Any objection?

MR. KELSEY: What does she mean? I'd like to have it explained.

THE MODERATOR: Could you explain it? Is that yours, Carolyn?

MS. JONES: No.

MR. JACK: The author is here.

THE MODERATOR: Who? Yours?

MR. JACK: Yes.

THE MODERATOR: Okay.

MR. JACK: Madam Chairman, according to the State schedule of leasing time tables, Norton Sound Basin is up for leasing in '82. Norton Sound Basin is involved, St. George Basin is involved. And the State has formed under the Coastal Zone Management enabling that legislation. We formed the Coastal Resource Service Area District encompassing all of the Yukon-Kuskokwim area. Our concern is that the governor under his authority should postpone those oil and gas leases until such time the Coastal Resource Service Area plans have been completed, otherwise it would be like putting the cart before the horse.

THE MODERATOR: Do you understand what the --

MR. KELSEY: But isn't he talking about a regional thing? I don't understand that to apply to the rest of the

state.

MR. MARUN: It does apply in the Beaufort Sea. Right now there's a suit against the oil sale on behalf of the North Slope Borough, and the way it works is that they have to develop a Coastal Zone Management plan and that plan has to be approved by the legislature. Now if that plan is approved, then the existing laws as they are take effect and there is no regulation on it. It seems to me the main point that is being brought up is local control over the resource extraction, and my personal feeling on that is that it's a good thing, in that it hasn't been abused today. In the North Slope Borough they didn't object to the oil and gas lease sale. They just objected beyond a certain depth in the water, up to the Barrier Islands. So it's a laudible objective, I think. Maybe it might be rewarded a little bit.

THE MODERATOR: Marion?

MS. HYLEN: I've sat here and said nothing. I am against our being blackmailed by the Arabs, and every place, you want more money, more money, money for this. You want the State and the Federal Government to provide roads, ports, assistance. Every place you want money. Now, where in the heck is the money going to come if we don't extract some oil, if we don't take care of the South 48? They have to have this, if we're going to become self-sufficient. If

the Arabs cut off the oil, you haven't even got the oil to supply the planes. And for us to sit here and say "We don't want any of this, we just want money," I think is really self-serving, nor is it thinking of anyone else but our own little selves. And there's more people in this country than just Alaskans.

THE MODERATOR: Celia?

MS. HUNTER: I don't think what is being discussed here is necessarily eliminating oil production on State lands or within State waters in Alaska. Of course, this is offshore leasing. But I think that we're looking at a collision of State interests and not necessarily purely local parochial interests either. The Coastal Zone plans which are being an adapted are designed to take into account all of the resources in an area, and I think it's much better for us and much better for the welfare of Alaska and of the whole country to take into account those resources, because it doesn't make sense to eliminate a fisheries resource in order to have a short-term oil resource, if you can have both by care. And I think this is one of the major things that the Coastal Zone plans are trying to promulgate, is a matter of how do we judge the impacts that this oil production is going to make? What are we going to lose? Can we afford that cost? And is there a way to mitigate it?

And I think further in terms of our own financial well-being that, if you go on into really major oil and gas policy, that if Alaska looks ahead to leasing all of its oil potential within the next few years, we're going to lose a lot of money. What we need to do is to space our leasing out to such an extent that we maintain an even flow of income from that leasing, because that's a one-time-only resource, and we'd be crazy to just commit it all at current prices when everything is going up like mad. And I think that the point is very definitely that we have to have some protection of coastal resources other than oil along with oil development.

THE MODERATOR: Are you speaking in favor of the goal?

MS. HUNT: Well, I think what they're trying to do is to not stop the oil development, but to put it in coordination with a planning process.

THE MODERATOR: John Kelsey?

MR. KELSEY: Madam Chairman, I just feel that the Coastal Zone Management Law takes care of that. It addresses that. And I really don't see the reason for this. I believe there are safeguards in that management law.

THE MODERATOR: Carl?

MR. JACK: Madam Chairman, currently the leasing schedule does not affect the Norton Sound Basin, which is scheduled for '82, and Kound Basin in '85, it's all

state-wide, you have Cook Bay '84, Kodiak '83, Aleutian Shelf in '85, St. George Basin, '85, the Hooper Bay Basin in '85. I think that the people here should be cognizant of the fact that there are a lot of people out there in the villages that have that have great concerns about this, and this does not necessarily mean that we're all out for stopping such leases, but to put this in a perspective through which everyone will be involved in the planning process.

THE MODERATOR: Thank you, Carl.

Chris?

MS. JOHNSON: I agree with what Carl has said, and I would like to speak in favor of the idea which Carolyn is expressing, but I'm concerned about the areas that -- let's say, we are developing our resources in the interior of Alaska where there is no Coastal Zone Management plan, and I would like to broaden what she has said into something that says, "The development of our natural resources should respect the needs and desires of the regions affected." I'd like to see something broad like that and not so specific.

THE MODERATOR: Kevin?

MR. HAKUN: Well Georgianna had one up there that I -- did we table or approve, "goal of natural energy independence not be reached at the expense of Alaskan

citizens and its environment."

THE MODERATOR: That was passed over.

MS. KINGHA: No, we passed it.

MR. TOMA: No, we passed it.

MR. HARUN: I thought we had passed it. If we had passed that, then the Coastal Zone Management tools might be a means underneath that, that goal, as well as perhaps some other suggestions for on-land resources in the interior. Maybe you want to go stronger on that, but it could fit, if you want it to, because that's what we're talking about. We're talking about energy extraction and its effect upon people in the environment.

THE MODERATOR: Carl? Did you want to respond to that?

MR. JACK: I've just been advised that there is basically no coordination between the federal -- with the Coastal Zone Management enabling legislation which resulted in the time frame that has been established by the Federal Government for offshore leasing.

THE MODERATOR: Then what you're saying is that this is an important goal that should be separate from the other?

MR. JACK: It is. Should be.

THE MODERATOR: Okay, are you ready to accept or reject this?

MS. REDLAND: Yes.

THE MODERATOR: All those in favor --

MR. HAKUN: Could we have it read one more time, please?

THE MODERATOR: Yes. Would you read the goal, please?

MR. TOMA: Yes. "No oil and gas leases should occur until the coastal research -- completed and approved by the cognizant agencies

THE MODERATOR: We did say we weren't going to make negative statements. So could we --

MR. TOMA: okay. "Oil and gas leases should occur until the Coastal Research Service Area plans have been approved by the cognizant agencies."

THE MODERATOR: Ellen.

MS. HAYES: Yes, are we, Madam Chairman, then looking at this as a means under development or is it an end in itself?

THE MODERATOR: No, I understand it's a goal.

THE MODERATOR: Stan?

MR. MACK: I have trouble with the wording of the goal. There is a difference between leasing of a plot and developing that plot. Are we assuming then that immediately upon leasing we are then taking for granted that activity will start in in regard to, in this respect, drilling of the well? Or are we addressing the issue of merely leasing an area? I have trouble distinguishing between the two.

THE MODERATOR: I hope someone around here can answer that. Not me.

MR. JACK: Madam Chairman, there's basically three methods, as I understand it, I could stand corrected on this, that there's two major steps that it will take. One is the nominations for sale for the affected areas. Following that, exploration will start. And after the exploration starts, then the development would occur, and at the development stage, which is probably the time frame between exploration and development, is probably about five years in general, I believe. At the time of the development, that's when they go out and drill for oil.

THE MODERATOR: Are there any other objections or comments before we vote on this? Gary?

MR. LOLTHUS: I just wanted to sort of second what Carl said about the concern of the people around the coast, and point out that this one, while it's more specific, that Georgianna's is necessary, partly because I happen to be familiar with some developments in other states, like in Montana and Wyoming. Those places are being called national sacrifice areas, and the State governments are having terrific struggles to maintain any kind of constraints on the development of coal, especially, and oil. And I think this is another kind of constraint that gives the State a lever in dealing with the Federal Government.

Now, the issue in the simplest form is: Who is going to develop resources? Is it going to be the feds? Is it going to be the State? Is it going to be private industry? And on whose timetable? And so far we've been losing the battle with the feds in terms of the timetable. This gives us a little handle, or one more weapon to use in that kind of a struggle.

THE MODERATOR: Andy.

MR. HOPE: Did we start standing up again or --

THE MODERATOR: I don't know.

MR. HOPE: The one thing I have a question about is that agencies, how many agencies and what, from where? I think it would be best if it would be left up to the local agencies or local governments, as I have stressed.

THE MODERATOR: Carl?

MR. JACK: Madam Chairman, clarification on that, as I understand it, upon the completion of the coastal or CR, plans would be submitted to the Alaska Coastal Policy Council. So that's a State agency. So the cognizant agency is synonymous with the State agency in this case.

THE MODERATOR: Okay, we're ready to --

MR. KILCHER: Madam Chairman?

THE MODERATOR: Yes, Yule.

MR. KILCHER: With the word "when" there, with the word "when," it almost looks like a dictate, that oil and

gas leases should occur when, immediately after, but I think if we take "after" instead of "when," it's more important than to Style and Drafting, just say "after," or "only after" possibly.

MR. TOMA: "Only" might satisfy the "until" part of it.

MR. KILCHER: Yes, only after the Coastal Resource Service plans have been agreed. Not "when."

MR. TOMA: So we read, "Oil and gas leases should occur only after the Coastal Resource Area plans have been completed and approved by the cognizant agencies"?

THE MODERATOR: Carl, do you accept that?

MR. JACK: No objections.

THE MODERATOR: Carl accepts that. Do you have a comment, Andy?

MR. MATHIESEN: Yes, I should like to say that those leases should occur only when justifiable and after their resource service area plans have been completed. Otherwise, you're saying that those leases should occur no matter where, as long as you got a plan for it.

THE MODERATOR: Do you wish to change that?

MR. MATHIESEN: Yes, I would like to see that issue occur only where justifiable.

MS. HEDLAND: By whose standards?

MR. HUSS: Won't that be included in the Coastal Zone Management plan?

THE MODERATOR: I don't know enough about that, I can't answer that. Marion?

MS. HYLEN: May I ask a question? Is this coastal zone, or the -- let's see, I can't see that.

MR. TOMA: Excuse me.

MS. HYLEN: Coastal Resource Service Area plans, is that -- that isn't the State coastal zone. This is the regional that he's talking about?

MR. JACK: No.

MS. HYLEN: Or is it the state?

MR. JACK: It's state.

MR. TOMA: State local and regional. I mean it's federal, state, local and regional. All four entities have been brought into these planning agencies.

MR. HOPE: Under whose legislation?

MR. TOMA: Under federal legislation. These are under federal -- these are federal monies that are pumped in to set these up.

THE MODERATOR: Is Jane knowledgeable -- Jane Anvik is here, and I think maybe she could straighten that out for us.

MS. ANVIK: This is a quick resource background. The Coastal Policy Act is passed by the Federal Covernment. The state of Alaska then has the opportunity to develop its own coastal policy act, which it did do. What that then

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Conference on Alaska's Future Frontiers

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provides for is that Local Resource Planning Councils can be established to develop a plan about how the coastal areas in their region will be developed.

In the areas where you have a local unit of government, such as a borough, the borough represents and is that agency that develops the coastal policy. Such as the North Slope Borough, the municipality of Anchorage, the Kenai Borough or the Mat-Su Borough. However in the areas of the unorganized borough an election must be held whereby the people in the region must duly agree through an election to form such a council; then, secondly, they must elect members to that council who are regional representatives.

They then go through the process of developing a plan. That plan must be approved by the local council. It must be approved by the State Coastal Policy Council, which Carl mentioned, and must then be approved by the Federal Government. What that then does is says that no federal action may go against the policies as established by that plan. And it's called consistency. It also says that no State action can go against the policies that are laid out in that plan.

So that it really provides local regions a tremendous clout in determining what both the State and the Federal Government will do in relationship to development

along the coast.

THE MODERATOR: So actually the suggestion of Andy's really isn't necessary, that wording, or is it?

MR. HOPE: Well, it helps to know these things.

MS. ANVIK: Okay, the decisions about whether or not a lease will occur, also, as Carl mentioned, the coastal management, the coastal zone planning legislation, operates totally independently from the legislation and the agencies that govern leasing. And they are in fact at this time not coordinated. So that the Bureau of Land Management governs leasing and NOA governs other agencies, which are different agencies within the Federal Government, which is one problem why the timing is a little out of sync right now.

The decision to hold a lease sale or not will in the future be based in compliance with those coastal plans as well as other kinds of considerations, such as whether or not they anticipate there's any oil there, a very extensive both socio-economic and environmental assessment of the area. The issue of justifiable, the federal and the state government would probably argue that no lease would ever occur unless it was justifiable through going through several checks anyway. The coastal policy, the coastal zone plans will represent yet another measure in determining whether or not it's justifiable to lease in the area.

THE MODERATOR: Thank you, Jane. Marion?

MS. BYLEN: Then why do we need this?

MS. ANVIK: Currently the federal leasing schedule is not in sync with the same federal and state law that says that coastal management plans will be developed. The leasing schedule is ahead of -- we're probably four or five years off. The leasing schedule says that there will be a lease sale, for example, in the Norton Basin in 1982. The Norton Basin Coastal Zone Plan will not be ready probably before 1982. The reason, for example, the Beaufort lease sale today is going back and forth is that the North Slope Borough raced to try to get their Coastal Zone Management Plan done prior to the lease sale which is to be held next week, and it's now before the Court trying to decide whether or not that will happen. So the issues, they're not in sync.

THE MODERATOR: Okay one more comment.

MR. HOPE: Rosita Whirl has worked pretty hard on this. Before we take any action, I'd like to hear from her or at least somebody from up there that's been working on it. Again, it's presumptuous for us to take action.

THE MODERATOR: Let's put this one over then. We have a request to hold this one over, so we'll hold it and go on.

Unfortunately we have to move again at 4:30, but we do have a room to go to, but it's going to be very --

I'd like us to get as far as we can now.

MR. KADEN: Who are we waiting for on this room?

THE MODERATOR: He wants to have some input from somebody who is not on our committee, but a --

MS. KINGKA: She's a delegate.

THE MODERATOR: Rosita Whirl from Barrow?

MR. HOPE: Anchorage.

MS. HEDLAND: Point of information on this Coastal Zone Management, which since I quit League, I've sort of gotten out of it again, but it's my understanding, Jane, correct me if I'm wrong, that every local community has to have input into the local management plan. I know I sat in on numerous meetings right here in Anchorage for what are they going to do, Tidewater Freeway and so forth. The concern which I think is a valid thing to address in our goal statement is that the mandates of the federal law, which were "Thou shalt have a local and a State plan in order to be eligible for federal funding and so forth for Coastal Zone Management" are not being dealt with, because they said we had to have a State Coastal Zone Management plan, you know, that took five years, or whatever, of hearings.

We came up with a plan. Then they said we had to have local plans. We did that. We came up with local plans. And now the Federal Government is on their own

timetable and they're ignoring exactly those things they said we had to have. So there is some validity to reemphasizing the fact that we should at least conform with -- or they should conform with what they told us to do.

THE MODERATOR: Haden, were you objecting to the fact that there was no need to hold this over?

MR. KADEN: I don't see any reason. I don't know Kosita Whirl, but --

MS. LINCOLN: (Georgianna) That was my statement. I don't see any need to hold it over. I'm ready to vote.

MS. HEDLAND: Read it again.

THE MODERATOR: Read the statement.

MR. TOMA: "Oil and gas leases should occur only where justifiable and after the Coastal Resource Service Area plans have been completed and approved by the cognizant agencies."

THE MODERATOR: Now, Andy had a suggestion for some word change there.

Do you still want that change or are you satisfied with the explanation, that --

MR. MATHIESEN: They're in there.

THE MODERATOR: -- the concern would be there. It's in there okay. All those in in favor of this as a goal please stand.

(complying)

It's okay. I wasn't sure. Passed.

MR. TOMA: "The State shall develop bottom fisheries and the continued rehabilitation of existing renewable fisheries." I'll just put "continuing" in here.

THE MODERATOR: Is there any objection to this goal?

MS. REDLAND: Hooray.

MR. TOMA: That's a big commitment, you know.

MR. MATHIESEN: I could tell you I'm opposed to the State developing bottom fishery.

THE MODERATOR: You are?

MR. MATHILSEN: Darn rights I am.

THE MODERATOR: You think it should be done --

MR. KADEN: Why?

MR. MATHILSEN: The State is not obligated to develop anything. Their obligation is to perpetuate that resource.

MR. KILCHER: Right.

MR. MATHIESEN: The State doesn't owe fishermen a living, contrary to the limited-entry thing. They owe the rest of us the fact that the fish are going to be there a hundred years from now. And that's the sole obligation.

THE MODERATOR: Kevin?

MR. HARUN: I was assuming within that that the State would encourage the renewability of the resource at the same time. I think that unless we do encourage renewable resources, we end up risking pulling communities which now

depend on it forcing them into nonrenewable areas, putting roads in there, doing a lot of different things that would be harmful, and so I personally feel that bottom fishing is a good economic development, but that it does imply, maybe we want to clarify, that the State has an obligation to maintain the long-term viability of that resource at the same time.

MR. TOMA: This right here means building docks and support facilities on the Aleutian chain. That's what the meaning of this phrase is right here.

THE MODERATOR: John?

MR. KELSEY: I would suggest that you insert the word, first word to be "encourage."

MR. KILCHER: Or "favor," or "favor."

THE MODERATOR: The State should encourage, what? the development?

MR. KILCHER: That's right.

THE MODERATOR: How does that read now?

MR. TOMA: "State should encourage the development of bottom fisheries."

THE MODERATOR: Ellen?

MS. HAYES: Madam Chairman, just a question raised here by these two men, for me then I need clarification. Does the language here then indicate that the State is in business --

MR. TOMA: No.

THE MODERATOR: --

MS. HAYES: -- of developing? Or the facilities. You know, the way it looks now is that without discussion by a group whose ideas come around verbally, that without that verbal exchange, the State is in business to develop bottom fisheries, the State of Alaska. So it looks like they would be the business entity from the way I'd read it.

THE MODERATOR: David?

MR. KEENER: I get the feeling that we're here to determine how to spend a certain amount of money for the future. What we have are expenditures in government for telecommunications, for expenditures from which you will never get an economic base, unless you keep subsidizing. The development of bottom fisheries may not prove to be viable, because it may not be competitive on the world market. But if it is, you're creating an industry, a community, an economic base, that will get on its feet and be able to perpetuate itself in private industry without further governmental assistance. So it's one program where it helps itself.

THE MODERATOR: Any other comments?

MR. MATHIESEN: I disagree with that completely. The country's full of places where we have developed something to an entity, a production entity, is what I think he's

talking about, to utilize a natural resource. And without proper management of that natural resource, then we have a community that needs further support. I'll give you a prime example on bottom fish, seeing as how that's what we're talking about.

We encouraged a few years ago a drag fleet to come around from the east to harvest scallops. Most of them couldn't afford to go home, in spite of record catches, world record catches of scallops here for a short period of time. And I think if you asked me to stop and think, I could think of a few more. We shouldn't be in a development business.

MS. BEDLAND: Madam Chairman, what it sounds like we're looking for is support for expanded expertise in technology for our renewable industries, and bottom fish and fisheries in general and so forth all come under that. I think I'm a little disturbed by limiting it to bottom fish and not just the whole technological concept, and that's probably someplace else, but maybe that's the drawback. It looks like we're subsidizing one industry over another.

THE MODERATOR: Chris?

MS. JOHNSON: I have exactly the same concern. I think we're becoming overly specific. We are addressing ourselves to botton fish, but we're not addressing

ourselves to the crab industry or the salmon industry. I think if we want to talk at this point, I see that, Chip, I see that --

MR. TOMA: Okay.

MS. JOHNSON: -- but at this point. These are our goals. They're supposed to be broad. We're going to talk about narrow things later. We can't just discuss the bottom fish industry here in three minutes. I mean I think we need to look big right now and then narrow later. I think this is much too narrow.

THE MODERATOR: Anyone else before I call on David again? Haden?

MR. KADEN: In several of the papers there was a plea for setting up an institute or a number of them and pumping a lot of this money into just basically research and research, you know, that relates specifically to specific rural countries, to Alaska's peculiar environment, their natural resources. Maybe that's the way we should be looking at some of this resource development, you know, and maybe make that a goal that part of that money should go into having local, you know, research in Alaska, top quality, you know, with the -- and that would deal with alternative energy sources and, you know, fishing, you know, the whole gamut of, you know, technological skills as applied to life in the northern countries.

THE MODERATOR: Well, that would be more in line with what Andy thinks should be done, as far as renewal of the fishing industry, to have research, which would preserve --

MR. MATHIESEN: Madam Chairman, that is really true, because part of research, as it relates to the fishery, may even include having the Japanese harvest the fish. We get the money. We go to Mexico and South America and have a glorious winter. We don't have to go out there and pound our butts on the ground floor. That may prove to be a better alternative.

THE MODERATOR: Would you like to scrap this statement and coming up with a broader statement? Is that the feeling, the consensus of the group?

(Answering affirmatively)

THE MODERATOR: We'll scrap that, and someone comes up with a good strong research statement for resources.

Excuse me, Stan, you're going to have to scream at me.

MR. MACK: There's a program. I think the program is already incorporated where the State has subsidized some industries in respect to the bottom fishing. That program I believe is already in effect.

THE MODERATOR: We're down to human resources section, right?

MS. HAYES: Up to.

THE MODERATOR: Up to human resources.

MR. TOMA: The State should guarantee the dignity and well-being of Alaskans of all ages and economic status.

THE MODERATOR: Any objection to that?

(No response) Okay.

MR. TOMA: The State should support systems for all family structures, including adequate housing, preventive and crisis, medical treatment, day care and aid for elderly as essential.

THE MODERATOR: Gary, I'm sorry, you had your hand up, I didn't see you behind him.

MR. HOLTHUS: That was fine. I just think once again we've got our ends and means mixed up.

MR. TOMA: Okay.

THE MODERATOR: Oh.

MR. HOLTHUS: I'd rather see it say something like a place where adequate mechanisms are provided for the health and safety of families. And then we'll have time during the meetings to get into the support systems that provide for that. I'm not just interested in support systems and not just interested in support systems, but some more --

THE MODERATOR: Well, that was your goal and I guess somebody else wrote it up for you, because --

MR. HOLTHUS: It's got everything in it. It's just that I think it's got the means as well as the end.

MS. HEDLAND: I did write it up and I did try to put it all in there, but I think the word mechanisms was also a means --

MR. HOLTHUS: Yes.

MS. HEDLAND: -- therefore, and I do believe after thinking about it, that just a goal of support systems is an achievable and valid goal, and in the means you have to get into the administering of these and the mechanisms for them.

MR. HOLTHUS: Madam Chairman, I don't agree at all. I think it's possible to have an infinite number of support systems and still have, as we have some now, and still have unhealthy families and unsafe families. So I think the goal is to have healthy, safe families, and that's -- that's the goal.

THE MODERATOR: Can you change it right now by looking at it?

MR. HOLTHUS: Sure, what we want is healthy safe families.

THE MODERATOR: Karen?

MS. HEDLAND: However, I'm very concerned that the implication of family will include a single person, a divorced person --

MR. HOLTHUS: I hope so.

MS. HEDLAND: -- with two children and the elderly,

and somehow it never does. That's why I wanted to somehow get in there all types of family units or something like that.

MR. HOLTHUS: Yes, okay. Well, let's just say healthy and safe conditions for everyone then or something like that. I hate to water it down all that much, but maybe in the means we can get to the rest of it. But health and safety I guess is the thing that really concerns me. Dignity is fine, but you can be sick and dignified, too, and you can be in poverty and dignified. So I think we need something more than that, and health and safety is fine, and just say that and we'll include the definition of families in the means.

MR. TOMA: Support health and safety systems?

MR. HOLTHUS: For everyone.

MR. TOMA: Okay for everyone.

THE MODERATOR: Andy?

MR. MATHIESEN: Couldn't we say like for instance the welfare of our human resources should hold the highest priority?

THE MODERATOR: The what?

MR. HOLTHUS: Well, welfare can be such a bad word.

MS. HEDLAND: I was afraid of that word myself.

MR. MATHIESEN: Well, you might choose something different, but I think the meaning is not complicated.

THE MODERATOR: How does it read now?

MR. TOMA: "The State should support health and safety systems for all Alaskans."

THE MODERATOR: Well, maybe just state it health and safety should have a high priority, should be a high priority.

MR. BOLTHUS: I think the State's minimum obligation is to provide for the health and safety of its residents, period. If we get the systems in there, then we're still, you know, the State's goal is to provide systems. It's not to provide health. That's not where we're at.

MR. KILCHER: That's where we're at.

MR. BOLTHUS: That's where we are at, that's right.

MR. TOMA: "The State should support the health and safety of all Alaskans."

THE MODERATOR: Does that really say though what you mean?

MR. BOLTHUS: Well, provide for -- I'd say provide for instead of support.

MR. TOMA: Okay.

THE MODERATOR: Ellen, did you have a comment on that?

MS. BAYES: While he's writing on that one, Madam Chairman, I'm trying to figure out the top one that went by. We are saying that we will guarantee the dignity of economic status, the well-being of economic status, that

economic status, in my head, I don't know how it hangs in there very well. In the future we want to guarantee the dignity and well-being of Alaskans. Then how does the economic status, what does that mean? To me it isn't in good form.

THE MODERATOR: Well, right now, Ellen, I think this is confusing. If we can finish what we're on right now.

MS. HAYES: While he was writing, I had to make a point. I'm not satisfied with it.

THE MODERATOR: All right, I'll make a note of that.

MR. TOMA: The State should provide for the health and safety of all Alaskans." Okay.

THE MODERATOR: Any objection to that?

MR. MATHIESEN: What if you see somebody, just, you know, laying out in the street and doesn't want to contribute anything? Then what we're saying is that we should have some entity come along and pick him up? Buy him a nice set of clothes like John's got here and furnish him a nice house and make sure he's back in the mainstream? Is that what we're saying?

MR. TOMA: I don't think so.

THE MODERATOR: I don't believe so.

MR. MATHIESEN: They're guaranteed these things.

MS. KINCKA: But you're not specifying how you're guaranteeing.

THE MODERATOR: We're on the second one now. We're discussing the second one now.

Will you read it again?

MR. TOMA: "The State should provide" or "shall provide for the health and safety of all Alaskans." "The State should provide for the health and safety of all Alaskans.

MS. LINCOLN: (Georgianna) Question.

MR. HOLTHUS: I don't guess it's worth going back for one of us I guess. We can talk about it a little bit.

THE MODERATOR: Are we in agreement on this?

MR. KILCHER: Yes.

MS. LINCOLN: (Georgianna) Let's vote on it.

THE MODERATOR: Is there any objection to the wording of this second goal under human resources? I see no objection.

MR. TOMA: Is there any distinction between "shall" and "should"? Should we make it "shall" consistent the whole way through here? Do you have some feeling on that? I guess we shall. The State shall provide for the health and safety of all Alaskans."

This is a means I would imagine, educate doctors about nutrition.

THE MODERATOR: What was the next one there?

MR. TOMA: "The State shall have programs which

effectively address alcohol abuse as an independent -- oh, as an impediment, excuse me. "The State shall have programs which effectively address alcohol abuse as an impediment to full utilization of Alaska's human resource and nutritional --

THE MODERATOR: Means? That's a means, isn't it? If you're talking about the State having programs, that's a means.

MR. HUSS: Means.

MR. TOVA: Nutritional, means, okay. "The State shall provide programs which effectively address alcohol --

THE MODERATOR: Isn't that a means? The State shall provide a program? You're going to have to change that to make it a goal.

Kevin?

MR. BARUN: It is covered, but it isn't, because what we're looking for under the means are specific solutions, and this, if you leave it as it is, is not a specific solution, it's a goal. It's a general goal. And so it's going to have to be refined more. But I think as a goal, it's a laudible goal.

MS. HYLEN: A goal is the elimination of alcoholism in Alaska, would be the goal.

MR. BARUN: How do you do that?

THE MODERATOR: Could we have some order? I must tell

you that when you are talking like this, nothing goes on the record, because there's no way that she can get anything. So if you want it to be on the record, you will have to address the chair.

Okay, we're now back to this one. Would you read it again, please?

MR. TOMA: "The State shall effectively alcohol abuse as an impediment to full utilization of Alaska's human resource."

THE MODERATOR: Any objection? Marion?

MS. HYLEN: Why don't you just say that we -- the goal is really to eliminate alcoholism in Alaska?

THE MODERATOR: Is that an achievable goal?

MS. HYLEN: I mean you have a goal. These others are means. Your goal is still there.

MS. LONGPRE: I differentiate alcoholism from alcohol abuse. There is -- I believe there is some alcohol abuse, at least in the idea that I'm from, that is not -- wouldn't necessarily be called alcoholism or not alcoholics.

MS. HYLEN: You mean when he gets drunk and beats somebody else? That's alcohol abuse?

MS. LONGPRE: I'm talking about alcohol abuse in our area by children. I couldn't class them as alcoholics. But children, you know, there's a large percentage of alcohol abuse by children in our area. I wouldn't call

them alcoholics.

THE MODERATOR: Yes, Marion?

MS. HYLEN: Madam Chairman, that comes under the same thing that there's a lot of abuse on kids eating candy, too. But it isn't something that you can eliminate.

But the thing you have to work for is your alcoholic. He is the only one that's a detriment to society.

MS. LONGPRE: I think that --

THE MODERATOR: Chris?

MS. JOHNSON: Could I suggest that we pass the general idea of this and leave the wording up to the Editing Committee?

MR. TOMA: To the author? How about to the author?

THE MODERATOR: Do you agree with the concept that this is a goal that we need in the -- in our goals statements?

MR. KELSEY: We already have.

THE MODERATOR: You agreed, okay. I stand corrected, all right.

Style & Drafting will be sure that the point is --

MR. TOMA: Under Human Profit, "The State shall grant tax credits and/or investment incentives to industry, to encourage the provisions of services and to offset adverse impact from developing after the fact."

MS. KINCRA: After the fact of industry.

MR. TOMA: Impact developing after the fact.

MS. KINCRA: In Fairbanks we still have the adverse impact of the pipeline and we're still trying to handle it, and if they had done -- if they had thought about what might have happened before they were allowed to go through and made some provision for services that would have offset that adverse impact, then we wouldn't have it now, and the company who developed the business would have paid for it instead of the citizens who are left there now. That's probably worded improperly, but that's what it is.

THE MODERATOR: Carolyn?

MS. JONES: I think some of what's up there is a means. And I would suggest that the general goal is probably something like this: The State will encourage Alaskan-owned and operated industries to assume their social responsibilities to provide needed services and to offset adverse developmental impact in the community.

MS. KINCRA: I'll accept that wording.

MR. TOMA: Okay, do you have that wording?

THE MODERATOR: Did you all hear it?

MS. JONES: Want me to read it?

MR. TOMA: You have the wording. Just hold onto it. We'll vote on that then.

THE MODERATOR: Would you read it? They didn't hear

it. Would you speak up?

MS. JONES: All right, okay. "The State will encourage Alaskan-owned and operated industries to assume their social responsibilities, to provide needed services, and to offset adverse development impact in the community."

THE MODERATOR: Is there any objection to that? John?

MR. KELSEY: Question: Do we want to limit it to Alaska-owned and operated?

MS. LINCOLN: (Georgianna) That was my question, too.

MS. KINGKA: To private industry.

MS. JONES: Fine, fine.

THE MODERATOR: Any other objections? Changes? It's accepted.

MR. TOMA: Okay, "Funds should be made available for building suitable medical facilities in rural areas."

MS. HYLEN: That is a means.

THE MODERATOR: That is a means to a --

MR. TOMA: No, that's a goal.

MR. KILCHER: Yep.

MR. TOMA: I mean health is already a goal, right?

THE MODERATOR: Yes.

MR. TOMA: But this is a goal, too, because I mean it's been a long-time goal.

THE MODERATOR: Any objection to that as a goal?

(No response)

Accepted.

MR. TOMA: Under Education, "One which provides continuing education for all age groups," or an age group? All -- yes, excuse me, an education -- "The State shall have an education policy which provides continuing education for all age groups."

THE MODERATOR: Any objection?

MR. KILCHER: I think we had that.

THE MODERATOR: Beg your pardon? Do you have a comment, Yule?

MR. KILCHER: I think that exists.

MS. KINGRA: No.

THE MODERATOR: Continuing education, that means life-long.

MS. HUSS: The State has policies for bits and pieces of it, but not much of a whole policy for the State.

THE MODERATOR: Kaden?

MR. KADEN: One thing, Chip, where that says one in which, what that is is just continuing, "We envision a future for Alaska as "One which," that's why it states like, instead of saying "The state should do these things." That was the format these were being set up in.

THE MODERATOR: Well, the Style & Drafting is going to have to decide which form it's going to be.

MR. KADEN: But opposed to him scratching, you know --

THE MODERATOR: Don't edit. What they were using was

this form that was left from ten years ago.

MR. TOMA: All right. "One which provides continuing education for all age groups."

THE MODERATOR: Is there any objection?

(No response)

MR. TOMA: Okay.

THE MODERATOR: It's accepted.

MR. TOMA: "better standards for village high schools."

THE MODERATOR: Whose is that?

MS. HAYES: Doesn't matter whose it is unless there's comment about it.

THE MODERATOR: Is there any comment?

MR. KELSEY: Doesn't the State have certain standards that they have to -- all high schools have to follow?

THE MODERATOR: Yes, there are standards, but someone is questioning and wants them improved, I guess.

MR. KADEN: Just seems like that's pretty narrow. You know it's creating sort of a division, thereby distinguishing --

THE MODERATOR: David?

MR. KEENER: I think possibly it might just be the word better. I mean better for us or better for them, for their own life-style. Somewhere it's got to be correlated where it meets their own needs.

THE MODERATOR: John?

MS. HUSS: I'm not sure what's meant by standards.

THE MODERATOR: Chris?

MS. JOHNSON: I'd go back to Haden's original point, that I think this is overly narrow and maybe should be addressed at another time in the means category.

THE MODERATOR: Carolyn?

MS. JONES: Over on Justice, B, which people said was in the wrong place, would that satisfy what we're talking about under better standards? Would that be the goal and that be the means?

MR. TOMA: "One where we have high expectations for all our students and where the opportunity for an enriched education is available to all Alaskans without discrimination."

MS. JOHNSON: Yes.

THE MODERATOR: Yes, that sounds like that should be moved over there.

Georgianna?

MS. LINCOLN: (Georgianna) Well, Carolyn on that, it says, we have high expectations for our students, but -- and an opportunities for an enriched education for all. Heck, the State could have high expectations. I'm sure they do for all of our students. I'm more concerned about our high expectations for the standards for quality of education that they're receiving. And we all have high

expectations of the students.

MS. JONES: I don't have any quarrel with you on that.

MS. LINCOLN: (Georgianna) I think instead of students that needs to be changed somehow where we have high expectations for the quality of education.

MR. TOMA: For the quality of education? I don't know if we want to change what we've done.

MS. JONES: May I be recognized, Madam Chairman?

THE MODERATOR: Carolyn.

MS. JONES: We never discussed b or any of them, we just voted on them.

MR. TOMA: Yes.

MS. JONES: Could I have 30 seconds to explain my intent?

My intent in saying high expectations is because it's my observations in the school with my black child and other black children, and in conversations I've had with some native parents, that there are teachers in the school that do not expect a high performance from minority students. They do not encourage them. They do not demand excellence. They do not get upset when those children don't do their homework. And as a result they are rewarded with mediocre performances, and so my point in including high expectations is that I want the school systems to expect the highest from all the students. And my point in

putting enriched education indication is that I've been informed that while there are a lot of rural schools where you now can stay home, they do not provide all the courses that some of the students need to have an enriched education. They're getting a basic education. Maybe you want to say something else, Georgianna, but that's what I meant.

MS. LINCOLN: (Georgianna) I guess again it's just this high expectation from the students. That's the thing that's a hang-up for me, because that's true about, you know, the teachers not having a high expectations, but I think it's the teacher that we need to beat on the head, not the student. The quality of the teachers.

MR. KILCHER: Madam Chairman?

THE MODERATOR: Caroline, are you wishing to answer that?

MS. JONES: Could I suggest an amendment then, that "One where the school systems have high expectations for all the students"?

MR. KILCHER: Madam Chairman, --

MS. JONES: Do something with that. I don't want to fight. I just want to get it done.

THE MODERATOR: Perhaps that would be under the means that you would bring that in, that teach -- about the teachers, rather than changing that -- that wording now.

Yule?

MR. KILCHER: Madam Chairman, I think we could word it possibly, listen to this: Education to match our high expectations for." It's our high expectations, and the children's, too, but the State can -- there's no use for the State to have high expectations, you know. We have it all in the beginning, presumably. Every politician that runs for office has high expectations. But we want to furnish education that matches our high expectations or the children's expectations. Would you agree with that?

THE MODERATOR: Kevin?

MR. HARUN: Well, Dave mentioned a point back here. He said something about he interpreted that, I don't know who wrote it, did you write it Dave?

MR. KEENER: No.

MS. JONES: I wrote it.

MR. HARUN: I interpreted it better standards for village high schools, that they be culturally relevant. That's how we got back to though

THE MODERATOR: Whose goal was that better standards? Was that yours, Georgianna?

MS. LINCOLN: (Georgianna) No.

THE MODERATOR: Better standards.

MR. HARUN: The better --

MR. TOMA: Better standards, No. 6, the second one

there?

MS. LONGPRE: Yes.

THE MODERATOR: Whose was that?

MR. HARUN: That's how we got over to this.

THE MODERATOR: No one will admit authorship.

MR. HARUN: If I might just mention. He had a really good point -- excuse me, Madam Chairman, I wasn't finished with that.

THE MODERATOR: Sorry.

MR. HARUN: He made a really good point in that a lot of times that I have friends who are school teachers in the bush, his point was that they were not culturally relevant for a lot of standards. For instance they take SRA tests and Dick and Jane and the dog, but it doesn't fit with a villager.

MS. LINCOLN: In that connection, I disagree.

MR. HARUN: You do?

MS. LINCOLN: I think the cultural aspect and the expectational level are two completely different things, because the quality of education does not always mean that culture is involved. I don't know just how to say it, but I do disagree, in that they are two different things.

THE MODERATOR: Well, is this goal of better standards, is that a goal that we need, or do you want to put something regarding standards under a means to improve

education? So right now we'll pass over, that this is not a goal? Is that the feeling that I'm getting from you?

Okay, that's not a goal.

MR. TOMA: Okay, a means.

"One in which basic education is stressed."

THE MODERATOR: How does that start?

MR. TOMA: "One in which basic education is stressed."

MR. HARUN: Must be a means again.

THE MODERATOR: Any objection? Chris?

MS. JOHNSON: I don't understand what that means.

MR. TOMA: Can I get the full phrase, Haden? What's the term here?

MR. KADEN: We envision of future for Alaska as --

MR. TOMA: We envision a future for Alaska as one in which basic education is stressed."

MS. HAYES: Madam Chairman, I remember this morning or yesterday, the remark that I remember was that we are graduating from the secondary level, young people who are not able to read was one of the examples, and to go into the -- the enriched without the basic, we're not even already doing basics very well.

THE MODERATOR: Well, if I might say something, in all the years that I was on the State Board of Education, no one has ever been able to come up with a definition of what basic education is, and they have been working on it -- for

I think Ron Lohman will go along with that, they're still working on that, a definition; isn't that correct?

MR. LOHMAN: Uh-huh (affirmative response).

THE MODERATOR: So if you want to say that you believe that -- your goal is that every child should be able to read and write and cipher, maybe that is something that is more understandable, if that's what you mean by your interpretation of basic, because to me I would like to say I believe that basic is art and music and libraries and lot of things. And so that's why nobody has ever been able to get back to --

MS. KINGRA: If you read the next two on the sheet, under six, education, down here, these two, yes, they take in almost everything on the top except for all educational funds to be administered. They're broad. They're not goals -- I mean, they're not means, they're goals. And they incorporate just about everything that's up there.

THE MODERATOR: Chris?

MS. JOHNSON: I would make one exception, it says "Provide opportunity for all adults."

MS. KINGRA: But the next one is "Applied to the fullest extent possible, and all educational levels principles and practices."

MS. JOHNSON: Don't you want to include, like in the first one, all Alaskans?

MS. HUSS: May I respond to this?

THE MODERATOR: John.

MS. JOHNSON: I know.

MS. HUSS: I understand it should be all Alaskans, you and I talked about it before.

MS. JOHNSON: Right.

MS. HUSS: I have a particular reason for that, in saying adults. That is because if it's not said specifically, it will get passed over in the legislature and within the State Department of Education, that the funds for adult education is so slight it's necessary to keep stressing that all the time.

MS. KINGRA: But the next one says all levels.

THE MODERATOR: Yule.

MR. KILCHER: I think it will be clear if we say all Alaskans. You might think we address it as Alaska on the local, regional and racial level, and if you say it for Alaskans of all ages, then we have all Alaskans and of all ages. Will you go for that?

MS. HUSS: Oh, yes. I'd put children in there, too.

MR. KILCHER: Okay, for Alaskans of all ages.

MR. TOMA: All Alaskans of all ages.

MR. KILCHER: For Alaskans of all ages.

THE MODERATOR: For Alaskans of all ages.

MS. HUSS: How about youth and adults? Again, it's

just a practical point.

MR. KILCHER: Well, all ages, all ages, that includes adults.

MS. LUSE: Yes.

THE MODERATOR: John and Yule, we cannot amend like this. It just gets too confusing. If you want to, could you take a, you know, just --

MR. KILCHER: I thought I still had the -- I was recognized and have it --

MR. HOFMAN: Madam Chairperson.

THE MODERATOR: Yes.

MR. HOPE: I thought we were talking about the third one down. If you're amending the -- whatever it is down, I'd like to ask when issued submit a possible amendment to the one that Chip is pointing at?

THE MODERATOR: Well, I think what's -- what happened is that someone -- I think --

MS. KINGRA: I did.

THE MODERATOR: Rosemary.

MS. KINGRA: I just pointed out that these two appear to take in everything that we're talking about up there, except for educational funds, and stresses good health and nutrition, because it talks about adults in the first paragraph and to the fullest extent possible, all educational levels in the second paragraph.

THE MODERATOR: Well, first of all, maybe we should read through those first ones, because I can't see them from here.

MR. TOMA: "We envision future for Alaska is one in which basic education is stressed." Do you want to keep going through them?

THE MODERATOR: Yes.

MR. TOMA: All right. "To establish student exchange programs between all high schools, and alternative methods of certification for teacher aids in rural areas; and special programs for gifted and handicapped students."

THE MODERATOR: Those are all means.

MR. TOMA: And all educational funds be administered under the department to eliminate duplication of programs; and to stress good health and nutrition as a responsible part of the program.

THE MODERATOR: Gene?

MS. KINGRA: I eliminated those last two, educational funds and stresses good health, because --

MR. TOMA: Has been part of this.

MS. KINGRA: Has not been part of this.

MR. TOMA: So there's a consideration here that these take in as goals and then these are means of these goals.

MS. HEDLAND: Let's hear the suggestion.

THE MODERATOR: Ron, I'd like to hear from you.

MR. HOHMAN: Yes, if we're going back up to the third one down, "One in which basic education is stressed," not getting into the issue of defining what basic education is or what is basic need, I would submit, because you'd be able to satisfy the concern I have and a bias, by substituting the word "Stressed," leaving the rest of the sentence the same, except putting in at that point "Supported with 100 percent funding," so the sentence would then read: "One in which basic education is supported with hundred percent funding."

MS. HEDLAND: State funding?

MR. HOHMAN: Yes.

MS. HEDLAND: Would you like to say that?

MR. HOHMAN: Good point.

THE MODERATOR: Yes, John.

MS. HUSS: I'm not at all sure what basic education means up there. To my orientation, what I mean by basic education would be self-directed learning abilities on the part of a student, not any particular skill other than that. The ability to process the information and learn on their own and using a teacher as a learning facilitator. I think that's extremely vague the way it is right there, and sort of an unusable term.

MS. HYLEN: I'm not an educator. I have been a mother in the last -- not the last few years, but my boys have

gone through high school within the last ten years, and from what I hear from people, basic education, and also what I read in books, the basic education is the ability to read, that they be taught to read, and that they be taught the multiplication tables, where they can be taught the simple multiplication, and where they can spell, particularly where they can read, because if they can't read, they can't do anything else.

THE MODERATOR: Karen?

MS. HUSS: I just want to reiterate what she said. I think we can take the two bottom ones and that covers everything we have up there.

THE MODERATOR: And then use the other. You don't think that some of those are means?

MS. HUSS: I think almost everything on the top is a means. We can take the A and B below here on the bottom sheet and add the part about the "All funds administered under one department," because even the good health and nutrition can be covered under life-coping competencies. I think those two cover everything we've got in the whole list up there. I think we're wasting a lot of time arguing about what basic education is right now. I mean that should be something we want to cover when we get to actual means. But as far as goals --

THE MODERATOR: First Karen, then Stan, then John.

Okay.

MS. MEDLAND: I fully agree. My definition of basic education may be much different from yours. My question is: The subject of 100 percent financing for all schools has been one that has been around for a long time. It could be considered a means, but it could also be considered a goal in terms of just plain coming right out and stating hundred percent State support for all school systems. I'm not sure of that. I'm violently opposed to discussing the definition of basic needs.

THE MODERATOR: Stan?

MR. MACK: I was just going to add to the discussion here. It seems to be a problem of defining "basic." So to eliminate any hangups, we might just eliminate the word "basic," from the discussion and all education be included. Thank you.

THE MODERATOR: Thank you, Stan.

John?

MR. KELSEY: Well, I would agree with what they're suggesting, that those, the ones on the above sheet, are probably means. I do think we've lost sight of something that I think needs to be addressed. That is, we seem to be hepped on the idea of educating the normal child, but I think we have to address the blind, and the handicapped. I think it's not covered there. I think we should address

that.

THE MODERATOR: You don't think that providing opportunity for all Alaskans to acquire basic academic and life-coping competencies --

MR. KELSEY: I'm not too sure that's covered.

MS. HUSS: Excuse me. That was my concern about having the word "adults" in, too. It sort of assumed. But you wanted it stated just so nobody misses it?

MR. KELSEY: That's right.

MS. HUSS: My intent was it would be included within that.

THE MODERATOR: Gene?

MS. KINGRA: I don't currently deal with handicapped children, but I have dealt with them in the past. Deaf and multiple-handicapped. And I feel very strongly that providing an opportunity for basic academic and life-long competencies would cover those people.

THE MODERATOR: Couldn't you state those in the needs that that would be a --

MS. KINGRA: Yes.

THE MODERATOR: -- one of the ways you would accomplish that for everybody, that you would specifically do things for the handicapped, so forth?

MR. KELSEY: I'll buy that, if you're addressing me.

THE MODERATOR: Yes.

MR. KELSEY: But, you know, I think we should underscore it, because I think we tend to think of only educating our normal youngsters. I think there's a very crying need for the handicapped education and the blind. I think it's important.

THE MODERATOR: Karen?

MS. HEDLAND: It's the old phrase of exceptional children, and I must admit that I'm as concerned about both ends of the spectrum, those with learning disabilities that are not physically handicapped, and those that are supertalented. So I really hoped that we would deal with that in the specifics of the needs rather than now in a goal statement.

THE MODERATOR: Ellen?

MS. HAYES: Madam Chairman, my reasons would be based on the subject that our statements use the two paragraphs on the second sheet and that we arrange the means in a later session.

THE MODERATOR: Can we then -- Ron?

MR. HOHMAN: I would agree with that, if you would take the first goal on the second sheet, right under the six education, where it said "Provide opportunity for --" is that all?

MS. KINGRA: Alaskans of all --

MR. HOHMAN: "Alaskans of all ages to acquire basic academic and life-long --"

MS. HUSS: "Life-coping competencies --"

MR. HOHMAN: " -- life-coping competencies, with hundred percent funding with all school districts."

MS. HUSS: That's an entirely new objective.

MR. HUSS: That's a means, too.

MR. TOMA: That's a means of bringing that about, right?

MR. HOHMAN: Then I'd like to go back and I'd like to object and put back in the top the fact that we have basic education for all school districts supported with 100 percent State funding.

MR. TOMA: As a means? As a means, Ron?

MR. HOHMAN: I don't think it's a means. I think it's a goal to acquire hundred percent funding for all school districts in the State of Alaska, for all of the educational needs within those districts as defined by the local authority. I didn't want to when I initiated it. I didn't want to bring open the discussion of what is basic education and what is basic need. I thought, since I was absent this morning, there had maybe been some consensus regarding that, and so rather than disrupt it, I thought that you would accept that amendment better than rewording it. But I do think it is a goal to receive hundred percent State funding in all of the school districts for the educational needs defined by each of the districts.

THE MODERATOR: Is that all in there, Ron?

Which one is it you're talking about?

MR. TOMA: This one right here. "One in which basic education is supported with a hundred percent funding."

MR. KILCHER: That's a goal.

MR. TOMA: As a goal.

THE MODERATOR: Is there any objection to that as a goal?

MS. HUSS: Yes.

THE MODERATOR: One objection.

MS. HAYES: Madam Chairman, I'm still not clear on it. I'm ready to move on those two paragraphs and the accompanying means, with the exception of what that means, "a hundred percent," you know, that hundred percent item we're talking about, I need a little more discussion on that. Otherwise, you know, I think we can move, except for that one.

MR. KILCHER: You can move anyway.

THE MODERATOR: Marion?

MS. HYLEN: May I ask a question? On hundred percent funding, are they going to use the federal funding in that hundred percent statement? Or is it to be funded just by the State?

THE MODERATOR: This is not -- this group cannot make that decision. That's a legislative --

MS. BULLEN: When you state "State funding," what are you meaning?

MS. HEDLAND: Madam Chairman, that's a technicality, and we are talking about federal funds and the difference. Right now the difference between what the Federal Government and the State government provide is made up by local tax assessments, and I believe, correct me if I'm wrong, that's what he's proposing is the elimination of that local tax assessment against one of our -- one of our goals is hundred percent State financing, which has been an issue in political campaigns for the last ten years.

THE MODERATOR: Does that answer your question, Ellen?

MS. HAYES: No. I mean it's part of it. But it doesn't answer -- I'm not ready to say I'm still not ready to say that that should be a part of the goal. I don't understand it well.

THE MODERATOR: Could we, then, to make us move along, how about taking up those two down below, one at a time, the first one there --

MR. TOMA: "To provide opportunity for Alaskans of all ages to acquire basic academic and life-coping competencies."

THE MODERATOR: Anybody object to that as a goal? Georgianna?

MS. LINCOLN: (Georgianna) It seems it's a little bit redundant to the goal we passed up there, that the State

shall have education policy which provides continuing education for all age groups. It seems like it's a bit redundant.

THE MODERATOR: Isn't that going to be the job of the style & drafting, if they have duplications, so that we don't have to decide that right now?

MR. TOMA: Right.

MS. LINCOLN: (Georgianna) I see.

THE MODERATOR: I think that's a good point.

MS. BUSS: Georgianna, also, continuing ed is usually thought of as post-high school on and not pre-graduation. That's the way that term is usually used, so it doesn't usually apply in K through --

THE MODERATOR: Is there any objection to that goal being provide opportunity for," I can't read it --

MR. TOMA: Excuse me, to provide opportunity for Alaskans of all ages to acquire basic academic and life-coping competent ceases.

Is there any objection?

MS. BUSS: Just one, I'd like to add youth and adults.

MS. HEDLAND: It says all ages.

MS. BUSS: But it's most important to stress the word adult in there.

MS. HAYES: I object.

THE MODERATOR: There's an objection.

MR. TOMA: To the amendment?

THE MODERATOR: All those in favor of the way it is written, please raise your hand.

(complying)

THE MODERATOR: Okay.

MR. TOMA: "To apply to the fullest extent possible, and at all educational levels, principles and practices of self-directed life-long learning."

THE MODERATOR: Any objection?

MR. MACK: May I have that clarified, what it means by self-directing, life-long learning?

THE MODERATOR: What's the difference between that and continuing education?

MS. HUSS: Continuing education is usually thought of in a post-high school vein primarily for adults. Life-long education would be whereby education is viewed as a continuous process from birth to death.

MS. HEDLAND: If we accept a concept, I don't really think we have to get into, "Can I have this clarified with these two words?" It seems to me we're getting ourselves bogged down again and we have lost what we were first doing, of accepting a concept or not, and we have an editorial staff that you can talk to.

THE MODERATOR: Any objection to this as a goal?

Okay, it's accepted.

Now, --

MR. TOMA: Now we have means everywhere.

THE MODERATOR: Everything else is a means?

MR. HOFFMAN: No. Object. Object.

THE MODERATOR: Except Ron.

MR. TOMA: Except for the State funding break. "One in which basic education is supported with hundred percent funding."

MS. HEDLAND: Let's just vote on it.

MR. KILCHER: Questions.

MS. HUSS: Two questions.

THE MODERATOR: The suggestion has been we vote on this goal. Any discussion? You don't want discussion?

MS. HUSS: Yes, please.

THE MODERATOR: Okay.

MS. HUSS: I'm not clear. Maybe it's just my own ignorance, on what's meant by "100 percent State funding," and "basic education." I think both terms are vague. It makes it hard to vote.

MR. HOPE: Is this K through 20, K through 12, or -- or pre-school through 25 or pre-school through --

MR. KILCHER: Madam Chairman.

THE MODERATOR: Yes.

MR. KILCHER: Compulsory education is where -- compulsory education is hundred percent supported by the

State. That's the only place the State has a say. The rest is voluntary. We have that further down. Make it possible for everybody to be educated, life long, programs, et cetera, but we have a compulsory education program. That should be supported a hundred percent.

THE MODERATOR: Good, good suggestion.

MR. TOMA: One in which --

MR. HOPE: Madam Chairman.

THE MODERATOR: Andy.

MR. HOPE: My response to that is that the proposal that Mr. Merdes presented to us on the first day, like the University of -- well, in California, it's K through 14, the first two years of college are also funded, too, by the State, and that's not compulsory, but it's offered to the people. And that's hundred percent funding.

THE MODERATOR: Karen?

MS. HEDLAND: I agree with him, but I think that's a means underneath the expanded education thing, and I think what we are talking about is compulsory education. It is against the law to not go to school.

MR. HOPE: Well, the hundred percent figure is a means, too, then.

MS. HEDLAND: No, because --

MR. HUSS: It is though.

THE MODERATOR: This is what we're going to vote on,

as I understand it, whether this is a goal or whether it's going to become a means. So now you are to vote on whether you accept this as a goal, and I do believe that Yule's suggestion of putting in there "compulsory education" makes it stronger.

MS. KINGKA: I have a question. "Hundred percent State funding," do you mean to State educational systems? Do you mean to nonprofit engaged in education, do you mean to private schools engaged in education? What do you mean? I'm really unclear about that?

THE MODERATOR: Go ahead.

MR. NORMAN: In attending all public school systems, I would submit that maybe for clarification and possible consensus by the group, if you substituted the word, "all school systems" for basic education that would address what my goal is, which I should think should be a goal of this group. So then it would say one in which compulsory education in all school systems is supported with 100 percent State funding.

MS. LUDWIG: Does that include --

MS. HEDLAND: Let's vote on whether or not it's a goal or a mean.

THE MODERATOR: Are you ready to vote on this? Ellen.

MS. HAYES: Madam Chairman, would you help me to know then, the existing support for himself comes from

municipalities and from the Federal Government and private, right?

THE MODERATOR: No.

MS. LAYES: The existing condition now is what we're going to be departing from another goal, and what we're departing from is the reason why we're going towards this goal. Could you elaborate?

MR. HOHMAN: Yes. You have basically 52 school districts in the State of Alaska. I think it's one, is that right, Marshall? 21 of them supported hundred percent by the State of Alaska. Now, when I say they're supported a hundred percent by the State of Alaska, we do receive PL 874 impact monies that comes to the State, and that does support the school district. We think of it as State funded. I think the State ultimately views it in the financing of the support of the school, that is State money, although technically it is federal money.

We also in the 21 REA districts receive special and transitional funding through federal programs. But they are entitled supplemental programs, but they are special and transitional in the sense it's federal dollars coming in generally on a grant for one year or three years, as the worth of the program is evaluated that's either implemented into the basic program or not renewed.

For the remaining districts, first-class cities

and about your boroughs, you receive the minimum of 97 percent of the full basic need. Then depending on what the local tax evaluation and some of the other kinds of considerations, they make up three percent or somewhat less than three percent.

MR. HOPE: Stumpage fees.

MR. HOFMAN: Pardon?

MR. HOFMAN: Stumpage fees.

MR. HOFMAN: Yes, stumpage fees, that's a good point.

MS. LUDWIG: Am I correct that you're asking -- you want to leave out the word "public" in school system. You're in favor of hundred percent support on private school systems also?

MR. HOFMAN: No, that's not the intent. One in which compulsory education for all public school systems is supported with 100 percent State funding.

Thank you.

THE MODERATOR: For the benefit of all, the commissioner of education is here. I don't know whether we want to drag this out anymore or not, but you're ready to vote?

MS. LUDWIG: M-hm.

MR. TOMA: Okay, "One in which --

THE MODERATOR: Kevin?

MR. FARUN: Well, the only reservation I would have

about that, and I don't know whether this is accurate or not, but I strongly belief there should be some local autonomy in the administration of the funds, and I don't know what that would due to the local determination, and if it's -- because a lot of times you have the federal monies come down. They tell you how you spend it and they tell you what you do with it. I think that's important. It's a very important thing that we have that federal money. I agree with it. But the fact that we do provide a little bit, say, in our own community in Fairbanks, I think we're able to determine a little bit where it goes. So I don't know whether I'd go with a hundred percent, but I don't know.

THE MODERATOR: We're going to have a choice of whether you feel it's a goal or a means. So we will now --

MR. HAKUN: That's the question.

THE MODERATOR: That's the question. Are you ready to vote? All those in favor of this statement, read it.

MR. TOMA: "One in which compulsory education in all public school systems is supported with hundred percent State funding."

THE MODERATOR: Now, you're voting on whether this is a goal. If you vote it down, you put it into something else, I guess. So all those in favor of it is a goal, raise your hand.

MR. KILCHER: It's a goal, right.

THE MODERATOR: You're not in this group, are you?

MR. TOMA: Yes, she -- this lady in the red. Rev.

THE MODERATOR: Where have you been? I'm sorry, I got thrown. All of you back there.

MR. KILCHER: It's a goal, okay.

THE MODERATOR: One, two, three, four, five, six, seven, eight, nine, ten, eleven? Did I count you before? Stand up.

(complying)

13. Now those opposed.

(Standing)

Seven. 13, 7.

MR. TOMA: There's a good basis for your minority report there, too.

THE MODERATOR: It is now 4:30, almost 4:30.

MR. TOMA: I think we can stay till quarter of five if we are fast about this.

THE MODERATOR: Are there any more goals in that education?

MS. HEDLAND: We did adopt it as a goal?

THE MODERATOR: Yes.

MR. TOMA: Madam Chairman, if I may, if someone can start getting this off --

THE MODERATOR: Weren't there a couple there that we

missed?

MR. TOMA: Just one that we passed by, and that was on the bottom fisheries.

THE MODERATOR: I just don't want you to lose those sheets when we move.

MR. TOMA: I won't lose them. I was hoping they could be transcribed so we don't have to put them up.

MS. KINCKA: Before we get involved in talking about these. Are we going to meet in the same room tonight that we're in now?

THE MODERATOR: Yes.

MR. TOMA: For those who are leaving early, we're going to 14 16, and we'll be up there in 15 to 20 minutes. That's a large suite.

MR. KADEN: Who is taking down all this stuff? Are we supposed to -- the editorial --

THE MODERATOR: Yes. Those sheets you will have.

MR. KADEN: Just take the sheets?

THE MODERATOR: Yes. The sheets you will have.

All right, where are we now? Are there any more education?

MS. LINCOLN: Katy, there are two educational issues that were --

THE MODERATOR: That's what I'm asking for.

MR. TOMA: As I understand it, these are means then.

THE MODERATOR: Not all of them.

MR. TOMA: Not all, okay.

THE MODERATOR: There's one up there about the one system. That's not a means.

MR. TOMA: All educational funds be administered under one department to eliminate duplication of programs.

THE MODERATOR: Isn't that yours, ahead?

MS. LINCOLN: Yes, it is.

THE MODERATOR:

MS. HUSS: Question. I'm not clear by what's meant by all educational funds. Federal funds? State funds? Private foundation funds?

MR. TOMA: We're only dealing with State, aren't we?

THE MODERATOR: I think what she's addressing is that there are now in the State of Alaska two school systems, there's the public -- the State schools and then there is the b I A schools, and this is what she's addressing. They're federal schools. Beg your pardon?

MR. HOPE: Community colleges. University.

THE MODERATOR: K through 12. That's true that may be misleading there, you better say K through 12, otherwise you're going to be saying there should be one system in the whole university and over the --

MS. LINCOLN: Why don't we be consistent and put in there "compulsory education"?

MS. HUSS: Because in the Department of Education there is a section on adult continuing ed, too; is that being included in there or (pause) --

MR. TOMA: All educational funds for compulsory education be administered under one department to eliminate duplication of programs.

THE MODERATOR: May I make a suggestion? Wouldn't it be better to just come out and say what you really want to say instead of beating around the bush and say there shall be one school system and there will not be BIA schools or something like that?

MR. HUSS: One school system isn't the right word though. That means Kenai is with Fairbanks. I mean one state-wide administration.

THE MODERATOR: Andy.

MR. HOPE: How would this affect Mt. Edgecumbe High School? Would it allow nonnatives to attend Mount Edgecumbe if the State took over the school? Right now it's a segregated school.

THE MODERATOR: Certainly. I don't know how that would be administered.

MR. HOPE: Would the BIA be willing to do this? They have a trust responsibility to the natives, where the State doesn't really have a trust responsibility. How would you reconcile that? The Federal Government has a trust

responsibility, to provide certain things to the native people.

THE MODERATOR: The constitution of the State of Alaska says the State has a responsibility for educating all the children of the State.

MR. HOPE: But what I'm saying is that you don't know that the BIA would give up that trust responsibility.

THE MODERATOR: It's a goal. It's not a command. It's a goal, if I may argue with you. I'm sorry, I should be getting off of this chair. Georgianna.

MS. LINCOLN: (Georgianna) Madam Chairman, that's exactly what I'm trying for bring out, your comment there, why don't we say what we mean, in that it should be all one State school system, that there are villages in my area that have a BIA school that want the BIA school. That's their choice. And because of that trust responsibility between Federal Government and the Indian people, they can make that choice. And we shouldn't say that it shall be all one system. You know, that there is a choice there if we want.

MS. LINCOLN: If I may say something to that --

THE MODERATOR: Go ahead.

MS. LINCOLN: I don't mean to take the choice away from the people in the villages. What I would like to see is that both the BIA and the State get together and all the

knowledge that both of them have, get together instead of duplicating services and programs, that there just be one system. I in no way meant to take that choice away from the people. What I was looking for is a betterment with both educational systems.

MS. LUSS: Would it be possible to state it as advisable to the fullest extent, possible coordination between the existing systems rather than trying to get one system?

THE MODERATOR: Stan?

MR. MACK: Madam Chairman, we discussed the other goal there, we voted on, concerning the one up there, to all which compulsory education is stressed, whatever.

MR. TOMA: Yes, right in here, compulsory education in all --

MR. MACK: Can we relate this in with that goal that we just passed?

THE MODERATOR: Hundred percent funding?

MR. MACK: We're talking strictly of, what is it? public school being 100 percent funded, the BIA school would be a private school, strictly financed. Are we talking about two separate -- the State has no controls over the BIA school. Therefore, we -- the way you have it there, in your proposal, it's fine. But I couldn't quite figure out where the -- to eliminate duplications of

programs come into effect. And then we got into the discussion of the LIA versus the State. I believe we should concern ourselves strictly with the state programs.

THE MODERATOR: Perhaps under one of these goals, it would work that you could address that problem, ahead, as a means of improving the delivery of education to communities, that that is a way that that need could be met, to be sure that there is more responsibility on both sides, so that there isn't the duplication.

MS. LINCOLN: But what would that be a means to?

THE MODERATOR: I don't know which one of those goals that you could use it for.

MS. LELAND: To the first one, to basic academic and life-coping competencies.

MR. KADEN: How important is this to the overall picture of education in Alaska? I mean, is this a great issue of import? There seems to be some --

THE MODERATOR: It's an important issue in the rural part of the State. Edin comes from a place out of Nome, and has served on the school board, and Georgianna --

MR. KADEN: But she's worrying about duplication of services; is that correct?

THE MODERATOR: Hon.

MR. HOHMAN: I think it's an important issue, because as it stands today, and Monday of next week, the Federal

Government is violating the State constitution, and I understand the business of higher authorities, but the point is, you come down and in several districts and in several schools you have this problem. And it's creating a great deal of disruption in the delivery system.

The Malahooch consent decree mandates that some parents that want children educated at home, the State is required to do so. We're in one of those situations where we have to deliver several programs. In ten villages we have the responsibility of the high school program and the Bureau, because of the trust relationship and the self-determination now have the authority for the elementary program. We've been talking about it for better than 20 years. I don't know beyond that how long it had been discussed. But it has been a goal. It has been a platform on several state-wide offices to see that that end be reached.

And I think maybe the suggestion that was made would be that the State assume its constitutional responsibility for educating all publicly-aged children. Then you can discuss the other. But there is a specific point. And I challenge anybody to show me in the State right now where the BIA is delivering a better educational system than what the State is. The monies are not there. There are less advantages when you talk about handicapped

children, and the State having some requirements. In fact, the State does require that handicapped children be addressed from the year of one through 16 years old. So other than attending them at high school for five hours a day, those are about the very basic requirements. So I think it would help a great deal, better than 50 communities in the State, if the constitution were respected and honored and enforced.

THE MODERATOR: Are you saying then that you suggest another goal there, that goal instead, or just use it as a means? Reword it?

MR. NORMAN: Yes.

THE MODERATOR: Andy?

MR. LOPE: I think we really have to work with the Federal Government on this issue. We can't ignore them, because there's so much funding from the Federal Government for education that comes down. And the one example that I could think of where the BIA might be doing a better job is, why is it enrollment in Mount Edgecumbe High School is increasing if the State is doing such a fantastic job in those new rural high schools?

THE MODERATOR: Gene.

MS. KINCRA: I have to ask a question as to who's being served by the State taking over. I feel very strongly about cultural communication and education, and

who is being served? Are the children to be educated being served, or is the state being served? That's what I want answered before I can vote on that.

THE MODERATOR: If I could add something that I'm -- maybe you are not aware of, that there are local boards elected in all of these areas where the people serving on almost -- Ron's more familiar with that than I am, but most of the people serving on those boards are native Alaskans from those villages who determine the policy in the schools.

MS. KINCKA: But Georgianna brought up there were villages in her area that felt very strongly about continuing their own school.

THE MODERATOR: That's right.

MS. KINCKA: That's what I'm addressing.

MS. LINCOLN: (Georgianna) I think we're talking about coordination.

THE MODERATOR: Through the years since statehood there have been many, many schools that have been taken over by the -- the people in the villages have voted to become a part of the State system, and that's the way they do it.

MR. HOHMAN: To answer your first question: The children would be the ones that would directly benefit from all of this, in terms of special education programs that the bureau does not provide. They just do not have them.

There's one down in the Bethel area. But I know there's support in the State as well as the basic needs. The State is supporting their schools much better than the borough is now. I talked to Dr. Barlow right here in Anchorage, who is the new director in Washington, D C, he assumed the responsibility and he came to Anchorage and we discussed some of these problems. He sees a gloomy future for Mount Edgecumbe because of the lack of funding they're anticipating.

I think your issue, your question about the community vote -- I've gone through that for 13 years now. Generally speaking, if the custodian and the cook are making more money than what the state is, then the BIA system is better. I know the delivery system for instructional purpose cannot be denied. The State is doing a much better fact, that's part of the factual information. I think it's a credit to the educational in the state, which Katy was Chairman of the Board for several years and fought diligently for it. You can't deny the programic needs. The State is providing much more.

THE MODERATOR: Are we ready? Where are we now? That goal. What was the wording of that?

MS. HEDLAND: I liked his wording better than what's up there.

THE MODERATOR: Read it.

MR. TOMA: "All educational funds for compulsory education shall be participated under one department to eliminate duplication of programs."

THE MODERATOR: Idin, would you accept the regions that Ron has there? You read something a little bit ago, Ron.

MR. HOEMAN: "The State assumes its constitutional responsibility for educating all publicly aged children."

MS. HUNTER: All what?

MR. HOEMAN: Publicly aged children. I didn't know whether that was right.

THE MODERATOR: Publicly aged.

MS. LAYES: Numerically.

MR. HOEMAN: Public school-aged children is a better way of saying it.

THE MODERATOR: Do you all understand that? Are you agreed --

MR. KELSEY: Question.

THE MODERATOR: -- that that should be a goal?

MR. KELSEY: Question.

THE MODERATOR: That is accepted. Will you get that wording to the --

MR. TOMA: Is that replacing this?

THE MODERATOR: Yes.

MR. TOMA: I'll put Ron's initials down here.

THE MODERATOR: Scratch it out.

Is there any other -- is there another education goal there, or are they all means?

MR. TOMA: This one here, I think, "alternative methods of certification for teacher, teacher aides, in rural areas."

THE MODERATOR: That's a means.

MR. TOMA: And how about establishing the student exchange program? Is that a means?

THE MODERATOR: That's a means.

MR. TOMA: Okay.

THE MODERATOR: Is everything else accounted for?

MR. TOMA: And here we have "funds shall be made for suitable buildings in which to teach."

MS. HEDLAND: That's a means.

THE MODERATOR: With what?

MR. TOMA: And "commitment to bilingual education."

MS. HEDLAND: That's a means.

MS. HUSS: Means.

THE MODERATOR: That's a means. What was the one before that?

MR. TOMA: Funds for suitable buildings in which to teach.

MR. KILCLER: That's a means.

THE MODERATOR: That's a means.

MR. TOMA: Okay. On the government.

THE MODERATOR: It's now quarter of five. Are we going to have to move?

MR. TOMA: Let's stay here till they move it.

MR. KILCHER: I somehow disagree bilinqual is means or goal. I think it's a goal, but I won't argue about it.

MS. HEDLAND: It's a means.

MR. TOMA: Well, it's incorporated anyway.

THE MODERATOR: We got it, so we're going to use it. Anybody else objecting? Georgianna.

MS. LINCOLN: (Georgianna) I'm not objecting, but before you move on to education, Carolyn and I came up with some new language on this one that we had some problems with. I don't know if you just want us to submit it to the group.

THE MODERATOR: Are you going to switch that one over and put it in education?

MS. JONES: Yes.

THE MODERATOR: Unless it changes the meaning for the group, the editorial changes can be made in the editing.

MR. TOMA: "The State should increase greatly the amount of dollars going to the permanent fund. Oil revenues should not be hastily exhausted, but conserved for the future."

THE MODERATOR: Any objection? Carolyn?

MS. JONES: I suggest it be shifted to No. 8, economy.

MR. TOMA: Okay. Okay. Do you want to vote on it now since we discussed it? Do you want to just vote on an economy one right now?

THE MODERATOR: We better move on over, because --

MR. TOMA: "One in which there is a maximum of flexibility in the types of government available on the local level and where experimentation and the means by which we govern ourselves is encouraged."

THE MODERATOR: Any objection to that?

MR. KELSEY: I want a clarification. Do you envision that there has to be enabling legislation on a new form, new type of, because I don't think it's addressed at this point.

MR. KADEN: That's the problem, is that the State structure, the legislative structure or the legal structure is such that it doesn't allow for any flexibility at all. It has to fit into a certain type of governmental unit, first, second-class city, or different types of boroughs. There needs to be in other forms.

MS. HEDLAND: But those are real specific means of achieving it, right?

MR. KADEN: Right, yes. I'm just saying that's the reason.

THE MODERATOR: Carolyn, did you have a question?

MS. JONES: I just didn't understand it.

THE MODERATOR: Is there any objection then to that as a goal? Okay.

MR. TOMA: And decentralized State decision-making by maximum local public involvement.

THE MODERATOR: Any objection to that as a goal? John?

MS. HUSS: Would it be useful to say involvement and control?

MR. TOMA: Involvement and control? Decentralized --

THE MODERATOR: Karen?

MS. HEDLAND: Is that not incorporated in what we just passed?

MR. KADEN: No.

THE MODERATOR: No, according to Kaden, it isn't. It's his motion. His other goal.

MS. HEDLAND: Why isn't it? I don't care, the concept --

THE MODERATOR: Any objection to this now? Okay. Let's go.

MR. TOMA: Okay. Under Economics, "The State should increase greatly the amount of dollars going to the permanent funds."

THE MODERATOR: Isn't there something more to that?

MR. TOMA: No?

MS. EYLEN: All revenues shall not be --

MR. TOMA: That seemed like a clause to me, all oil.

"The State should increase greatly the amount of dollars going in the permanent funds. Oil revenues should not be hastily exhausted but conserved for the future."

THE MODERATOR: Any objection to that as a goal statement?

Bev?

MS. ISAKSEN: I object, you know, since we got the 900 million. Everyone talks about how we wasted it. We didn't. We have a permanent fund now. We haven't been able to figure out what to do with the permanent fund. In the meantime, whenever we want to undertake the program we really need, the excuse is, "Well, we haven't the money to spend," or "We should be putting it in the permanent fund." That is the argument I would hear when the Malahooch case came up, and I thought it was really atrocious. The people would want to put away money for the future, in addition to what we're already putting away, when we're not meeting our future needs. I think we're shorting ourselves and we're shorting our children. If we think that putting money away for the future is a good thing, while we don't even have the kind of education we ought to have now or the kind of health system.

MR. KILCHER: Madam Chairman, by restricting too great a flow of money and by putting some away for the future, hopefully intelligently that we don't lose any of it, we

create certain pressure for the people and the government to be willing to look into ways of saving money. Money is wasted within the operations and all the tightening of the belts, a little depression is good once in awhile. The people start to save money where it belongs in the operation. 30 percent of the money that is wasted. I don't want to use judicious words, what happened to the 900 million dollars? It would have happened if they didn't put it in the permanent fund. Leave it there. Put more in.

THE MODERATOR: Kevin.

MR. BARUN: Even if we put more money into the permanent fund, I don't think we're going to be suffering in depression. The point is, we've got so much money, I don't think we know what we can do with all of it. We have 3.5 billion this year, and each year, successive years, we're going to have more and more, and it's actually our future to put away and save it.

THE MODERATOR: Carolyn, and then Ellen.

MS. JONES: The goal as stated doesn't say it's all going into the permanent fund.

THE MODERATOR: No.

THE MODERATOR: Ellen.

MS. HAYES: Madam Chairman, I think the -- our problem is it's a negative statement. We will be committing some of those funds to some of the means that we'll be

discussing later on. It's not that this is our only focus is the future. We will be, and I think responsibly, addressing, you know, our present needs and, therefore, commitments of those funds. And it doesn't sound like we're doing that here. But I think that that's why it's -- it's offensive in a sense, because it isn't positive in the sense of responsible actions now. It just says "Should not hastily -- "

THE MODERATOR: "The State should increase greatly --"

MR. TOMA: This is the negative.

MS. HAYES: It says "revenues should not be hastily."

THE MODERATOR: Oh, yes.

MS. HAYES: That's where I think --

THE MODERATOR: What does it say?

MR. TOMA: Just say, "should be conserved for the future," and instead of "hastily exhausted," just cross that out. "Should be conserved for the future." "Oil revenues should be conserved for the future."

THE MODERATOR: Is that agreeable with everyone, that amendment?

MR. KILCHER: No.

THE MODERATOR: Maybe you changed it before people had voiced themselves. Karen.

MS. HEDLAND: I would be in favor of scratching

everything, as Celia said, after in the permanent -- I can't see it.

THE MODERATOR: Right. Fund. Head -- in the permanent fund.

MR. TOMA: "The State should increase greatly the amount of dollars going into the permanent fund."

MS. HEDLAND: Period.

MR. KILCHER: Without moral icing.

MR. TOMA: There is a period there.

MS. HEDLAND: But I mean delete the rest of it.

THE MODERATOR: Andy before we do -- excuse me, finish it.

MS. HEDLAND: To me that does not say you cannot spend any of it for roads, if that's what you need, or a hospital, or whatever, but it does say that you don't need to give it away.

MR. KILCHER: Right.

THE MODERATOR: Andy?

MR. HOPE: Just a comment. We had a number of resource people here, and some of these -- we're talking about broad generalities, but they have some real implications, and I wish we could have, you know, like Milton Lipton was here, I wish he could have come in and made a few comments on some of the implications that he would think, and then Marshall listened on the education

issues. I'm sure maybe if we do this again, we could take advantage of some of these resource people. I don't know if they just come here to watch us or what, I think that's -- that's just a comment.

MR. TOMA: They were here to do that, but the way this happened, they weren't here at the time these were being discussed. They were all discussed at once.

THE MODERATOR: Now, we have before us this goal statement. The suggestion has been made that we delete the rest of it. Is there any objection to deleting that and putting a period at fund and deleting the rest of that?

MR. KILCHER: Yes.

MR. JACK: I'm somewhat leery about the word greatly increase.

THE MODERATOR: Greatly.

MR. JACK: Greatly increase, because, as everyone recalled in the questionnaire that we filled out initially, there were some substantial amounts of questions with respect to the problem --

MR. KILCHER: Increase is sufficient.

MR. JACK: -- ranging from one-eighth to one-fourth to one-half of the revenue.

THE MODERATOR: But what I was asking now whether there was any -- you were not objecting to taking out of the rest of that sentence?

MR. JACK: No.

THE MODERATOR: Now you have a suggestion that the word "greatly" is maybe editorial icing.

MR. KILCHER: Madam Chairman, I support his idea there. Increasing already is sufficient. Increasing, it means growing. Cut greatly out, and everything after fund, after the period. Second sentence, strike it all out.

THE MODERATOR: Do you agree all agree to take out the word greatly? Should increase -- Carolyn?

MS. JONES: I don't know what to put in instead, but once you take out the word greatly, it really weakens it. Two dollars would be enough, I guess.

THE MODERATOR: "Substantially." How about "substantially"?

MR. KELSEY: That's better.

THE MODERATOR: "Substantially," I think, is a better word than greatly.

MS. REDLAND: That's still three dollars.

THE MODERATOR: David, I'm sorry, I didn't see you.

MR. KEENER: I just came back, I'm sorry, but there's some of the things that they asked us to direct our attention to in the original letter. Might not be able to do both of these after we get through considering those points for which we were brought here to consider.

THE MODERATOR: I don't think that --

MR. KEENER: I said it's a possibility. It might not

happen.

THE MODERATOR: Well, I think that this group can make that decision whether they want to have this as a goal or whether they don't want to have this as a goal, and that's what's before us right now.

I believe that they're pushing us to get out of here.

MS. HEDLAND: I remain convinced that one of the things we are charged in that letter was Alaska's future, and they're billing us on everything we carry around as Future Frontiers, and I do not feel we should be limited by what was dealt with in that letter.

MR. TOMA: Right.

MR. KELSEY: Let's have the question.

THE MODERATOR: Okay, the question is right now, read it.

MR. TOMA: "The State should substantially increase the amount of dollars going into the permanent fund."

THE MODERATOR: All in favor raise your hand.

(complying)

THE MODERATOR: Those opposed.

We have two in opposition.

MR. TOMA: I told them five minutes. Let's just stay.

THE MODERATOR: My only problem is, I don't want us to be rushing and not giving thought to these just to get out

of here. If we could break now and come back or go upstairs and finish.

MR. TOMA: We have 1416.

THE MODERATOR: Where is it, 1416?

Please, everyone go up there so we can finish these goals today.

And our schedule is that we are to come back at eight o'clock, and we should work until six. I think if we go up there now, we should be able to finish this by six o'clock and give us a two-hour break for dinner and then come back. But we need your cooperation of really moving.

(RECESS: Five o'clock)

(Whereupon the Gamma group reconvened in Room 1416)

THE MODERATOR: I'll stand out here so we can talk. I know all of you can't see this goal list, but I think we'll just go ahead without the Facilitator.

MR. KADEN: He said he wasn't going to be here.

THE MODERATOR: So that under economy, which is where we are, "One which provides maximum possible self-sufficiency by and for the people through the encouragement of small-scale, self-sustaining business, agriculture, manufacturing, and resource and energy utilization."

Is there any objection to that as a goal?

MS. JOHNSON: Katy, I'm sorry, can you read the first part of that again?

THE MODERATOR: "One which provides the maximum possible self-sufficiency by and for the people through the encouragement of small-scale self-sustaining business."

I believe this is Haden Kaden's. Isn't this yours? We had it, but we didn't have it all written out on the board this morning.

Anybody want to ask any questions or do you have any objections?

It's a goal.

"Responsible fiscal actions be applied to all goals suggested herein." And I know who this is, John Kelsey's. Any objection?

Okay. I didn't see any hands.

You want some more, David?

MR. KEENER: Just a comment. There's another government form, or direction we might also want to -- well, there was.

MS. KINGRA: They have gone with the Editorial Committee to bring it back to us tonight.

THE MODERATOR: But there were some other ones that we hadn't acted on on that list we passed over.

MR. KADEN: There were? On seven.

MR. HUSS: We did that, and we moved permanent fund over.

THE MODERATOR: I thought there was one earlier one.

there was one, I know.

Okay, David, what is your problem?

MR. KEENER: No, I'm just I -- I -- forget it.

THE MODERATOR: Well, actually, what this is is not necessarily a goal, John, if I may comment, seems to me what you want, because those other statements are long-range goals. What you're saying is that you want to be sure that all of the actions that are taken by this group, that are the wrong -- am I wrong in interpreting you?

MR. KELSEY: It's certainly a goal. If we're not going to act in a responsible manner, then we -- we're not going to leave anything for the future generations, and I think it's certainly a goal.

THE MODERATOR: Well, I guess what bothers me is the "suggested herein" is what makes me sort of look at it; it narrows it.

MR. KELSEY: I guess I'm trying to apply it to all the goals that we have.

THE MODERATOR: "Responsible fiscal action be applied to all goals," period. Wouldn't that be better than to say "suggested herein"? Or does that bother anybody else?

MR. MATHIESEN: Well, it should be incorporated in the first one. If we're going to stimulate the economy with some type of thing, well, we should have it fiscally responsible of some sort, I think probably is what is

trying to be accomplished here. We don't want to encourage a business scale that is not a responsible thing, just for the -- just for encouraging a business.

THE MODERATOR: Okay. Then if we leave it up to the editors editing to be be sure it makes sense with all of our other goals, is that okay then?

MR. KADEN: Is that to apply as well to government action?

MR. KELSEY: Absolutely.

MR. KADEN: That's what I was thinking you meant. It was not just to stimulation of the economy, but --

THE MODERATOR: Well, that's why I was worried about those two words, "suggested herein," that's why I brought that up.

MR. KELSEY: You know, I didn't have it under economy. I was talking about the suggestions in toto.

THE MODERATOR: Okay. Georgianna.

MS. LINCOLN: (Georgianna) I would not want that to be a cop-out for the State to say on any of the goals that, "Well, this would not be a responsible fiscal action on our part if we went ahead with it." Some of the goals were so strong, and I think that the objectives to reach those goals are going to be equally strong, and I don't want them to use that as a cop-out of why they can't do that, because we want responsible fiscal action with each one, and

they're going to measure that. I would be very worried about that being incorporated.

MR. KELSEY: May I respond to that?

THE MODERATOR: Yes, John.

MR. KELSEY: Well, I think that we -- I had the feeling that we have been somewhat irresponsible in the past and I submit that the increase in the budget has over the last ten or fifteen years demonstrates that, and I think that we should consciously be responsible, more responsible, than we have in the past in the spending of the money. I just would have to feel that if we're not going to be responsible, then we're going to be irresponsible. I think we should say so.

THE MODERATOR: Does anyone have any problem with this as a goal?

MS. LINCOLN: (Georgianna) I do.

THE MODERATOR: Yes, I meant anyone else. I'm sorry, Georgianna. Anyone else?

MS. HAYES: Could I have it read again? I can't see it very well.

THE MODERATOR: "Responsible fiscal actions be applied to all goals suggested herein."

MS. LINCOLN: I have a little problem with that in that all of what we're doing is going to the legislature, right, for their review?

THE MODERATOR: I don't know. I gather that's what the message was, that this is being done to help the legislature make decisions.

MS. LINCOLN: Right. Well, I don't know if it's really that important, but it would seem like having something like that to show to them would maybe suggest that we're saying they're not fiscally responsible.

MR. KELSEY: That's what I'm saying

THE MODERATOR: I think that's what John's been saying, they haven't been in some cases.

MR. KELSEY: Absolutely.

THE MODERATOR: I'm sorry, did you speak already, David? No, go ahead David.

MR. KEENER: I was just going to say that in the same light it shows we're concerned about our own judgment as far as fiscal responsibility in our suggestions, in that that adds validity to the thought that not only do we want certain ideas about the native life being sustained, but we also have in the back of our mind the fiscal responsibility of this type of thing.

THE MODERATOR: Whether we're making the decisions as to the means of carrying out all the goals?

MR. KEENER: Yes, right.

THE MODERATOR: Kevin.

MR. HARUN: It really all comes down to what you mean

by responsible. You know, the goal in general is a good one, and it just depends on what the means are as to whether I would agree with it all the time. So I would go along with it, and I have no problem with it being applied to all the different goals, but it just depends on what the means are that we come up with to institute that fiscal responsibility.

MR. KELSEY: That's right.

MS. HAYES: I'll support it because it is responsible and we have -- there are things that need to be taken care of by the State with funds that we have, and it requires spending as well as not spending.

MR. KELSEY: Sure, absolutely.

MR. MATHIESEN: I could give a good example of that, if you want to hear it.

THE MODERATOR: Okay, Andy.

MR. MATHIESEN: A few years ago we had a bond issue that provided funds for port facilities, and our town of Petersburg was eligible for something over a million dollars to put in a port facility. We put in the port facility because we didn't want to let the million get by. We didn't need the port facility. What we needed was facilities to tie up fishing boats, but the restrictions on the port facility didn't allow it to be used for that. So we have what could be called another boondoggle, simply

because a chamber-type didn't want to let that million in construction get by. It ended up two million, and I don't think that's fiscal responsibility.

MR. HOPE: Same thing happened in Sitka.

THE MODERATOR: Beg your pardon?

MR. HOPE: Same thing happened in Sitka, too.

MR. HUSS: The Editing Committee is not here, right?

THE MODERATOR: One of the members of the Editing Committee is.

MR. HUSS: I think rather than "goal" would be "recommendation because our goals aren't spending money. It's our recommendations that we are going to spend money.

THE MODERATOR: I was going to make the suggestion this be part of the preamble of our report.

MR. KELSEY: That's what I was going to do, Madam Chairman.

THE MODERATOR: Because it just somehow doesn't sound like -- we're supposed to be looking to the future in a long-term goal. It is a goal, but it seems to me to make more sense if it were part of the preamble, but that's up to the body.

MR. JACK: So moved.

MS. JONES: Second it.

THE MODERATOR: What? I didn't hear the move. Did somebody move?

MS. JONES: Carl moved.

THE MODERATOR: Andy? Who moved?

MR. BARUN: Carl moved.

THE MODERATOR: Oh, Carl, to make this a part of the opening statement regarding our report?

MR. JACK: Yes.

THE MODERATOR: Are you all agreed with that?

MR. KELSEY: I want a clarification. Is it going to say it is a goal? Or are we going --

THE MODERATOR: We're going to vote on it right now so it can be --

MR. KELSEY: I mean in the preamble. How is it going to be couched?

MR. KEENER: It's a goal of both our movement and what we recommend for the government.

MR. BUSS: That's a great point.

THE MODERATOR: Part of our recommendations as to what the future should be, and it could -- yes, it could be a goal, but it doesn't seem to be under economy, I guess is what's bothering me.

MR. BUSS: It will carry the same weight as a goal though.

MR. KELSEY: Okay, that's my point.

THE MODERATOR: That's the main thing, the Editing Committee.

MR. KELSEY: I don't want the meaning to get lost in the couching of it.

THE MODERATOR: We don't need a motion, I don't think, to say where it should go. I want to know whether you support this as being something that the body, this group, wants to go on record as saying. Is there anyone who objects to this?

MR. KELSEY: Question.

THE MODERATOR: Georgianna? One objection.

Okay, we go on to "Fishery resources should be made available for local consumption. Why can it and ship it out?"

MS. HUNTER: I don't think that's a goal, Madam Chairman, frankly. Seems to me that's an economic fact of life and, you know, --

THE MODERATOR: What fishery resources should be made available for local consumption?

MS. HAYES: Madam Chairman?

THE MODERATOR: Yes.

MS. HAYES: I think it -- this falls in with my other, hm, goal and that is, you know, the small agriculture places for self-sufficiency. Those things that are natural to the area and can be grown in the area should be available to us in the State. We shouldn't have to import everything, like, you know, people who come to Alaska think

they're going to be able to get king crabs at the king crab capital. They can't. They think that because they're in southeast, they could go and -- to the market and buy fresh local things. You really can't. None of the things, you know, and maybe that's the rule and very acceptable, but I think this says that the markets, you know, for the fisheries, whatever it brings, could be available for local consumption. It is available, but through Seattle.

THE MODERATOR: Well, are you saying then that you don't believe it's a goal; it may be a means of achieving the number -- the first goal?

MS. HAYES: Maybe it fits right in with the other sentence.

THE MODERATOR: Yes. David.

MR. KEENER: Of course, this is what I do, so I know that it's available. The reason why it's not available as much as you would expect it to be is because either the people here catch their fish on subsistence and use it themselves, or else they aren't going to pay the price, because they think it should be at such -- a much lower price. They feel that because it's here, it should be exempt from the overall economy of the world. And it happens in apples, it happens in -- down in California you can't get a head of lettuce down where you grow thousands of them, because you get second-rate lettuce because people

think they should be getting it for much less.

It's just like Celia said. It's a fact of life.

MS. KINGRA: I have to disagree with you, because I resent paying more for king crab or fish here in Fairbanks or even on Kodiak than I have to pay back in Philadelphia or Stone Harbor, New Jersey, where I came from, and that's a fact of life. I pay a lot more for stuff caught right off our shores here than I paid for it back there.

THE MODERATOR: Andy?

MR. HOPE: The way I interpret it would be to keep the resources, channel them to American markets, instead of channeling them to, say, the Korean market or the Japanese market, and then be dependent on the fluctuations of their economy. Right now that's where a lot of our fish is going to, to the Japanese market, and not too much to the American market. I know that the fishermen are working on that problem, but I think that, you know, that could be a goal.

THE MODERATOR: Celia?

MS. HUNTER: Well, I just think it's -- usually there are places where you can find these products at less money. I go to a fish wheel up in Fairbanks and get my fish. I think, you know, I was just reading, I was going to New Zealand, I was reading some of the facts of life down in New Zealand, and down there they claim they can't get top-

quality lamb; it's all exported.

These are the things that you can't really legislate, because it's simply an economic condition, and I think you've got to somehow develop the market here and I'm not going to buy Alaskan salmon at the prices they want for it. Not when it goes through the processing. I'll just not eat salmon. You know, it's a product of inflation and a lot of other things.

THE MODERATOR: Kevin?

MR. HARUN: I wrote the thing and it's exactly why -- we both live in Fairbanks. Not only, you know, can you not afford it; they don't even have it in the store. They just don't have it there. The resource is not available. Not only do we import everything we eat and live on, we export everything else we've got left, and it just disturbs me.

MS. HUNTER: How are you going to change it?

MR. HARUN: It disturbs me. Maybe it is a means, if you're going to category it towards self-sufficiency, but it seems to me we can encourage a State policy which would somehow try to develop those market instate. Because I'm sure they exist. Maybe we don't want to pay the prices. Maybe also that's somewhere the State could step, too? I don't know. It's something we'd have to analyze as far as the fiscal responsibility of something like that --

MR. KEENER: Just one small statement is that

businesses in America in general take a larger percent at the retail level than at the wholesale. We wholesale at a price that is very low compared to what you're paying. They increase the price at the retail store by 200 percent, because I know what we sell it for and I know what they're on the market for.

If you could buy from Pavco down here, which you can't, because it's a wholesaler, you would be surprised how cheap you could get it for, but it's just -- in other countries, like in Japan, they take our fish, they put them on an open market, and it's a fish market, starts at five in the morning, and you pay just about maybe five percent over what it cost them to get it there, which is cheap. And then it goes into the retail markets and their mark-up is only about 20 percent. But here the mark-up is very high.

THE MODERATOR: Does anyone else have anything to say on this?

MR. MATHIESEN: I think it's a problem, but I'd like to move we just strike that and move on.

MR. KEENER: Second.

THE MODERATOR: Maybe we can work it in as a means.

MR. HUSS: It's a resource anyway, so it fits the other one. I think it got too --

THE MODERATOR: Was that the only one we had?

MS. JONES: Yes, there was only one sheet.

THE MODERATOR: There was another one left.

MS. JONES: There's another one.

THE MODERATOR: I hope we have a majority here. I guess we do, of our group. There were 23 before.

MS. JONES: We have 18.

THE MODERATOR: Okay, community development. "The State should discourage urban sprawl and strip commercial development through a massive commitment to reshift transportation funding from projects which promote automobile dependence to mass transportation."

Any objections?

THE MODERATOR: Carried.

MR. KEENER: I totally disagree with the whole thing. The State stepping into the private sector of development totally disagrees with the natural concept of the way -- of the development of the natural process in the private enterprise. Transportation is expensive, and if what is being said is "Let's create transportation, so that people can move out into the outer lying districts and develop those," where in actuality the center of the mass of people is in one area, it's going to cost more because of the costs of the transportation. It's not a natural balance.

THE MODERATOR: Andy.

MR. HOPE: It's negatively worded, which is, I don't

know --

THE MODERATOR: What?

MR. HOPE: It's negatively worded, which I thought was against the policy.

THE MODERATOR: Right.

MR. HOPE: However, if you're going to have a hundred percent subsidiessides on Marine Highway system in Southeast, it's okay.

THE MODERATOR: Beverly?

MS. ISENSEN: I don't know if any other cities have much in the way of mass -- internal mass transit systems, but here in Anchorage, we have a bus system and it is largely funded by the Federal Government, and because the federal bureaucracy moves so slowly, we are about 20 buses behind than we would like to. Our ridership on the bus system has risen by about 35 percent over the last year, and we are the second fastest growing mass transit city in the nation.

And what this means is that instead of putting more federal and State and local money into roads, making two-lane roads to four-lane and four-lane to six-lane and so on, and having more people want more parking lots, which aren't particularly attractive and really not the best use, what we've got is a lot of people who are climbing on the bus at 7:30 in the morning. Mass transit has made an awful

lot of difference to this community in the last year and probably will continue to. And while it is expensive, it is less expensive than doing the other things you have when every individual wants to drive around in a car all by herself or himself.

THE MODERATOR: Edin?

MS. LINCOLN: I have a problem with the first part of that statement "The state should discourage urban sprawl," because I envision if people are going to come into an a city or a town, they're going to come in anyway, and if you restrict where they're going to set their house on, you end up with nothing but slums.

MR. BUSS: Nothing but what?

MR. KEENER: Slums.

MR. HARUN: The point is, that statement isn't telling people where you place your house and where you develop. The fact is the government is encouraging by their present highway policies strip development project. Who wants to live on a four-lane? That's the case in Fairbanks. You have a two-lane road with houses on it, you put a -- it's going to go commercial, you naturally lose the downtown core, because there's nowhere else to go.

The point was, why you don't let private enterprise take its course? But the fact is in the interior of Alaska we're spending about a hundred million a

year on highway construction. We spend about a million on public transit. Of that, the local government puts in about 200,000 of that. If we put one-tenth the effort we put into highways into incorporating the highways for transit purposes, bus turnouts, new buses, we'd have a system that would be so fantastic that everyone would want to ride it. And it just seems to be a never-ending thing. There are alternative ways of developing, and the fact that is that in Alaska, in fact, in Fairbanks, many of us refer to Anchorage Los Anchorage, because it's gone that direction, it's gone like Los Angeles. There's many ways urbanize. You can consolidate your commercial. You have green belts. You have mass transportation. There are ways of organizing. You can fit 400,000 people here a lot better than the 200,000 that live here now. That is the basic point, that we as an American culture, as an Alaskan culture, have got to get into it a little bit differently than being a carbon copy of Los Angeles or the Lower 48. That's why I support that.

THE MODERATOR: Chris.

MS. JOHNSON: I would like to see the first part of that, which is -- stricken, which is in my opinion is editorializing, and could we just say it should be the State's policy to shift transportation funding from projects? Do you see the cut I'm making?

MR. HARUN: Well, we should editorialize, I think. It's a statement of values.

THE MODERATOR: I was going to suggest maybe you have two subjects in there.

MR. HARUN: Yes.

THE MODERATOR: And maybe you should address the mass transportation as one and then the other one could come under a statement that had to do with the State handling planning and zoning, which would certainly make the difference. That was my suggestion.

MR. KELSEY: Madam Chairman, back to what Andy was saying though. I don't think we should take a negative point of view. Let's say we encourage something, rather than discourage something.

THE MODERATOR: It's more encourage than he wants. He wants the state to really --

MR. HARUN: I think there's a real problem in this State. I think the problem of our urban area is that we're allowing them to go to rack and ruin. We're not taking care of them. I think it's a negative thing we're doing. I think we should point it out to the legislature and say, "Look, it needs some attention. Fairbanks, here's the problem," everybody agrees. Chuck Konigsberg said the other day, "Oh, yes, we want a livable city, a livable environment, but when we come to the specifics, we back off.

we're not willing to support it." I think this is something that's got to take both local and State action to solve. It's one of the major problems in the State, because if you don't check urbanization, if you don't care to take quality urbanization, then you're going to have it splintering all over to the hinterlands. People want to move out to the Mat-Su Valley and you see the same thing, Rabbit Creek, Eska or Gold Stream in Fairbanks, Gustavus, because they want no State lands out there, they want to get out of this mess. They come to Alaska because they want a better life-style. What do we do? We create the same thing. I think the legislature has to be made aware of that and correct it.

THE MODERATOR: But, Andy, I think, made the point. We have have been trying to make all our statements maybe positive statements. If you could turn it around and make it a positive statement and say what you're meaning is a criticism that --

MR. HOPE: You know, traditionally, too, whenever you're making a -- writing a resolution or --

THE MODERATOR: Yes.

MR. HOPE: -- it has to be stated positively.

MR. HARUN: What actually is technically stated positively. It doesn't say "not" in it.

THE MODERATOR: Except it's in shift.

MR. HOPE: Why is it in transportation? Cumulative development?

THE MODERATOR: David.

MR. KLENER: I don't know. My -- I studied some history, and a lot of it was industrialization of the U S society. What we found in New York, back in the early days, was a small cottage environment inside the city. And it shifted to mass transit trains, because people wanted to live outside the city and commute into the city on mass transportation and have a centralized urban development.

Then the businesses started moving out closer, because they didn't want to make this long trip. The businesses -- in the present day, you'll find the Sears Mall; they moved clear out to Northern Lights. The Bonitace Parking Center; they're expanding to get closer to the residential centers. And what happens is, that what's left downtown is so far away and removed from the mass people, that it creates a problem where it's not a desirable place to live.

I think here in Anchorage they're having a problem trying to keep the downtown area downtown. They're having problems with parking lots.

Maybe, Bev, maybe you could expand on this, but if you're going to say, "We want mass transit to alleviate the problems of the sprawling city," it just compounds it.

No. 1, green belts and public systems back then, only the most affluent people could afford them. And all the housing projects, it is green belt housing projects, began with a level of income to afford it. And if you're going to do this, you're limiting it to the level of income also.

THE MODERATOR: I think that you want mass transit not just because of the urban sprawl, but because it helps people.

MR. KELNER: Right, right.

MR. HARUN: There's many reasons for wanting transit.

THE MODERATOR: Right. I think what all of you are saying is that your statement should, you know, Chris's suggestion, take out that first part so that you have the emphasis on what you really mean.

MR. HARUN: As the maker of it I'm trying to say something different than maybe what you're saying. There are many reasons for supporting transit, but what I'm saying is that the leading determinant of urbanization in this state is our transportation systems. The leading cause of everything that we've got is the way in which we have -- develop our transportation systems. The same thing we were talking about Wasilla the other day. They didn't put a bypass through there the way they directed. The road encouraged that strip commercialization.

THE MODERATOR: I know.

MR. HARUN: That transportation should be addressed, but somewhere I think we got to address the question of urban roads.

THE MODERATOR: Andy?

MR. MATHIESEN: I have some wording you just might think about that perhaps might accomplish that, "And that the State should encourage alternatives to transportation dependent upon automobiles."

Does that help your situation any?

MR. HARUN: Yes.

MR. MATHIESEN: Because as an example, an alternative to having these massive highways getting to the country might even be more apartment complexes downtown that are attractive that do not even require an automobile at all, things of that sort. It's an alternative that does not necessarily mean more of --

MS. LINCOLN: (Georgianna) That sounds good.

THE MODERATOR: We're getting bogged down again in an issue that is important, but I would like us to try to resolve it. Chris.

MS. JOHNSON: I have two things. One of them is a message from Chip and I wanted to give it now before I go. He says that Room 305 has a conference table and he thinks it will handle all of us and that we can move down there to start again at eight o'clock, if you would prefer, or we

could come back to this room or we could divide into groups. That was his groups.

THE MODERATOR: I don't want us to divide into groups, or ever really, but -- I mean that's my --

MS. JOHNSON: I just wanted to tell you it was available.

THE MODERATOR: 305 is a lot better than this setup.

MS. JOHNSON: It does have a conference table.

MR. HOPE: It has a bar in it.

THE MODERATOR: We'll need that.

MS. JOHNSON: I wanted to make one point. It seems to me that several of these points in this area could be grouped. It seems like we're talking in a way about means, that mass transportation is again a means. And it seems to me that one statement that we're trying to make, and I like the wording that you used is, we would like the State to assist us in quality urbanization. And then I see mass transportation as a means in this regard. I don't know. Carl.

MR. JACK: Just a comment first to qualify my statement. I'm not speaking against this goal here. A question just came around. I'm just thinking out loud. We're talking about government and its regulatory authority and we seem to be talking about cares of government here, where we have a State dictating, to a borough where the

borough may have that regulatory authority, too.

MS. ISENSEN: In the case of Anchorage, the State has done very little to help reverse the decline of downtown, and much to help create another Los Angeles. And so a statement like that, maybe Andy's wording would be sufficiently broad so it's applicable for any community, whether it's a village or a state, but I feel very strongly we need something as an example of what the State is doing. They have a -- They're looking for office space now for 400 employees and their ad says "Any place outside of a two-mile radius of downtown," which is crazy.

THE MODERATOR: I didn't get your wording, Andy. Can you say it?

MR. MATLIESEN: Well, if it is in fact you wanted, you know, to change the auto dependent type of highway, well, then we should encourage alternatives to transportation, that is, modes or access that are dependent upon auto type transportation, because there's a jillion alternatives to that, and if you just leave it up to the State, why, the highway department is part of the State. The they think the urban center is cloverleafs and underpasses and over-passes and God knows what known to man.

MR. HUSS: I think Chris's definition was even broader than and better than that, the "One where," said, "the State should strive to help the cities achieve an equality

urbanization," or something like that.

MR. BARUN: Yes, that's good.

MS. BAYES: Then you could have means under that; is that right?

MR. HUSS: All these, like alternatives to the automobile, green belts, all that could be the alternatives to what we have now, and that would be --

MR. KELSEY: Means.

MR. HUSS: Means, that's what I mean to say.

THE MODERATOR: The State should strive to achieve a quality urbanization.

MS. KINGRA: To assist.

THE MODERATOR: The State should assist --

MS. KINGRA: In quality urbanization.

MR. BARUN: What you're trying say is quality with urbanization is taken. You don't want quality.

THE MODERATOR: It's difficult to try to amend this from the floor. Do you think you could take it back and come up with a -- now that you've heard what everybody is -- everybody is happy with the idea, but they don't like the language there.

"The State should assist --

MS. KINCKA: There was something else in there besides the State should assist in achieving quality urbanization.

MR. HUSS: Just cities in achieving. That way it

would put in the cities.

THE MODERATOR: The State should assist cities or communities.

MS. ISENSEN: Communities, communities.

MR. HAKUN: Quality urbanization taking place.

THE MODERATOR: Everybody is telling me what it was and I can't get it.

What is the language you prefer?

MR. HAKUN: Well, the State should assist in achieving quality in urbanization, or a quality where urbanization is taking place. Quality development.

THE MODERATOR: This is what I'm saying. You know, to try to get this. I mean without having it written down. Could we -- could I ask you to come back with it at eight o'clock?

MR. HAKUN: Sure.

THE MODERATOR: Now, these other --

MR. KELSEY: Do you want to vote on that, on the concept. I think we're agreed on that pretty well.

THE MODERATOR: The concept of mass transit?

MR. KEENER: Sure, sure.

MS. HAYES: No it's not true mass transit we've been talking about.

THE MODERATOR: No. 1, I don't like to vote on the --

MR. HUSS: We got to vote on the one you got basically,

those are going to be our means. That's going to be our goal, what you have down basically.

THE MODERATOR: I'm not sure I have it. "The State should assist cities in achieving quality urbanization."

MR. HUSS: Something like that. I mean let Kevin edit and we'll vote on that concept.

THE MODERATOR: Okay, any objection to that as a goal? Okay. Do you have it? For your editing?

MR. KADEN: (nodding head)

THE MODERATOR: "The State should consolidate State land disposals to discourage further strip commercialization and sprawl and rural areas along the State highway system."

Any comments?

MR. KADEN: I think that that is a much bigger issue than just the sprawl along the highways. I think what has happened the State is disposing of huge quantities of land without any planning at all, and they haven't looked -- they haven't looked at the effects, the social, economic, any other effect upon the areas in which they're disposing of land. So I mean that's part of the same problem. But it's a much greater problem than just that. I mean it's one that bush people are experiencing, urban people, everybody's getting nailed by this -- these land disposal.

THE MODERATOR: Andy?

MR. HOPE: I'd like to know if there really is a problem. You know, this is why we need resource people here. I'd be making a judgment in ignorance if I -- you know, because I haven't been up to Wasilla lately or wherever this was supposed to be happening, and I thought that the thrust of the lands legislation was to turn over lands to the local municipalities or whatever, boroughs, then they could --

THE MODERATOR: That's only one portion of their land disposal.

MR. HOPE: See, like I say, I'm ignorant on it.

THE MODERATOR: Georgie.

MS. LINCOLN: (Georgianna) In the interior, I don't like the wording that the State should consolidate state land disposals, because the areas that we've had problems with is, if you consolidate the State land disposal and you put in a tract that would accommodate 20 people in an urban -- I mean, excuse me, a rural area or a village, it says the whole concept of what that village is, and in fact the voting population at times is even greater than the village itself. And it -- so I'm strongly opposed to consolidating the State land disposal. It has a detrimental effect on our villages.

THE MODERATOR: Kevin.

MR. LALUN: That one was just meant in reference for

communities along the State highway system, such as Cantwell and --

MS. LINCOLN: (Georgianna) To the case.

MR. BARUN: To the case.

MS. LINCOLN: (Georgianna) To the case is one of our villages.

MR. BARUN: What they had planned, it varies I guess from community to community. I guess the point is, as Haden was saying, there could be a lot more local involvement in these land disposals before they take place.

THE MODERATOR: Well, one of the things they're doing is putting land at disposal out there where there are no roads or anything to it, and the next thing you know you'll have people there and they'll be asking for all of the kinds of services that are available close in, schools, roads and so forth, without -- I think that's one of the things that you were talking about, in that it needs to be a broader issue. John.

MR. KELSEY: That's precisely where we are. Where I come from, Valdez, we're -- State disposing of the lands and those people are demanding that we build roads to them, and we're even thinking of going and litigating it. It's that bad.

THE MODERATOR: Were you first?

MR. MATHIESEN: Well, I'd like to say that the

legislature demanded the administration to dispose of those lands and we really can't put all the blame on the administration. And as far as the planning part goes, those that are in the planning now assure us, if you can be assured with that, that in future land sales that the planning will be much more comprehensive to accomplish exactly what you're discussing. But in the initial land disposal they had to get rid of so much.

MR. HOPE: Was it in a rush towards last year's election or what?

THE MODERATOR: It was because of the Bierne initiative that motivated the legislature to take this action to tell, you know -- and the people spoke and said, "We want land," and this is the way they reacted. This is the reaction.

MS. HUNTER: Madam Chairman, I think there are meetings all over Alaska with legislators right now before they go back to Juneau, complaining about HB 66 and the letter of intent. And I think it might be well to acknowledge among the people here that we recognized the problem of these very hasty and ill-planned State land disposals which are doing, among other things, strip commercialization, but worse than that are impacting existing communities in ways that are costly and, you know, downgrading the quality of life in those communities, and

that we feel that much more local involvement needs to be present in the -- you know, rather than just disposing of the land. I don't know how to say it exactly, but we're all agreed on the same thing.

THE MODERATOR: I think all of these, they're too narrow, I guess, is what you're saying.

MR. KAHN: Could we just restate it and say that a directive from us to the legislature, which all these are supposedly are, that the State should not dispose of any -- I mean make a negative out of it, because it's a negative program, and the State should not dispose of any more State land until proper planning has been done. You know, that's -- I mean if that's all it is, if they had planned at all, if they had looked at the land they were disposing of, you know, lot of the problems would have been alleviated. They sold swamp land, you know, where we are.

THE MODERATOR: You can turn that into a positive statement. Disposal of land shall follow only after proper planning.

THE MODERATOR: I think you need to come up with a statement rather than an offer. I'm afraid we're going to come up with some sloppy goals and then we're going to look terrible.

MR. HOPE: How about at eight o'clock. It's after six now.

MS. HAYES: It's very taxing.

THE MODERATOR: It is.

MR. MATHIESEN: Let me try this one, "Existing qualities of life must be maintained prior to a disposal of State land."

MS. HUNTER: Well, not prior to.

MR. MATHIESEN: See, when I say existing qualities of life, you know, they have to be maintained before --

MS. ISENSEN: State land disposal should be in concert with the existing quality of life.

THE MODERATOR: This is the kind of thing, it doesn't do quite anything -- to try to put it together over the dinner hour and come up. I know it's six o'clock and you do need a couple hours. We're going to have to have ideas about means tonight, because we have to finish.

MR. KEENER: This is our last goal sheet?

THE MODERATOR: Well, no, we've got -- yes, we got one more.

MS. HAYES: Then we have the means.

THE MODERATOR: "Rural housing and water and sewage disposal facilities and solid waste disposal shall be designed for local needs."

MS. HAYES: Is that a means?

THE MODERATOR: Criteria should include energy conservation, affordable, utilization of local resources

and know how and strong local input into planning and implementation.

MR. KEENER: That's a means.

THE MODERATOR: I guess that's why -- that's a means. What do you feel about this? Do you have any objections to that?

MR. HUSS: Which one?

THE MODERATOR: Rural housing and water and sewage disposal facilities and solid water disposal --

MS. HUNTER: Solid waste disposal.

THE MODERATOR: -- solid waste disposal be designed to suitability to local needs. Does everybody agree that's a good goal?

MR. KELSEY: I think it's a great goal. I just think it's in conflict with governmental requirements and I wonder if we're going to look silly --

MS. HUNTER: I don't think so, John. I think it's important to come out and say it, because the government is going crazy in what they're doing.

MR. KELSEY: I agree.

MR. HUSS: Yes, I agree.

THE MODERATOR: I don't think we have to stand back just because the feds say something.

MS. HUNTER: Or the State government does something, you know.

THE MODERATOR: Level?

MR. PAUL: Designed for a suitability to local needs and somehow getting a concept of aesthetics in there, because oftentimes rural housing, they come in and they just -- I mean it may be suitable, but they're totally ugly and it's --

MR. ROSS: It's not suitable either.

THE MODERATOR: Well, designed to take into consideration the -- why don't you edit that? If there's no objection, if everybody agrees with it.

MS. LUNTEN: I think we all agree on it.

THE MODERATOR: -- that that's important, I think you could edit that.

MS. LUNTEN: You could add a couple words or something.

THE MODERATOR: So you agree this is a goal?

(Responding affirmatively)

THE MODERATOR: This group. Now we just have one more sheet and then we can pretty much --

MS. KINGRA: I am past thinking.

THE MODERATOR: I know, I'm afraid that's what's happening.

THE MODERATOR: A commitment to downtown core revitalization and enhancements in urban areas.

MR. RUSS: I think that fit our other one.

MS. LINCOLN: (Georgianna) Yes, that would go into

the first one -- not the first one, the second.

MR. HUSS: The quality urbanization.

THE MODERATOR: That should go with the one up there as a goal.

MR. HUSS: The one you have on your pad. It's the same thing.

MR. KELSEY: Yes, same thing.

THE MODERATOR: What you're saying then is we should rewrite this whole thing and include that; is that it?

MR. HUSS: No, I think you can just drop that and keep the one you got.

THE MODERATOR: We haven't adopted anything yet.

MR. KADEN: We adopted a concept.

THE MODERATOR: "State lands selections and disposals should reflect local desires to maintain quality of life."

MR. KELSEY: Same thing.

MS. HUNTER: That's what we're talking about.

THE MODERATOR: -- and adopt a land-use tax" -- I saw Yule you'll put this on there. "Adopt lands-use tax concepts, variations of Henry George."

MR. KELSEY: He's not here to defend that, so we'll leave that.

MR. KEENER: When you talk about quality urbanization, you talk about the residential areas surrounding the downtown area, if that's what you want. I mean if you

don't want the Los Angeles urban, you should also say with that quality urbanization say it's a quality revital.

THE MODERATOR: Someone is supposed to come up with a statement that will cover those -- we'll leave that with it and the drafters of that motion.

MS. HAYES: I think, Katy, I think the red statement there is a result. And we in another statement are trying to prevent such a need to revitalize places. They shouldn't need it this soon, like the downtown Anchorage area shouldn't be really needing revitalization, it's a brand-new city.

MS. HUNTER: Fairbanks desperately needs it.

MS. HAYES: Yes, because, you know, there is no attention given to this, we're going to be revitalizing a lotta places all the time and it's a waste of construction, all the building, you know, all the building needs. It's a poor excuse to me, and I don't think a place as young as Anchorage is, it's the youngest city, you know, needs to be abandoned and there are places for lease, and they're building new ones everywhere. It's incredible to me. I think we want to avoid such.

THE MODERATOR: Yes, I can see to avoid --

MS. HAYES: This is the very thing we want to avoid by the other action.

THE MODERATOR: All right, Carl, you had your hand up.

MR. JACK: Are we done with that?

THE MODERATOR: Well, we're done with it because the very subjects, as I understand it, we feel have already been touched and we need to come back with some better --

MR. KELSEY: Why don't we just tear it up then?

THE MODERATOR: No, he needs it to do his writing for the ones we need to adopt.

MR. KELSEY: Let's have it understood we're not going back to it.

MR. JACK: I was going to bring out what was thrown back to me in regards to the goal. I was told to rewrite it.

THE MODERATOR: I know there are some other things.

MR. JACK: Let me just throw it out just once more, and then, this is on the roads. The original wording was "Roads to be developed according to regional plans based on existing transportation loads. The revised language is "Any anticipated road construction, in parentheses, transportation development, parentheses closed, should only be implemented based on the expressed preference of local communities to be affected."

THE MODERATOR: How does that sound? Do you have any objection to that as a goal? That would be the -- to take care of that one on another sheet.

Okay, are you too tired?

MR. KABLEN: Would you reread it, please?

THE MODERATOR: Would you read it again, Carl?

MR. JACK: "Any anticipated road construction, in parentheses transportation development, parentheses closed, should only be implemented based on the expressed preference of local communities to be affected."

THE MODERATOR: Any objection?

MR. KELSEY: I'm just -- may I?

THE MODERATOR: Yes, John.

MR. KELSEY: I'm wondering now if we're precluding something that, you know, might be desirable. I'm thinking of, let's just say -- let's take another area, the North Slope Road, for example. If you wanted to go from point A being Fairbanks to Prudhoe Bay and they have to go through Anaktuvuk Pass or something, and yet they have to get the permission of the people in Anaktuvuk in order to accomplish that. I think they did have a problem, I'm just wondering by adopting you might be precluding something that might be desirable by the rest of the state.

MS. LINCOLN: (Georgianna) No way.

THE MODERATOR: No, I think that's exactly what the -- what they want to do is let it be a decision to the people there whether they want a road or not.

MS. LUNTLEY: Madam Chairman, seems to me the Hall Road is really the first instance we've had where there has been

a debate in which a lot of the values of local people got into the debate. Mostly we've never had a chance to debate where a road goes, or whether a road should go. The highway department generally comes to you after they have decided on a road and they say, "Should it go here and here?"

You say, "I don't want it to go either place," and they say, "Tough." I think what is requested is that this form of local input get into the planning at a stage when it can influence what happens, and I think, you know, -- maybe it will preclude something, but I think -- this is a democratic society, and if it is a will of the majority people that a road go through ultimately to develop something, it will be done. You aren't going to stop it, but you're certainly going to give local people some input.

THE MODERATOR: John.

MR. KELSLY: Madam Chairman, but aren't you precluding the possibility of what's going for the vast majority by a minority, a very small group? I just have a little problem with that.

MS. HUNTER: I can't see that happening.

MR. KELSEY: Oh, I can.

MS. LINCOLN: (Georgianna) And I think that that is a great opportunity for the minority, because rural people are minority people, that it's a great opportunity for the minority voice, I don't mean the minority, the minority

voice to be heard. It's always majority rule. I think there has to be some kind of equal justice for the minority voice, too.

MR. KELLEY: I would certainly agree, but, you know, I wouldn't think -- I wouldn't want to give them the tool to preclude something that was in the best interests of the entire state. I certainly wouldn't want to be in a position to take a vote and cancel out something that was good for the state if I were against it. I don't believe in that.

MS. HAYES: We are the state.

THE MODERATOR: Gene had something she wanted to say.

MS. KINCH: Our stenographer is going downhill as fast as the rest of us, and I think we should consider her in our zeal to finish, because she doesn't rest for two hours.

And as I understand, you go and transcribe your notes.

And I wish we would take her into consideration, and ourselves, adjourn until eight and come back fresher than we are now.

THE MODERATOR: We'll vote on yours at eight o'clock, Carl.

(RECESS: 6:20)

SCOMM

#30:19

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

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Reported by: Charlene Beovich, RPR

GAMMA GROUP MEETING PROCEEDINGS

(December 7, 1979, 8:00 p.m.)

THE MODERATOR: We'll start out with our political, they called it Political Justice. "Gamma group envisions the future for Alaska as one in which," and then the first heading is "The political representation reflects both population and geographic diversity," and how do we see that this would be put into effect?

MS. HUNTER: Well, I'd just think that we should go back to the business of having senators come from the district, from, you know, representing areas and representatives representing people.

THE MODERATOR: Andy?

MR. HOPE: That's one thing I didn't understand. Why both the senate and the house have to be on a population basis where in the United States congress the senate is not. Why does the whole legislature have to be structured that way? I couldn't understand that.

THE MODERATOR: Well, that was the result of reapportionment back after the '70 census and taking the Supreme Court's decision, one man, one vote.

MR. HOPE: I realize that, but why vote --

THE MODERATOR: That's why we have this plank now, so we --

MR. KILCHER: Madam Chairman.

THE MODERATOR: Yule.

MR. KILCHER: Actually our present apportion is in total contradiction of our constitution. You're well aware. I'm a constitution delegate. Was. Will be next time. When that federal ruling came out, I think Governor Egan, a good friend of mine, was hasty in changing the senate apportionment. It was under political pressure, political, personal or otherwise, I don't know. I've never agreed with it.

We have never since then changed the constitution. We should have changed the constitutional amendment adopted years ago to conform with the deep fact of reapportionment that was unconstitutional just because of what the federal decision should be. I agree with you, it shouldn't have been done and there's no reason why we should have the -- as a sovereign State, as the Federal Government has, and has geographic consideration in the senate.

However this is probably a moot question in the near, if there is one, because the sentiment for it is quite big. There's no use we have a system if we don't have one house based on the geographic concentration. It's

unconstitutional. Unconstitutional.

MR. BOSS: I'd like to make a recommendation then that we go ahead and reapportion on the federal system with the senate being by region and the house one vote one man and just challenge the Supreme Court ruling.

MS. JOHNSON: I second.

THE MODERATOR: I'm sorry, that was Baden and -- we have a problem. Excuse me, I'll have to. They're not finished and they feel that they've got to finish in order for us to be able to -- that they'll never -- we'll never see it and we'll never be able to finish, so they would like to have the rest of the committee come up there and help. John, Yule, unless you want to stay here and

MR. HOPE: Aren't they just taking care of kind of --

THE MODERATOR: Well, --

MR. HOPE: -- proofreading type and grammatical type --

THE MODERATOR: Well, they've written them down so the statements are here and they're on the six categories, so they, you know, don't have too many more, but --

MR. HOPE: You're saying this is those guys.

THE MODERATOR: Right.

MR. KEENER: But they also deserve the same.

THE MODERATOR: I told them that if they would like to have a say in the implementation, but I felt when they come down, that they could look at what we've done and they

would still have an opportunity, we could open it up for them to have some additional say.

MR. KILCHER: Reconsideration if they disagree. Grant them that courtesy and that should work as you suggested. It's good idea.

THE MODERATOR: I didn't hear what you said, but I gather, about this first issue then, you would agree to go back to the --

MS. HUNTER: Alaska's constitutional setup.

THE MODERATOR: Is there a motion?

MS. JOHNSON: Yes and seconded.

THE MODERATOR: Okay, what is the motion?

MR. RUSS: That we reapportion similar to the federal structure with the senate being based on a regional criterion and the house being a one man, one vote system and just challenge the Supreme Court on that decision.

THE MODERATOR: Right on.

If Chip isn't here, Christine, are you -- is there some other body around here who can assist us from the interns or something? Some of the groups, they tell me, have typists and so forth to help.

MS. JOHNSON: As I understood, Chip was trying to get a typewriter in here and a typist, but I haven't seen him for three hours. Or two hours. So --

THE MODERATOR: It's going to be rather hard to --

someone, I need someone to write them.

MS. JOHNSON: Can't we use this form?

MS. HUNTER: We can't use that form over and over again.

THE MODERATOR: We have several copies of the form, but don't you think you want to see it up here?

MS. LINCOLN: (Georgianna) Yes.

THE MODERATOR: The motion is to implement this goal by having the house elected on the one man, one vote, and the senate by senatorial districts represented as stated in the constitution. Is that what the motion was?

MS. HUNTER: Yes.

THE MODERATOR: Any discussion?

MS. HUNTER: I think it's great.

THE MODERATOR: Is part of the motion to challenge the Supreme Court? Do you want that in the motion?

MR. LUBS: Just an apportionment. Reapportion according to this method and this challenges the Supreme Court, you know.

THE MODERATOR: Do you think you want to put that right in this motion, challenging the Supreme Court?

MS. JOHNSON: You must put on the other hand a positive statement, like, in accordance with the Alaska constitution.

MS. HUNTER: I think that's better.

THE MODERATOR: Yes, in accordance with the Alaska constitution, the senate shall be by area and sociological --

MS. HUNTER: Geographical area, isn't it?

THE MODERATOR: Geographical areas and the house by one man, one vote.

MS. HUNTER: by one man, one vote.

THE MODERATOR: Any further question?

MR. HUSS: Question.

THE MODERATOR: All those in favor say aye.

(responding)

THE MODERATOR: Those opposed.

MS. ISENSEE: Aye, nay, whatever.

THE MODERATOR: Julie is there any way you can find somebody? Do you know what's happened to Chip or is he going to be around?

JULIE: I can go find him.

THE MODERATOR: I just wondered why we've been left.

Okay, the next item is -- goal was justice and enforcement of the law is applied equally without regard to race, ethnic group, geographic location, sex or social status. Are you looking at those things of Carolyn's? I suspect she might have something on this one.

MR. HOLTHUS: She has two specific recommendations with regard to that. One is state-wide data bank, can't read the next word. Anyhow, it's for rape reports and

their ultimate disposition. And a judicial council study that compares rape prosecutions, dismissals, bail, sentences and probations with the same statistics for other violent crimes, for instance, assault. And I don't think she really means this, but she wants a rape advocate and every law enforcement that wasn't suspect the victim throughout the process. I think she wants somebody to support the victim throughout the process, but I don't think she wants any advocate for rapes.

MS. HUNTER: Well, she calls them advocates in the women's resource --

MR. HOLTHUS: It's bad. Do you want the major factors listed or not?

THE MODERATOR: On this subject? I guess --

MR. HOLTHUS: I think we don't want --

THE MODERATOR: The major factors, no. I would assume that the major factors are leading to the specific regions is our goal. But am I wrong?

MR. HOLTHUS: Well what she has listed here under specific recommendations, those three things I read are. Under justice and law enforcement applied to even handling without regard to race, ethnics, social status, et cetera, she has a professional permanent law enforcement service in rural areas and the reasons she has for that are there is slow or no response to calls for assistance, village police

are often related to the offender, have difficulty enforcing the law; villagers are held captive by someone out of control, so on.

THE MODERATOR: Could we take them just one at a time and see what the group feels as to that recommendation?

MR. HOLMES: I think the regions, the specific recommendation for that one is just a professional permanent law enforcement service in rural areas.

THE MODERATOR: Is there any objection? Do you all agree that's a good solution? Andy?

MR. HOPE: I wonder. I know the State has recently recruited quite a few native State Troopers. Are there efforts currently under way to resolve this problem or --

THE MODERATOR: Well, do you think that matters? I mean we have, this is a goal and I mean if we're going to try to figure out what the State is doing, that's up to the legislature to find out whether if they are already doing it, they can scratch that off as something that they don't have to address, but I don't think we can spend the time trying to figure out what the State is doing.

MR. HOPE: Well I mean if it's really a critical problem. I don't know. I don't know that it is. I know that in Sitka the critical problem that we have is the lack of -- total lack of any personnel working that -- that works with the police department, native personnel,

officers or whatever.

THE MODERATOR: That's another -- that would be another item maybe that you should bring up. But could we first address this question of Carolyn's recommendation?

MR. HOPE: Well, I question whether it's, you know, really that much of a problem.

MS. LUDWIG: Yes.

MR. HOPE: If I heard it from the villagers.

THE MODERATOR: Could we hear from village that could answer that? Carl.

MR. JACK: Madam Chairman, I would add between profession and, professional and adequate permanent law enforcement, the reason being, an example is, down in the Chain there is one person that's supposed to handle 1500 miles of that Chain. And the same is true generally in the Yukon area.

THE MODERATOR: Georgianna

MS. LINCOLN: (Georgianna) I just wanted to add that the Tanakee region or the whole interior of Alaska is trying to deal with that and not so much as looking at the professional law enforcement agent, but a roving magistrate, so that a person is not hired as a policeman or a law enforcement agent in a village that is 50 or 100 people there, and having to deal with their own relatives. This way the roving magistrate could go around and not

necessarily be related. So I don't know, professional permanent I --

MS. ISENSEN: Let me make this A and L, a circuit riding magistrate or circuit riding judge.

MS. LINCOLN: (Georgianna) Not judge, magistrate.

MS. ISENSEN: Magistrate.

THE MODERATOR: Rosemary.

MS. LUDWIG: I was wondering if we could incorporate legal aid in there. We had that in -- you know, they got those sheets with some of the needs and legal aid was one of the recommendations.

MR. HOPE: Lot of those were supposed to be transferred and they never were transferred.

THE MODERATOR: Wasn't it legal aid?

MS. KINCHA: It was there, but we decided it was a means.

MS. LUDWIG: Oh, that's right.

THE MODERATOR: A means, yes, so it is a means.

MR. HESS: Katy, can you read the goal again, please?

THE MODERATOR: "Justice and enforcement of the law is applied equally without regard to race, ethnic group, geographic location, sex or social status." And this goes, you know, the phrase is, "Gamma group envisions the future for Alaska as one in which," and then that's the rest of the sentence. You have to go back to the beginning each

time.

MS. ISENSEN: I'd like to add something to part A. In some urban areas, as the people have been willing to pay for more and more local policemen, the State has pulled the troopers out, and they're getting to a point where the policeman -- all that done is, they're paying for the local law enforcement that the State used to pay for. So I would like to see it not confined to the rural areas, because I think there's more needed in the rural areas and in the urban areas.

MS. LUDWIG: Still back to the point of the legal aid, where we are, you have to go all the way to Anchorage to get a hold of a lawyer.

THE MODERATOR: That's another recommendation that you would like to have added then, legal aid.

MS. LUDWIG: All right.

MS. ISENSEN: State-wide legal aid available until the rural areas as well?

MS. LUDWIG: (nodding head)

THE MODERATOR: Do you all agree that these are ways to answer the -- to achieve this goal? Are there any other suggestions?

MR. HOLTHUS: Well, we don't have minority hire up there, but I think that ought to be part of it, whether it's local police or State Police doesn't make any

difference, but, yes, we need some minority hire.

THE MODERATOR: That was Andy's --

MR. HOLTHUS: To reflect the ethnic make-up.

MR. HOPE: Sitka Police Department is 0 for 21.

MS. ISENSEN: I'd like to work in here, what shall I add? Which includes minority members of the force, or something like that?

MS. LINCOLN: (Georgianna) That's not strong enough.

MR. KEENER: The minority hired reflect the composite of area or the composite ethnic or cultural.

MS. ISENSEN: Actually we need minority hire in all three of these. You know, --

MR. HOLTHUS: That's why I think there should be a D.

THE MODERATOR: Gary, how do you want to word that? Can you come up with a suggestion?

MR. HOLTHUS: Just say "minority hire" to reflect the state's population, ethnic population, or minority. We need though with regard to training, because, you know --

THE MODERATOR: Right.

MR. HOLTHUS: Do you want to comment on that, John?

MR. KELSEY: I would like to.

THE MODERATOR: John.

MR. KELSEY: I feel there's been a breakdown in the abilities and the training of the State Troopers primarily in the state compared to what it used to be. I think it

should be addressed here. I don't think they're nearly as capable and qualified today as they were five years ago.

MS. KINGRA: Hear hear.

MS. HUNTER: Is it partly availability?

MR. KELSEY: Mostly training.

THE MODERATOR: More training for personnel?

MR. KELSEY: I don't know if it's totally training. It may be, you know, it may be qualified applicants, too. I see them taking in people that I feel are not qualified.

THE MODERATOR: How about this adequate professional and adequate permanent law enforcement service? That doesn't cover it enough?

MR. KELSEY: Doesn't strike me as it does, but maybe it satisfies the rest of you.

THE MODERATOR: Okay. Well then, what would you suggest as the wording to achieve what you mean? More training for personnel?

MR. KELSEY: I don't know. We should limit it to training. More qualified staffing.

MR. MATHIESEN: Higher qualifications.

THE MODERATOR: Better staffing?

MS. ISENSEN: Higher standards.

MR. KELSEY: Perhaps that would cover it all right.

MR. HOLTHUS: Higher entry standards at least

MS. LINCOLN: (Georgianna) We have a time getting the

minority people in with the standards that are there now.

MS. HUNTER: I think the standards are very strange. They have some ways of hiring people that really turn off a lot of good people.

MR. KELSEY: Maybe that's probably part of the problem.

THE MODERATOR: Maybe it's not higher standards.

MS. LINCOLN: (Georgianna)

MS. HUNTER: It's the ways of screening people.

MS. LONCPRE: Hiring practices.

THE MODERATOR: Carl?

MR. JACK: Madam Chairman, I'll use my region as an example in trying to achieve A, which under the CETA program, we have trained at the basic level down at Sitka Police Training Academy, some 19 village constables. And there's going to be -- they're going to have another training session to try to instill enough upward mobility type of training program which, hopefully, sometime down the road they will assume the professional responsibility. Professional level of discharging their duties as law enforcement officers.

So that's at least what we're doing, what we're trying to do within the Bethel area. 19 villages out of 57 is still a far cry.

THE MODERATOR: You think there should be a career ladder then? Is that, career ladder, so that people could

advance? Andy?

MR. HOPE: The training down there I think could be -- there's room for expansion, for a little creativity. Like some of the probation officers have mentioned there's a pre-occupation with weapons training down there right now at the academy. So some of the other law enforcement people, the probation officers, the magistrates, I think, you know, there's room for expanding the training in either of those areas for those people.

THE MODERATOR: How specific can we be on --

MR. HOPE: Just improved training opportunities or whatever.

THE MODERATOR: Okay. Maybe this E would be improving training. Improving training?

MR. HOPE: All aspects of law enforcement?

THE MODERATOR: Beg your pardon?

MR. HOPE: For all aspects of law enforcement personnel.

MR. BUSS: Would you include recruitment and training?

MS. LINCOLN: (Georgianna) Yes.

MR. HOPE: Yes.

THE MODERATOR: Did you catch that?

MS. ISENSEN: Yes, recruitment and training.

THE MODERATOR: Does that about cover that? Chris?

MS. JOHNSON: I don't know anything about this, but I

was wondering if maybe one of the solutions to providing law enforcement within these areas that are like, we'll say, the Aleutians would be maybe not more people on the force, although certainly one is inadequate, do they use telecommunications at all?

MS. LUDWIG: (shaking head) have none.

MS. JOHNSON: This might go in another category, but I think it might be that we should be exploring the possibility for spreading the justice system through telecommunications or this might go in the communications category.

MS. ISENSEN: There are some training films that they have done in times past for training village constables for policemen. Is that what you're talking about?

MS. JOHNSON: No, I'm talking about if there is a village which needs a Trooper, that -- and maybe the -- I know that in some of the villages there might only be a telephone and sometimes that doesn't work, or maybe there is no telephone and the quickest way to get somebody is, you know, to go 40 miles down the river. Maybe we should be looking at an expanded communication system. We should look at Troopers electronically if not physically. I don't know if that's feasible. It's just an idea.

THE MODERATOR: I think that's visionary and I wish we would get started thinking. I would think it would be

great to start thinking about something in a different way. And if we did have a state-wide network of communications, that kind of service would happen, but I -- whether you want to plug that in here.

MS. JOHNSON: I certainly don't believe we should set up an independent network of communications for -- telecommunications for education and telecommunications for government and then telecommunications for justice. We should be talking about an integrated network and maybe that should be addressed under the communications category.

THE MODERATOR: John?

MR. KELSEY: Madam Chairman, as a matter of fact the State Troopers have their own communications system and it's quite adequate.

THE MODERATOR: Cary?

MR. HOLTHUS: I wonder, I tend to think of these things in terms of enforcement on the one hand, and courts and justice systems and judicial systems on the other. If we've got enough policemen up there, maybe we could talk a little bit about courts and make some recommendations about those.

THE MODERATOR: Okay. Do you have a recommendation to add to that?

MR. HOLTHUS: Not as far as policemen go, I guess.

THE MODERATOR: Courts?

MR. HOLTHUS: Courts, yes. Several things, I can think of --

MR. HUSS: Would that come under the same goal?

THE MODERATOR: Beg your pardon?

MR. HOLTHUS: Yes. I think it could. One of the things that's a current concern to the courts right now, they're having a hard time believing it, is there's a bias in sentencing, a racial bias in sentencing. Blacks get longer sentences than whites for the same crime, natives get longer sentences than either black or whites. So I think one of the goals ought -- one of the things that ought to be implemented is an end to racial bias in sentencing. I think courts ought to be closer to home than they often are, especially for village people. And that probably means an increased number of magistrates at least and court officials. I don't know how many more, but you have one in Barrow one in Bethel, Nome. I don't know whether there's a magistrate that sits in Kotzebue or not. At any rate, there are too few and far between.

And the number has to do with urban areas as well. We now have a big backlog in Anchorage and Fairbanks and there ought to be a -- well, --

MS. ISENSEN: Increase magistrates and judges.

MR. HOLTHUS: Yes.

MS. LUDWIG: Yes.

MR. HOLTHUS: Increased number. There ought to be a kind of rhythm to the Court system that it doesn't have right now. If trials are too speedy, then they tend to go for an easy quick conviction. If they're too slow, then people are penalized because their case never comes up, if they can't afford bail, they languish in jail. So you have to have an adequate number of court personnel to kind of keep that flow at the proper speed.

So courts closer to home is one.

THE MODERATOR: Did you get that? Courts closer to home?

MS. ISENSEN: I'm going to make that F, I guess.

THE MODERATOR: Yes.

MR. HOLTHUS: And did we get into racial bias in sentencing?

MS. ISENSEN: Do you want to be more specific with that?

MR. HOLTHUS: Courts closer to home and then C would be an end to racial bias in sentences.

MR. RUSS: I just want to know if there's a way we can recommend achieving that.

MR. HOLTHUS: Well, I think they've taken some steps, you know, the last meeting they had in Sitka was to deal essentially with that issue, and there were a number of folks who just still didn't believe that it was an issue,

but all the data that they keep coming up with indicates that it's really a problem. So sooner or later they're going to have to do something about it. It's going to take some more meetings with the entire judiciary with attorneys and with advocates and others. And sooner or later they'll take some steps to do it. I don't think we need to spell out the steps.

THE MODERATOR: Hm-m, no.

MR. HOLTHUS: One of the things that's happened in recent years is, Steve Kahn and Art Hickler have been studying village law ways, aboriginal law ways, and there's been some movement in the courts to maybe let those stand in places where they're still viable, and not bother with white man's law sort of, they let a lot of issues be resolved at the village level by village people themselves without magistrates or policemen or anybody else.

I don't know whether that's a goal we want to put up there or that where it's viable, village law weighs out the whole as opposed to legislative.

THE MODERATOR: David?

MR. KEENER: I would have to say that I'd like to see us direct our -- tonight, the way we feel it affects the life-styles, but I think that something as hard to explain as that should be left to the professional people to decide that, the Bar or whoever, because I know I have no ability

to sit here tonight and say, recommend something like that, when if that was adopted, it would affect the outcome of some criminal trial in a village, because I'm not that qualified.

THE MODERATOR: Christine?

MS. JOHNSON: I think we can make a statement --

THE MODERATOR: Speak up.

MS. JOHNSON: I think we can make a statement that we would like to see those options explored. I think maybe that's --

MR. KEEKEK: By qualified people.

MS. JOHNSON: Well, --

THE MODERATOR: Georgie? Andy.

MR. MATHIESEN: I get a little nervous about what we're discussing here now. You know there's advantages and disadvantages living in the bush like there are in the city. And I don't care if the groups like this get together from now to eternity. We're not going to correct every advantage or disadvantage wherever we go. I think we're getting -- I think this is impossible. I really do. If we're going to correct every last thing here, why, hell there isn't a soul that would want to live here, not one soul of us. I don't think it's possible. Where's the money going to come from? That oil isn't going to produce enough money to do just what we've been doing this

afternoon, to pay for the things we suggested this afternoon.

THE MODERATOR: What is the reaction of the group to Andy's statement? Carl?

MR. JACK: As I look at this conference right from the beginning, the document that's going to come out from this conference is going to set a guideline for the legislatures for the next ten years and try to achieve those -- the goals that have been established in this conference through the legislative process. It's necessary and I assume through the -- through actually two means. One, administrative remedy that can be handled, to correct it at the administrative level, and if it cannot be done, through the legislative remedy. Also at the same time I don't think it would hurt at least to suggest to the legislature the means by which these can be accomplished, because I've noticed in my region that the representatives we have, with all due respect to -- strike that off the record, is that the generally -- well, the only type of input that they get from the people are through the letters and through very minimal hearing processes within the region.

So in essence we've entrusted to our representatives to use their own best judgment to come up with the legislation to remedy the need.

THE MODERATOR: Ellen's been trying to get something

to say down there. I saw your hand up, Ellen.

MS. MAYER: No, I didn't. I'm sort of just looking at the board.

THE MODERATOR: Thanks. Georgie.

MS. LINCOLN: (Georgianna) I think there are some things that we're going to recommend that are not going to be equal dollars and one of the things that was brought out here was how to have the State support the villages' concerns, I guess, on the judicial system. And I think one way we just recently experienced was a village that voted that they go dry, and that no booze come into the village. This occurred three weeks ago, because of the high suicide rate that was occurring in this small village. And the State came back, "No, that was illegal." There wasn't any alternatives given to that village, but just to say, "No, that's illegal." Well, I think that's costly to the State and to the citizens of the state to now come back and assist that village in coping with the problems that have occurred because of the drinking.

So I think that -- I don't know how to word it, but I think there's a way, without it equaling dollars, that the State support or it find ways to legalize things that the village wants to do. You know, if they want it to be dry and they don't want the airplanes coming in, chartered with liquor, then I think that the State should

still aren't implemented, but many of them are, and I think it is a long-term thing and I don't think that we have to say -- I don't think we should pull back because we haven't got money enough. But I think the thing we're lacking right now is time between now and midnight and I think we better move.

THE MODERATOR: Okay.

MS. ISENSEN: I'd like to make a quick stab at what Georgianna wants to do. The State is supposed to enforce local liquor laws, whether the State is all that's on the scene for enforcement. And that way if a town votes to go dry at two AM and close all the bars, the State supposed the that, but if they vote not to have any booze, they're supposed to be doing that, too. There must be some wrinkle that made them take exception here, but we could certainly put down State enforcement of local option liquor laws. Would that handle it?

MS. LINCOLN: (Georgianna) M-hm (nodding head).

THE MODERATOR: Go ahead, try it.

MR. KELSEY: Isn't that what they do in Bethel?

THE MODERATOR: Carl.

MR. JACK: I was going to comment, going back to the point legislators use their own judgment to try to alleviate the problems. The way it is right now, it's very hard for the people from the village to travel to Juneau,

which is very costly, and by putting down the means right now, should give them a fairly good idea as to suggestions --

THE MODERATOR: Well, we have a goal --

MR. JACK: -- to achieve a goal.

THE MODERATOR: We had a goal that had to do with that very thing. I don't know under which category it is, but I remember a goal that said "There should be more opportunity for people to be involved in the process of government," or something like that and I think that item should be there.

Can we -- are we -- go ahead.

MS. LONCHAR: I would just like to support the statement h about State enforcement of local liquor laws. I think that's something with --

MR. KELSEY: Let's go with it.

THE MODERATOR: We've got it there. Okay, you've seen all these suggestions for Item 2. Is there anything further or can we move on to the next --

MR. KELSEY: At the risk of extending this, I do think that, and I'm not comfortable with this, but I'm also uncomfortable with the situation that exists, it seems to me that the system that we have of appointing judges is bad, because we get some bad judges and they're in there for life, and we can't get rid of them. It seems to me that the Attorney General and others may -- or should be elected

and have the people have an opportunity to decide on their track record. I'm not comfortable with what's happening and I'm not comfortable with suggesting it, but I think it should be addressed.

MS. HUNTER: Aren't some judges elected? because I've voted for them.

MR. HUSS: They're not elected. They're reconfirmed.

MR. KELSEY: That's a far as, too.

THE MODERATOR: If you wish to have a consensus in this group, we could do that right now, whether how many people feel that the attorney general and judges should be elected? How many? How many? Put your hands up.

(complying)

THE MODERATOR: One, two, three, four -- are you voting, David?

MR. KEENER: Yes. I'd also like to say something, but I'm voting.

THE MODERATOR: I'm trying to count how many, just to get a consensus, see, one, two, three, four, five, six, seven, eight. Is that correct?

MS. HUNTER: More than that.

THE MODERATOR: Are you voting nine?

MS. HUNTER: I'm going to vote for it, yeah.

THE MODERATOR: Nine is not a majority of our group.

MR. HUSS: May we hear some of the reasons people are

not voting.

THE MODERATOR: It isn't fair. I mean four of the people are --

MR. BUSS: Can I hear some of the reasons why people voted against it? I'm not that familiar with the issue, it sounds like a good idea to me, but if somebody has some arguments against it, I would like to hear those. Maybe I wouldn't vote for it either.

MR. MATHIESEN: You might have a majority. You haven't called for those opposed yet.

THE MODERATOR: Those opposed.

MS. ISENSEN: We didn't get a chance to discuss it.

THE MODERATOR: It's just a consensus. Okay there was no motion or anything. I was just trying to get whether -- I was just trying to get a consensus to see whether it was something that we should spend time on. It doesn't seem -- we have so many things that we got to get done tonight. I'm trying to move it along and I thought if it was an evenly divided issue, there would maybe be something that we needed to address, but it doesn't seem to me that it is. I could give you where I'm coming from, because I was at the Constitutional Convention and heard all of the arguments pro and con to why they came up with this system, and the reason, as I recall, was because, with elected judges, you get much more corruption than you do with the

appointed judges; and that the system that we have, where the governor appoints a committee of citizens that are not necessarily lawyers, they're from all walks of life, who make the recommendations of judges, seems to be the -- was felt to be the better system. And I really personally would like to, you know, to see.

I know we have had some judges who maybe have not fulfilled their job to the best, but I think by and large in 20 years you can look at Alaska and how many judges have been called corrupt or found to be not fulfilling their job? I think that's the basis of why I --

MR. KELSEY: More than you realize.

THE MODERATOR: Well, it certainly hasn't been public.

MR. KELSEY: Right.

MS. HUNTER: I think we better move.

MS. ISENSEE: Should I put up elected judges and AG?

MS. HUNTER: I don't think so, because it didn't get any consensus at all. We've got to move on.

THE MODERATOR: I don't feel we could do that without calling the other people down to vote. Andy?

MR. HOPE: There's a number of issues like this that have been, you know, that we briefly discussed. There's the judges. There's the limited-entry issue. And there's the apportionment representation and there's probably a lot of other constitutional things. I wonder if we could just

support the concept of having another Constitutional Convention. Dick Fisher favored it in his paper and in a book and I think it might be a good idea to have another one in 20 years. It's been more than 20 years.

THE MODERATOR: Would you like to make that as a form of a motion and that could be a part of our committee report?

MR. HOPE: Yes, I'll make the motion to support the -- I don't know how to word it.

THE MODERATOR: Well, it's automatic, Andy. It's automatic under our constitution that it will be, unless --

MR. LOLE: It got voted down a couple years ago.

THE MODERATOR: Yes, but the question will come up on the ballot automatically every ten years.

MS. JOHNSON: I think the question can also come up in the legislature this session and it's one they're anticipating also. So I think maybe a recommendation from us if we -- if that is our desire would be appropriate.

THE MODERATOR: That's right. The motion would be that you support calling a Constitutional Convention.

MS. HAYES: Madam Chairman, I would say what would support that suggestion of a motion, but I don't think it was seconded. The substance that we come up with during the next hour or so will say whether this is what it points to or not.

THE MODERATOR: Do you want then to wait --

MS. HAYES: I would wait.

MS. HUNTER: I would wait, too, because I think there are arguments on both sides.

MS. HAYES: See what points to it specifically.

THE MODERATOR: Andy, I'll keep in mind that this is a question -- motion we should have after we've gone through all of our deliberations. Okay?

MR. HOPE: I just want to bring out to the committee, there's been two so far. We've gone through two points. There's been two constitutional issues already, one was on the representation and the other is on the judges.

THE MODERATOR: I think that they're not ready to discuss it yet because some of the members are not here. So I'll make a note that we will have -- I'll call for that motion later in the evening. Okay?

All right. "Ethnic, racial and cultural diversity is a proud and cherished accomplishment in which discrimination has been eliminated and all the Alaskans are truly brothers and sisters."

What needs to be done administratively or legislatively to achieve this? Christine?

MS. JOHNSON: Okay, I guess I will put this one again in the rhetoric category. I think that we really have addressed it in the -- in the goal that was outlined before.

THE MODERATOR: That's what I felt. Now it seems like it is repetitious. Does it seem that way to you?

MS. HUNTER: Yes.

THE MODERATOR: Except the other one does not address discrimination specifically. "Justice and enforcement of the law is applied equally without regard to race, ethnic group, geographic location, sex or social status."

MS. JOHNSON: Have we said equal justice?

MR. HOPE: Takes it in a positive language.

THE MODERATOR: You think then that we should eliminate this goal?

MS. JOHNSON: That would be -- if you want a motion from me, yes.

MR. RUSS: I'd second it.

THE MODERATOR: Yes.

MR. KLENER: Maybe we should, in each category list our goals and then at the end of each category list the means, because we worked one hell of a long time to achieve that goal and there was a lot of thought went into that. Whether we've lost it now because we've spent too much time, but let's include them at the top and the means at the bottom.

THE MODERATOR: Okay. Personally I felt that we shouldn't eliminate it without the four people who have been, you know, are part of our group who are not here

because they're working on trying to get this developed. So can we go on then to life-style? Perhaps then we could read the goals under life-style, and then we put the ways to carry them out after that? Is that what you're suggesting?

THE MODERATOR: "Diverse life-styles desired by its Alaskan people --" Well, "Gamma group envisions a future for Alaska as one in which diverse life-styles desired by its people are protected and respected. The arts and cultural pursuits are seen as integral to such life-styles and essential to and enhancing the quality of life. A harmony is maintained between man and his natural environment." Those are the three under life-styles. How do we achieve that? Andy?

MR. KEEFE: I think there was some reference made to women's -- the need for women to have a base of cultural and personal expression supported by the State. I don't remember hearing it probably yesterday.

THE MODERATOR: Well, I can't -- I don't have anything to go by except these sheets they've sent down.

MR. HUSS: Do we have the big sheets or did they take those back?

THE MODERATOR: Beg pardon?

MR. HUSS: Do we have the big sheets?

THE MODERATOR: They have them upstairs. Oh, here

they are.

MR. MATHIESEN: Are we on the means now?

THE MODERATOR: Yes.

MR. MATHIESEN: Well, I would like to suggest a means for that, if I still have the chance and whether it's time.

THE MODERATOR: Just a minute. We'll see if or this can you get those apart?

MS. OLSEN: Yes.

THE MODERATOR: What they've eliminated is part of that statement, "One which maintains a harmony between man and the natural environment." They put a period there.

Okay, we're ready for how to meet the needs of this goal life-style.

MR. MATHIESEN: Well, I think it would be worthwhile to suggest to the legislature that they seek consulting advice on how to carry this out. And then some group entity can examine the solutions to see if they do, in fact, allow us to carry this out to our satisfaction.

THE MODERATOR: Did you hear that? I guess you are the recorder.

MS. HUNTER: Oh, good, here comes our committee.

MS. HYLEN: We left the last one for you.

THE MODERATOR: Hire consultants for consulting advice on how to carry --

MR. MATHIESEN: How to accomplish that.

THE MODERATOR: How to accomplish protection of the life-style?

MR. MATHIESEN: Yes.

MS. LINCOLN: (Georgianna) I agree with that, Madam Chairman, in that if we go through each single one of these and try to come up with the meanings and objectives we're not to be here all night and we got to remember there's other groups that are probably going to be coming up with some of the same things, and in the transcript will have some of the objects to meet these goals within it. So I agree. That just says it all, and how they do it now. They're going to -- you know --

THE MODERATOR: Andy --

MS. LINCOLN: (Georgianna) Pretty well laid it out.

MR. HOPL: I like the second goal. I hope we keep in mind what the gentleman raised about fiscal responsibility. I don't want to see a big centralized cultural institution bureaucracy developed here in Anchorage or in Juneau to foster development for a life-style, an Alaskan life-style.

MS. LONGPRE: One thing we haven't gotten back to as a goal that perhaps could be looked at as a means for protecting and respecting diverse life-styles desired by Alaskan people is the road issue and I don't think we ever did get back to passing a goal we all agreed on, but there's a strong feeling in the bush that they need to have

involvement in any proposed roads as a way of protecting their -- our life-style.

MS. LINCOLN: (Georgianna) That's under transportation --

MS. LONGPRE: It was, I think, but I don't think we ever passed a goal that everyone --

MR. JACK: We have over from --

THE MODERATOR: It's hung -- we have to still adopt that, I think, but I think that it makes sense if you wish to put that in there, to put it right in that area. Even in addition, though the recommendation is that we hire consultants to advise how to achieve that goal. If that is of real concern to life-style, put it in.

MS. LONGPRE: I think the bush people see it as --

MR. JACK: As a goal.

THE MODERATOR: As a means to achieving the goal of --

MR. JACK: As a goal.

MS. HUNTER: Control of road expansion is certainly tied in with life-style.

THE MODERATOR: John?

MR. KELSEY: Madam Chairman, I'm just wondering if we shouldn't incorporate that. I have a tendency, if I got a toothache I want to go to a dentist. I don't want to go to a carpenter. I just feel that that's something that can be said of each and every one of these goals, that we should keep in mind that where there are experts in the field. I

hesitate or even I'm afraid to think of when we get to education. Are we going to try to tell the educators how to do these things? I think they're more capable than we are in putting something together for some of these goals. You know, I just don't believe we're that capable.

MR. KELLY: I guess I think these things are too important to leave in the hands of the professionals without some advice and council from us professions tend to go crazy.

MS. HUTTEN: You're absolutely right. Those at the top do not know what's best.

THE MODERATOR: Let's be careful about the record now and comments addressed through the chair, please.

THE MODERATOR: All right, Cary, were you finished?

MR. KELLY: Just to finish up one thought with regard to this whole business of how you protect diverse life-styles. It seems to me that the great tryers of the diverse life-styles at this point have been missions, church missions and the educational system, and most recently probably the Land Claim Settlement Act. I don't know what you say about that, except that the one thing that we do have some control over with the board of education is the school system. And so the elimination of a similation as an education would help change. The educational goal would help change that.

THE MODERATOR: Do you want to put that under life-styles?

MR. HOLTAUS: That's why I say this particular thing kind of ramifies through everything we're going to talk about; it's transportation, it's education, it's all kinds of stuff.

THE MODERATOR: It's exactly what Andy has been saying at the beginning of each day, that all of these things that we've been discussing affect our life-style. But -- health health and assimilation is an educational goal.

THE MODERATOR: Andy.

MR. HOPE: I appreciate we're getting into limits that affect the life-style of thousands of Alaskans and that's another constitutional question, too.

MS. HUNTER: Excuse me, what was the --

THE MODERATOR: I couldn't hear the beginning of your statement.

MR. HOPE: I said I know it's a cliche that we're entering the age of limits, but limited entry has affected the life-style of thousands of Alaskans, and there's another constitutional question there.

THE MODERATOR: You're building your argument.

Ellen.

MS. HAYES: Are we, Madam Chairman, addressing only Item 2 now or can we still address No. 1 on life-styles?

THE MODERATOR: The whole group, the whole group of items under life-style we're addressing.

MS. HAYES: So you have then higher consultants for No. 1.

THE MODERATOR: I think --

MS. HAYES: I have to see it.

THE MODERATOR: No. 1 recommendation under the whole group of life-styles. It should be A like you did the other ones.

MS. ISENSEN: Okay.

THE MODERATOR: Small A like all these.

MS. HAYES: The reason I mention that is because there has been a study that's been recognized and formalized in the study state-wide of museum needs in small communities, whether then you need to hire consultants when those who are, you know, involved in it now have been doing some work, in fact a lot of work, and they're almost more qualified than whoever comes in as higher is going to ask them and get paid, you know, $5,000 for asking these people what they've already been putting together for a state-wide program of museum, you know, pursuits in cultural life-styles.

So there's also some -- there are insititutes who have people who have been in it from the first throbbings of that effort and who have some goals in mind that get off

on the life line that are cut off every fiscal year, you know, they just don't have any support, because they appeal their case politically every year. So I wanted to bring that out, so in one of our means they can be supported without, you know, trying to appeal their survival case every year and be passed by and then the hiring of consultants has -- I think they provided a background of information already.

MR. KILCHER: Excellent.

THE MODERATOR: Do you wish to put that in as a means to an end?

MS. HAYES: It's a means. They're already there. The people who are in, for instance, in the historical museums locally, they are consultants and should be considered along with what you hire, put into a program of a means to sustain that cultural pursuit.

MR. KILCHER: Madam Chairman.

THE MODERATOR: Yes.

MR. KILCHER: On the same subject, we came in late. Have the A's and B's or just suggestions?

THE MODERATOR: They're just suggestions.

MR. KILCHER: Fine. What the lady just said, I would say the hire consultants, I would say use available information to achieve this. Whether it's available already, already done or whether you have to hire somebody,

you know, in addition, this looks like a typical consultant mentality here prevailing at this whole damn convention.

MS. ISENSEE: You want to say use available information --

THE MODERATOR: Andy. --

MS. ISENSEE: Information.

MR. KILCHER: That's right.

MR. MATHIESEN: What she's written down there is exactly what I had said, but that is not the meaning I intended, that's why I'd like to clarify that better if I can.

MS. ISENSEE: Okay.

MR. MATHIESEN: With consultants, what -- if I could expand that, what I'd like to achieve is that, we've done that before, just like calling for bids. You ask for submission of proposals from the consultants on how to achieve this, and then we examine those proposals to see if, in fact, they will accomplish what we want to accomplish. And we have -- I agree, we have plenty of experts in the State. It's just a matter of getting at them. It's very difficult to get at them. But when we get down to a specific thing like this, I think those that are vitally interested in that will then come out of the closet and be able to examine quite effectively what's being proposed and then probably arrive at something that will work quite well.

THE MODERATOR: Christine?

MS. JOHNSON: I wonder, as a point of information, if you would read that back again. Would you read that again, please?

THE MODERATOR: What, the whole life-style?

MS. JOHNSON: Yes, that first one on life-styles.

MR. KIGGER: We reedited --

THE MODERATOR: "Gamma group envisions a future for Alaska as one in which diverse life-styles desired by its Alaskan people are protected and respected. The arts and cultural pursuits are seen as integral to such life-styles and essential to and enhancing the quality of life. A harmony is maintained between man and his natural environment."

Those are the -- maybe a little different phrasing of those three that are up there.

Now, Christine.

MS. JOHNSON: Okay, I could speak to that. I'm bothered by this idea that we should hire consultants to tell us how we can achieve diverse life-styles that -- how we can maintain the diverse life-styles that we desire. That whole idea just bothers me. It may be in four or five years the diverse life-style that the people desire will be different, and what the consultants have told us will no longer apply. I'm really concerned with that idea. I

think that a commitment to diverse life-styles is, as Andy has been saying, reflected in all these that we do, and I don't -- I don't like the idea of hiring consultants to tell us.

THE MODERATOR: Marion.

MS. HYLEN: I wonder if maybe you need a talent bank.

THE MODERATOR: Beg your pardon? Are we talking --

MS. HYLEN: Other areas have talent banks, the names of people who are informed on certain subjects, so that they would have a grouping that they could call upon. If they wanted to know some certain thing they could call on people, different people throughout the state.

MS. LUSS: The idea of the talent bank is that those people would provide those services for free. It's an attempt to save, that every consultant would do the same.

THE MODERATOR: Lein.

MS. LINCOLN: It seems I'm hearing two different things. One side saying we need consultants and another side afraid that the consultants are going to be people that are -- don't have the expertise in their areas.

THE MODERATOR: Andy?

MR. HOPL: Yes, I was wondering about other aspects like hunting, fishing, commercial fishing, sport fishing, and --

THE MODERATOR: I can't hear you.

MR. HOPE: I was wondering about other aspects of life-style, commercial fishing, hunting, sport fishing, sport hunting, I don't think we need any consultants to tell the Alaskan people about those life-styles, and subsistence.

THE MODERATOR: Perhaps it's enough that the group has stated that these are concerns, that life-styles being protected and respected is as far as we need to go during this conference; and that to try to come up with all the answers to achieving that, this is something that you need a think tank that's going to sit around for days and this same group could do that if we had a lot of time to really, you know, bath it around, but I think it's enough that we're letting the legislature know that we are concerned about maintaining life-styles, and could we let it -- I don't think we need to have an answer to every goal.

MR. HOPE: It's not make it too artsy.

THE MODERATOR: What?

MR. HOPE: Let's not make it too artsy. There's a lot of commercial fisherman that I --

THE MODERATOR: I don't think we're making it too artsy when we say harmony is maintained between man and his natural environment. We did say that arts and cultural pursuits, but that is a concern. That was a concern that we had adopted yesterday.

So is that agreeable with you --

MR. COLLINS: Oh, yes.

THE MODERATOR: -- that we leave it at that and not try to find the answers tonight?

MS. LINCOLN: (Georgianna) Yes.

MR. KELSEY: Right.

THE MODERATOR: Okay, let's scratch that and we'll go on to --

MR. KELSEY: I'd like to comment, because I think it can be pertinent to some of the subsequent subjects.

THE MODERATOR: Yes, John.

MR. KELSEY: I think you're going to get enough of those so-called consultants when you get into the implementation of whatever it is the legislature does, because each department is going to have their so-called experts and they'll apply their thinking to it.

THE MODERATOR: The legislative committees already have consultants.

What is the next heading? My papers have gotten mixed up.

MR. LUSS: Communication and transportation.

THE MODERATOR: What did you do about the roads thing that we haven't finished?

MR. RADER: Nothing. In fact we do the whole No. 9.

MS. HYLEN: Two have them are out to be printed, two

sheets that I just brought up are out to be printed.

THE MODERATOR: Okay. "The State would incorporate aesthetic qualities in all transportation and public facilities. Greater public involvement in all transportation decisions. That was the one I think you were talking about. Rural airport and communication systems are involved.

MS. HUNTER: Not are improved. Should be, shouldn't it?

MR. KADEN: These we're looking at in the future.

MR. KILCELLR: No, the future, the future in which.

THE MODERATOR: Those are the three. That's the short statements of what we had on those. Were there some means in those sheets?

Tourism no, is the next one, yes, that was one of them, too, wasn't it? No, that's under development.

MR. HUSS: Madam Chairman, I hate to do this, because I hate to go back and reagrees a lot, but in all three of these there's -- we haven't addressed any of the other transportation systems. We haven't left the door open for development of some sort of -- I don't know. I hate to bring up the point of usage of dirigibles. I mean there's a wide variety of things. When these three goals, we really haven't allowed for that I don't think.

THE MODERATOR: What happened to the marine highway

system? Was that incorporated or is that someplace else?

MR. HOPE: Wasn't that supposed to go to -- then Carl had one, too, on road building.

MR. BUSS: As goals, I take exception really to the last one, I tried to say this earlier, but it seems like a broad goal would have been much better. I hate to say this, but something like the State shall provide transportation and communication systems, or a relative transportation and communication systems are approved or something of that sort. I just think it's very limiting, I don't know.

THE MODERATOR: I guess maybe the we were going to use the -- there's the means. That's where it was going to come in, I think. See, there's means on this --

MR. KADEN: I have a note that we passed over the -- that whole thing about marine transportation, including sport facilities throughout Alaska.

THE MODERATOR: I knew there was something that needed to be. Where was it, that needed to be acted on, right?

MR. KADEN: M-hm (nodding head).

MR. BUSS: Didn't we think it was a means? Is that what you're saying.

MR. KADEN: No I got a note that says passed over and we were going to come back to it.

THE MODERATOR: The sheets are gone and that's one we were going to take care of.

MR. HOPE:

THE MODERATOR: It was combined with roads to be developed -- no, marine transportation including support facilities to --

MR. FADLE: It was improve and expand marine transportation, including support facilities throughout Alaska. Or maybe it was marine transportation and marine highway system.

MS. LINCOLN: (Georgianna) I think in our discussion on the goals, that when we talked about the airport systems, or or transportation systems I guess and communication systems, that we felt very strongly that was two separate goals, and I still feel that way, that we shouldn't just say rural airport and communication systems be improved or are improved. I feel that that's two separate important goals that should be laid out here.

THE MODERATOR: Does that -- what is the feeling of the group?

MS. LAYES: Madam Chairman

THE MODERATOR: Yes?

MS. LAYES: I agree with Georgianna's interpretation, and that is in the area of current and every-day safety with rural airports, it needs that separate attention. It's almost critical. And then what is being -- the remarks that were made over here is that we really don't

have a statement on transportation. We have components like a couple, but we don't have a statement, one, -- one of the components of critical nature now is the condition of the airports in the small areas, rural areas, not all of them, but enough so that it stands almost by itself. But I agree on the other two, we don't have a statement that allows for innovativeness and other means not already in existence.

MR. KADEN: That was something that I brought up, but we, again, because of the time constraint, we just didn't get anything written on. This whole idea of planning and, you know, just sort of a think tank, that's put together that develops, that thinks about the technology and works at, you know, making it usable, you know, for instance, the dirigibles or whatever, you know, monorail, whatever the type of thing, you know, could be. And it was just this whole broad range of planning and research facility that would deal with, you know, the myriad aspects of transportation, communication and life in Alaska.

THE MODERATOR: John?

MR. KELSEY: Well, I think that Item 2, greater public involvement in all transportation decisions does address that to some extent, that that sort of thing can brought in. I agree it's not specific, but it certainly, those new ideas, such as air cushion had vehicles and dirigibles and

that sort of thing could be promoted under that particular portion of it.

THE MODERATOR: Andy?

MR. LOPE: I wonder if our secretary could put the stuff over here so we have a chance of seeing what is on there. Maybe the board -- you can move them over here and write over here.

THE MODERATOR: Well, she's one of -- she's not a recorder. She's one of our own. She's one of our own delegates. If we could get some assistants. I don't know where the staff is tonight.

MR. LOPE: It's hard to see over here.

MR. KAREN: Want me to get some?

MS. LINCOLN: (Georgianna) Madam Chairman, in fact I would like it on record feel badly we're losing one of our participants by using her as a recorder, because I know for a fact when we're trying to jot it down accurately, it doesn't give her a chance to opportunity.

MS. RUSS: Could we take a minute to talk about process?

THE MODERATOR: Could we take a five-minute break right now and just -- so that we can go off the record and talk about the process of how we're going to get this done tonight?

MS. HUNTER: Yes. I think we should.

(Discussion was had off the record.)

MR. KILCHER: We had a small discussion with a few groups, we had hoped in some space or other, as one of the goals as a means to achieve various objectives we could make a suggestion that a guaranteed annual income would be a goal, but that would be a very hot discussion pro and con, but I made that as a personal means. This has been a very pedestrian suggestions. It looks like a very dreary meaningless political platform so far. Most of it. I've been through that game many a time. Now, we should come up with a few novelties, well-discussed ones. Now, is there a place here at all? I mean do I have to put in a measely little paper with a bombshell suggestion, will it ever be discussed? Where would it go? I think a letter to the editor might be better. I can send that by mail for 15 cents from home. Really. It would be cheaper everybody get 500 bucks a month, five send to the bureaucracy and 500 to the consultants.

MR. KABEN: Right on.

MR. KILCHER: I'm in favor sometimes to pay consultants a fixed salary and send them to Hawaii and invite them to stay there.

(Laughter)

Cheaper for the State. Give the people the money. They will do the right thing with it.

MR. KLEINER: I think that we mentioned just before -- while the recorder was away that we thought that what we should do is mention that though we didn't follow what we recommended, we felt it was most important for the future that we create a group discussion to find goals and in a group discussion to find the means for those, then individual means pointed to individual goals and submit that.

THE MODERATOR: I don't think we have to be defensive of our -- the way we performed at all.

MR. KLEINER: No, I mean --

THE MODERATOR: I think we should just state the -- you know, what we did.

MR. KLEINER: I don't mean defenses. I mean if somebody was to read this, if they started reading it, they would initially wonder how they would formulate it. So what I'm saying is it would at least show how we started this whole thinning out.

THE MODERATOR: Well right now, okay. Celia.

MS. HUNTER: Well, if you look at the five categories that they have, specifically we need to know how Alaskans feel about the following five concerns. And we have basically in our goals and the means that we have suggested have come up with some observations on these. We've talked about the transportation system, definitely, you know, and

we've talked about educational needs very, very much. Alaska's oil and gas policy, we have discussed leasing and the input of, you know, the coastal zone groups on it. Development of marine resources, we got into. And the financing of Alaska future, the one in which you said put more money in the permanent fund is another point toward that.

I think basically we really have, in what we have done, if we just stop right now, have really addressed a lot of the things that they have there. I think it just needs to be whipped into shape to show we did this and that we did it through the means of a comprehensive look at the kind of Alaska we'd like to see. That's what we did.

MR. ROBERTS: Not only we had some ideas about areas that they neglected. We thought. About human resources, social resources.

MS. HUMPLE: Right.

MS. LAYES: Madam Chairman.

THE MODERATOR: Yes, Ellen.

MS. LAYES: With the agenda or the guide we were given to follow on the first day, the first hour we were together, we did have an option as to which way we would like to deal with the agenda. And what we chose to give our attention to, and this is just a review, were alternative futures. And then those alternative futures we consolidated today

and addressed the categories that were just pointed out a few minutes ago. So in a sense we've dealt with the whole agenda. The specific means would take a lot longer and, you know, that pretty much ends our oil Gamma activities. So I think it's pretty total. What we would like to do is to tag on some of those recommendations that we haven't had time to submit as a group.

THE MODERATOR: But we did have a few of those goals that we'd put up there, but that we really didn't get ironed out we ought to get those into their -- the one about the transportation and the airports and so forth. Marion?

M.S. LYLEN: The last one, No. 9, we did not review. It's -- we didn't know how to redo the -- to rephrase or to put it in any different language.

THE MODERATOR: That was --

MS. LYLEN: The others we did.

THE MODERATOR: That was Kevin's. Wasn't it --

MS. LYLEN: Let's say, Haden had one on -- oh, he said we were supposed to do on research, like I assumed it was the artic research, but coming from one of the articles. And we didn't get that done. As I said, we didn't get any of nine done, except what was on there, and I could think of no way to rephrase them. We were supposed to rephrase them, and I couldn't.

MR. HUSS: If they were good on there, --

MR. MAYLS: If they needed.

MS. HYLEN: I didn't even understand what was on it.

MR. HUSS: What is it? I don't really remember.

MR. KEENER: Community development?

MS. HYLEN: No. Maybe it was community development.

MR. KEENER: Last one was community development.

MS. HYLEN: Community development.

MR. HUSS: You asked Kevin to rewrite this one on community development. I think --

THE MODERATOR: Yes, he was to come up with a --

MR. HUSS: And he left this paper on the board when I came in, and it said "The State should assist urban areas in achieving quality urbanization. So that was --

MS. HYLEN: But the sheet that was down there was one or two sheets clear full of little stars.

MR. HUSS: They were means, we figured, because they dealt with strip, the strip -- that one.

MS. HYLEN: The highways, transportation.

MR. HUSS: This is what I think we decided as the concept for our goal, is the way I understood it. I don't know if I just -- if I can subnit this or and add it to that -- your list of papers there as the community goal, if that's he acceptable.

THE MODERATOR: Well, --

MS. HALLER: So you want to take another look at these?

THE MODERATOR: That goal, if it's acceptable with the group, I'm certainly willing to -- you know, we should add it to it, but is that --

"The State should assist urban areas in achieving quality and urbanization.

MS. HAYES: Madam Chairman, in that just before we broke for dinner time there were indeed a whole lot of list of things as a part of the statement, and they were real critical, but we had to separate them, in order for this to stand by itself, and critical to it was the whole issue of parking areas and private vehicles all over the center of an urban area, and a suggestion that mass transit was a way to alleviate the condition, but we just left that.

THE MODERATOR: Yes, we didn't act on it.

MR. HUSS: Didn't we decide that as a means though?

MS. HAYES: Yes, we

MR. KAREN: We had planning input from localities for --

THE MODERATOR: Yes, there was something about -- there was this one about the urban areas and then there was the one about land disposal, too, that we did not finish.

Well -- hunted unit the one on land disposal I would like to see us make some statement to the effect that they need to slow down the rate and do more planning

involving local communities. I think we do need to go on record somehow to state that to the legislature.

MS. JOHNSON: I second that.

THE MODERATOR: Do we have a goal then? Well, let's stick with this one. Does this say what the -- what he was trying to say, "The State should assist -- the State should assist urban areas in achieving quality in urbanization." This was Kevin's rewording of the -- now, is that acceptable to everyone instead of those three statements up there?

MR. LUSS: I think we took issue it would cover the first and the third, because those would become means, but I think lot of people still had problem with the rural -- with the No. 2. Wasn't that a problem? I think Andy, you brought that up.

MS. LINCOLN: (Georgianna) That was one I had trouble with.

MR. LUSS: So maybe we would like to address it to it. Except to take care of two and three and then cover the problem you have with the second one maybe. Maybe we need an additional goal, is that what you're saying, to cover that one?

MS. LINCOLN: (Georgianna)

(Discussion was had off the record.)

THE MODERATOR: Andy?

MR. HOPE: I like that, let's finish up No. 9 and quit.

THE MODERATOR: We do have a couple goals that we should finish up.

MR. JACK: I have two more.

THE MODERATOR: Wait a minute. Andy?

MR. MATHIESEN: Does not this sentence here with the elimination of "State land disposal should reflect local desires to maintain quality of life" essentially take in all of this?

MR. HUSS: I think it takes in all the land disposal items, but I don't think it takes in the urbanization.

MS. JOHNSON: Or assuming disposal.

MR. HUSS: I think the goal we have on urbanization is good.

MS. HUNTER: This is on land.

THE MODERATOR: I think we should dispose of some way get something out of these pages. Do you want this one that Kevin suggested or do you want the other one up there? Or are they two separate --

MR. HUSS: Both.

MS. ISENSEN: Kevin's and this one would just State land dispose always. How is that, does that cover it?

THE MODERATOR: Kaden.

MR. KADEN: I move that we adopt "The State should assist cities in achieving, whatever that statement was,

quality and urbanization, and somebody write that down with our little things so that it's on the record, you know, that it's on part of our record that will be typed up. And secondly, that we --

THE MODERATOR: We better take one at a time.

MR. HOPE: I second that. Discussion: What the State has done in the native community, whoever in the State and HUD recognizes Indian housing authorities and when the land claims settlement act passed in 1971 that was the hot model back there, that was the hottest thing, the regional corporations. So they created regional native housing authorities based on the regional urban centers to administer these native housing projects. And you can go down southeast and see the results of that beautiful plan. And you can see what they've done in the urban areas; it's virtually nothing. And so I like that thing about local concerns on the second page right there. I think that really -- that would --

THE MODERATOR: We're going to take that up --

MR. HOPE: Get the legislation to in that account that, to follow the rules, that would be beautiful.

THE MODERATOR: -- Andy, now we're talking to this motion, the motion is "The State should assist urban areas in achieving qualities in urbanization? Is that acceptable?

MR. KELSEY: Yes.

THE MODERATOR: No objection? That's adopted.

Then the other one then is this other.

MR. JACK: So move.

MR. LEE: Second.

THE MODERATOR: State land selections and dispose always should reflect local desires to maintain quality of life." Is that -- Haden?

MR. HADEN: I think it should be stronger than that, and I think that there's more parts to it than that.

THE MODERATOR: Okay.

MR. HADEN: No. 1, it says the land disposal should be slowed down and, first off, and then that the State plan for their land dispose always, and in that planning they need to consider existing land-use patterns and the needs and desires of the local people.

MS. JOHNSON: Yes, well said.

MS. LINCOLN: (Georgianna) Second.

MR. JACK: So moved as amend to the main motion.

THE MODERATOR: The other one didn't have a motion. So couldn't we just use this one?

MS. HUNTER: Sure. I think that says it very well.

THE MODERATOR: This says it better than that, and if you're agreeable, we will -- is there any objection to this wording that Haden read?

MS. KINCHA: Does that replace both those dealing with

land?

MR. KELLER: I'd like to say --

THE MODERATOR: Can I see it and read it.

MR. KADEN: I don't have it written down.

THE MODERATOR: She can read it back.

MR. KELLER: It's been quite an initiative to get lands from the State, the statement of slowing down, --

THE MODERATOR: That's the way we feel.

MS. HUNTER: That is the way it should be. They have -- they went over board in this first round of dispose always and they need to slow down and back up, because they have run into a buzz saw with rural communities.

MR. KELLER: Then put that as a mean. Write down a mean and attach it to that as a personal directory to that mean. Because, I don't know, I don't know if the State really wants to dissolve the lands that much anyway.

THE MODERATOR: Who was first?

MR. RUSS: I sort of -- I agree with Kaden, because I know they have hit the buzz saw, but I also agree with Dave. I see some conflicts and contradictions in our goals, because we said that we wanted -- we want to develop, what, the small -- we want to manufacture and small farming and that whole works and people can't do that without land, you know. So --

MS. HUNTER: The thing is they're doing it in such a

half-assed way. It would be much better if they'd slow down and do it in a proper way and make it possible.

MS. ISENSEN: Let's direct our wording then to not the speed, but the quality with which they're approaching that.

MS. LINCOLN: (Georgianna) I think the key in his whole statement there was planning, you know, and --

MS. ISENSEN: So I would go along with all of it except the slow down, because if they do it right, it's going to take them a good long while and I don't think we have to encourage them to slow down.

MR. HUSS: I agree with her completely.

THE MODERATOR: Andy?

MR. HOPE: I disagree with the slow down, too, because how are you going to tell them down in Sitka when they haven't even sold one acre of State land?

MS. HUNTER: They have. There's lots of it going into private hands.

MR. HOPE: We have a local Planning Commission, local city planner down there. We can handle the local planning of that locally. We don't need a state wide buoy accuracy to handle our.

THE MODERATOR: I think that's what we need.

MR. HOPE: Other local municipalities can handle that, too, and some areas they can't. So, you know, maybe State planning -- State Lands Division can handle it for them,

but I think in Sitka we can handle it.

MS. LUTHI: Trouble is the State is completely confounding the local efforts to plan. That's what's really happening.

MR. ISLESEN: Makes more sense to go the other direction and encourage more local --

THE MODERATOR: Go ahead Haden.

MR. HADEN: I think a lot of problems lie in the organized boroughs, you know, their legislators and planning agency, they've done absolutely nothing, you know, just total blank. So, you know, who are you relying on? They have nobody that they're beholden to, you know, in terms of these dispose always, so obviously in an organized borough where they do have a planning function they can kind of accept the state

follow and accept the State plan because the State has to follow the local strictures, what they've go, they come in and do anything. They don't even look at the land, they fly over it in an airplane at the most. They say, well that looks good for ago down there, you know, and nobody's even walked on it. It's just crazy. Doesn't make any sense, you know, because they say they're meeting the legislative mandate and they feel their hands are tied, that they can't do anything but turn the land over. So that's why I say, slow down first, you know, or stop what

they're doing or reassess what they're doing, and then start planning right now, just start doing it. You got to start planning for, you know, to meet these needs, these goals that we've outlined.

MS. HAYES: I'd like to see the word substituted proceed. We do want them to proceed.

MR. KALEN: Let's leave that out maybe, before they must dispose of land, they must plan for disposal, so 245 what they're disposing, you know the reasons for which they're disposing -- they're realistically, you know, they mesh. If it's agricultural land, it should be agricultural land.

THE MODERATOR: Andy?

MR. MATHILSEN: Madam Chairman, we had State land dispose always in Petersburg this last year and two occasions the -- Steve Keeve and some of those that were involved in that, they were down, they spent days down there. We worked very, very diligently with them to coordinate the planning of the disposal of the land that they had in that area, and they were very responsive to the wishes of the communities there in getting that done in the best possible manner. I don't understand why people are so concerned that nothing is being done, unless it's somewheres else it appears there's nothing been done.

MS. HUNTER: They have been having a lot of trouble up

in the Fairbanks area. A great many problems in their land dispose always and conflicts with people who are already living there and the kinds of settelements that are, you know, they're proposing and so on.

THE MODERATOR: The problem seems to be in the unorganized borough more than in the communities south eastern Alaska I think that has probably been much more orderly than it has been up here, and that's an understatement. Marion?

MS. HYLEN: Madam Chairman, it seems to me most of these problems are coming from the unorganized boroughs. Perhaps it might be a goal for these unorganized boroughs to become boroughs and take care of their own land planning.

MS. HUNTER: Oh, dear.

MR. JACK: Objection.

MS. HYLEN: They want somebody else to pay the taxes for them.

MS. HUNTER: It's not quite that simple, Marion.

MS. HYLEN: Just get put into it by the legislation you are like the Kenai peninsula did.

THE MODERATOR: Was the motion second? Did you second the motion.

THE MODERATOR: You seconded it, didn't you?

MS. LINCOLN: (Georgianna) (nodding head)

THE MODERATOR: So we have this motion before us a goal.

MS. JOHNSON: Do we have it in any word form?

MR. KADEN: Can we change it slightly we don't have to have a big discussion?

THE MODERATOR: Yes.

MR. KADEN: A future in which the State presents or plans adequately for any land dispose always that takes into account existing land-use patterns and the desires of the people in the local area.

THE MODERATOR: Is that agreeable with you, that change?

MS. LINCOLN: (Georgianna) I like that to maintain quality of life. You know, that should reflect the local desires to maintain quality of life. I really like that.

THE MODERATOR: Desires of the people in the local area in order to maintain quality of life.

MS. LINCOLN: (Georgianna) Quality of life.

THE MODERATOR: Could you read that back to us now?

(Reporter read as requested)

THE MODERATOR: Is that acceptable to everyone? Do you understand? I mean is it clear? I'll try to read it again.

"A future in which the State plans adequately for any land dispose always that takes into account existing land-use patterns and the desires of the people in the local area in order to maintain their quality of life," or

do you think it's necessary -- or just, add there in there, would it make it clearer? Marion?

MS. HYLEN: Nobody's going to like this suggestion.

THE MODERATOR: Beg your pardon?

MS. HYLEN: Nobody is going to like this suggestion, but I am going to suggest that to solve many of these problems out in the bush for community development and so forth, I would say that the unorganized boroughs be organized into organized boroughs or service areas, and they can take care of their own the same as we do on the peninsula. I had to pay hospital tax to provide for hospitals. And it's in a service area. We have the planning. The school board and so forth. So maybe this is what they need, and then they have their own local government.

THE MODERATOR: Could we finish up with this one first?

MS. HYLEN: Were you not through? I'm sorry.

THE MODERATOR: No, I didn't think we were finished with it. I just asked if there were any other comments.

Is there any objection to this being a goal regarding the disposal of land? The language as I read it? Okay? No objections? Okay.

It's adopted.

Now, if you have another goal that you wish to present, would you just state it. Marion.?

MS. BYLEN: All right, I'll state the goal. That the un oganized boroughs be made into organized boroughs so that they can do their own planning, they can form their own service areas, provide their medical services, and be in charge of their own local government.

MR. KEENER: Second it.

THE MODERATOR: Was there a second?

MR. KEENER: Yes.

MS. HUNTER: For discussion.

THE MODERATOR: Chris?

MR. JACK: I move to table the motion.

THE MODERATOR: Without any discussion?

MS. JOHNSON: He wasn't recognized, was he?

THE MODERATOR: Chris. I was recognizing Chris.

MS. JOHNSON: I wanted to say in regards to this, that the first thing this group said was that it was most important to us to maintain existing life-styles. How many of these unorganized boroughs that you're talking about -- or unorganized boroughs, the areas there, it's a subsistence life-style. The people have no tax base. Follow-up impose on them these burden of a borough responsibility, you are in a sense changing the whole economy, and I didn't think that's what we wanted to do.

MS. BYLEN: No, but you want all of these other things which come with organ taxes.

THE MODERATOR: I think you were next, you'll.

MR. KILCLIN: There's two things to say about the motion. The legislature is the body of the unorganized borough and have so many committees and so on now that they would take care of these needs, the means they will have to find that the local areas cannot take care of. That's why they are unorganized. There's not up to election. It's impossibility to organize them. So the legislature is their agent, their executive agent. The legislature is the unorganized borough assembly. They can in fact, I always suggested they could elect an unorganized borough chairman and have a Standing Committee run the dogpone borough and get the funds in this state and we get them out of everybody, you know. That's it. And if you would saddle the unorganized borough with local government to paid them, you get them all in town.

MR. ISERSEN: We're trying an experiment in Anchorage which addresses your concern and still recognizes the fact that there are some areas where people don't want to or can't pay property taxes or sales taxes for whatever local services. The experiment works this way. There is revenue-sharing money available for a whole variety of services that are provided in cities and boroughs. And the revenue-sharing, all the revenue sharing requires is that there be some local effort.

As an example, in road service, part of Anchorage is in what is called a Road Service District and those of us who live there pay a certain amount of our property taxes toward getting our streets plowed, graded, swept and things like that, but there is a part -- there are some parts of Anchorage up in the hillside and up in Eagle River where their feeling was perhaps -- they didn't have any first rate road service, but they still needed some grading in the summer and some plowing when there was a really heavy snowstorm in the winter. They have formed a road service area which makes them eligible to get revenue sharing for roads which they were not eligible for beforehand.

The statute reads that they can get up to $1500 a mile for roads, however, the government cut the revenue-sharing funds back so this year it's only about 1300. What happens what happens now now they have formed a road service area, that money will come in and the board of supervisors, which was voted upon there, will vote to give someone a contract to do the grading and the road clearing. Now, in their particular vote in Eagle River area they voted to tax themselves up to half a mill, but they could have voted to tax themselves a hundred this of a mill, it could have been almost nothing, and yet it still brings into that area the revenue-sharing funds.

And this might be something to consider for those areas of the state where you can't -- you don't have a cash economy, so to talk about paying property taxes is sort of unreal. But you still have people who want to have some say over what is done. They don't want to always have to go to their legislature or to a committee even of legislators organized as the unorganized borough assembly or whatever you want to call it. So this limited service area could be applied, not only to roads, but it could be applied to other things, too.

MR. MORRISON: I think that we have a goal that would cover that when we had this governmental structure goal. "There is a maximum of flexibility in the types of government available on the local level, and where experimentation and the means by which we govern ourselves is encouraged." That's the broad goal. Gary?

MR. KOLTHUS: I think one of the things overlooked though, as far as organized and unorganized borough, is the constraints that are on those boroughs are they be in culturally contiguous areas, preferably in contiguous language areas, and in ecological or geographic areas that are contiguous.

MR. KITCHEL: Economic.

MR. KOLTHUS: And economic. One of the real privileges rather than a burden of local government in

those areas and one of the great protective devices for areas that want to maintain a subsistence economy is in the planning and zoning function, because it's possible to zone within the borough for commerce, for education, for subsistence, and to maintain your subsistence areas, hunting, fishing, trapping, whatever, with the zoning ordinance that's protective instead of destructive. I think that's often overlooked.

The best land protection device in the unorganized borough at this point, I think, is to become organized and use your planning and zoning function. At least then, if industry wants to come in, they have to ask for a permit and a waiver for the ordinance and so on.

THE MODERATOR: I don't know who of you was first. Carl.

MR. JACK: I'm going to speak against the motion for the following reasons:

I have a resolution from the Association of Village Council Presidents that the Western Alaska Yukon-Kuskokwim Delta is in full opposition to the mandatory formation of the borough. The rural areas, I believe, cannot be forced to such a posture.

MR. KILCHER: Oh, yeah mandatory back there.

MR. JACK: Therefore I would move at this time to table the motion.

THE MODERATOR: Does that have a second? If it does, it's seconded.

MR. KILCHER: Question. No discussion, question. Point of order.

MS. LOPCHEL: I'll second it.

THE MODERATOR: Well, okay. She just seconded it. I was waiting. The motion is to table. All those in favor say aye?

(Responding)

THE MODERATOR: Those opposed.

(Responding)

THE MODERATOR: I'm not sure. You -- may I have a call again. All those in favor say say aye

(Responding)

THE MODERATOR: Those opposed.

(Responding)

THE MODERATOR: I guess I have to have a show of hands. All those in favor raise your hand.

(complying)

THE MODERATOR: In favor of tabling the motion. Ten. Those opposed.

(indicating)

THE MODERATOR: The motion is tabled. Ten to seven.

MR. KLENER: It's tabled.

MS. HUNTER: It's tabled.

MR. KILCHER: It's not failed, it's tabled. The --

THE MODERATOR: I said the motion is tabled.

MS. HUNTER: I mean the motion for the unorganized boroughs now.

THE MODERATOR: Passed and so the motion is tabled. I mean the goal.

MR. HUSS: There's one final point up here that we might want to address or we might not want to. It deals with the rural housing and water and assuming disposal. It seems pretty much a means or maybe even --

THE MODERATOR: It was passed. I think I had a checkmark on there. Isn't there -- I didn't have a red -- didn't I put okay.

MR. KEENER: It says okay.

THE MODERATOR: That's supposed to be a goal we already -- we adopted that before dinner.

MR. HUSS: Okay.

THE MODERATOR: But there was another one regarding transportation that was not finished. I don't have that sheet, but do you wish to take that up now? It's on the rough draft sheets, not in any of the -- do you have it?

MR. KADEN: I'm not sure if I have it. I just have something about Carl Jack's transportation statement, and it says "Any anticipated road construction, but I think that was broad attend to transportation development, "Should

only be implemented based upon the expressed preference of the community to be affected.

Is that about right?

MR. JACK: It reads "Any anticipation road construction, in parentheses transportation development, parentheses closed, should only be implemented based on the express preference of local communities to be affected.

THE MODERATOR: Yes. Is there any objection to that goal statement? Did you all hear it?

MS. HAYES: Was that the one that he read before dinner?

THE MODERATOR: Yes.

MS. HAYES: Yes.

THE MODERATOR: No problem?

MR. KADEN: Can we make that local areas? Because some of the places are not necessarily communities.

THE MODERATOR: Local areas? Could I have that --

MR. KADEN: Or the areas --

THE MODERATOR: Could I have that for the -- yes, Marion.

MS. HYLEN: Would you read that again?

THE MODERATOR: Yes. I wasn't here and I didn't hear it.

MR. JACK: "Any anticipated road construction (transportation development) should only be implemented

based upon the expressed preference of local areas to be affected.

THE MODERATOR: Any objection to that?

MR. JACK: Madam Chairman

THE MODERATOR: Yes.

MR. JACK: I have another one. This was based on the initial -- yesterday's discussion, the question about the discussion on the questionnaire. I'm just going to make this motion. I haven't really thought it out carefully, I think amendments or corrections would be in order, and that is to move that the questionnaire that was filled out by the participants on the first day do not constitute the consensus opinion of the Gamma group.

MS. HUNTER: We move they be stricken from the record.

MS. LINCOLN: (Georgianna) Yes, I would go along with that.

MR. HOPE: Disclaim it.

THE MODERATOR: Disclaim it. Yes, I think it could be -- what is your motion again? I was busy here?

MR. JACK: I think

THE MODERATOR: You can make a stronger one I think.

MR. JACK: I'll move that the questionnaire that was filled out by the participants on the first day be nullified by the Gamma group.

MR. KILCHER: Rejected.

THE MODERATOR: Rejected?

MR. KILCHER: How about rejected by?

MS. HAYES: Is null and void, right?

THE MODERATOR: Andy.

MR. HOPE: I think we can refer to this in our evaluations. I think that was definitely the intent, that was the intended theme of the whole conference, judging from this morning's headlines, a divided Alaska, and then row withstand was in there, you know, with a whole article in the daily I news. I think that supposedly he did it for free, but there's some way that he can barter that information for, you know, money farther on down the line.

THE MODERATOR: Is the wording

The wording of the motion is to that we -- that the questionnaire which was filled out on the opening day be rejected.

MR. KADEN: Is rejected.

THE MODERATOR: Is rejected by the Gamma group.

MR. JACK: Yes.

MR. MATHIESEN: Is what you're saying then, you want it thrown out, destroyed?

MR. KADEN: Disowned.

THE MODERATOR: Yes. And not be used.

MS. HYLEN: And not published, the results.

THE MODERATOR: Is that strong enough? Does that really --

MR. KELSEY: That says it?

THE MODERATOR: Says it?

MS. HUNTER: It will.

MS. LINCOLN: (Georgianna) I was hoping it would be even stronger than that, and that that motion be made in such a way that it would be from the Gamma group, but affect all of the questionnaires. So that it would be an action then that would be ratified by the full body.

THE MODERATOR: I don't know whether there's going to be that kind of opportunity tomorrow for

MR. HOPE: Sure tomorrow morning. We'll be altogether.

THE MODERATOR: Are they going to have a regular formal meeting of the documents and so forth?

MS. LINCOLN: (Georgianna) Then I would like to amend that, that in addition this motion be submitted to the full body for their consideration.

MR. HOLTHUS: Second.

MR. KILCHER: Point of information for that motion. Boot motion, amend motion, consider to introduce it as a resolution that the convention, what are we a convention?

MS. HUNTER: Conference.

MR. KILCHER: That the conference, that that the Gamma group moves, resolves that the conference reject that questionnaire.

MS. LINCOLN: (Georgianna) Sounds better.

MR. KILCHER: Resolution that the Gamma group would --

THE MODERATOR: With the consent of the maker of the motion, could we just start over again instead of amending the motion, Carl, and form a new motion? Would the second --

MR. HOPE: That's all right with me.

THE MODERATOR: Could we do this -- would you reword a motion. In the meantime we've got this question that I promised Andy that we would bring up, and that was regarding the calling of a Constitutional Convention and we can take care of that and then come back to this motion, okay? So withdrew now like to move? You were not here when this motion was proposed so I asked them to hold it.

MR. HOPE: I move that we instruct the chair person to make a request of delegation that we recommend calling of a second Constitutional Convention.

THE MODERATOR: Is there a second?

MR. HOLTHUS: Second.

THE MODERATOR: The motion is that this group recommend to the full body --

MR. HOPE: We instruct you to --

THE MODERATOR: You're instructing me to report to the full body that the Gamma group recommends the calling of a Constitutional Convention? Any further discussion?

MR. KELSEY: Question: Could I ask the reasons for that for a Constitutional Convention? Andy.

THE MODERATOR: Andy.

MR. HOPE: The question on the election of judges, the question on limited entry, the constitutionality question related to that, the question on representation apportionment questions, and I suppose there's many others that we could think of.

MR. KELSEY: May I --

THE MODERATOR: John?

MR. KELSEY: Respond? I think that's good. The only problem that I have with it, that is, unless you detailed what you're going to have under discussion in the Constitutional Convention, you're going to open it up to anything. I'm not too sure that the people would vote for that.

THE MODERATOR: John, there's no way that you can not open it up, if you have a Constitutional Convention, the constitution is open, can be completely rewritten, you cannot only take up one matter when the Constitutional Convention is called. Right. Exactly. Isn't that right, you'll?

MR. KILCHER: I didn't listen.

THE MODERATOR: I know it's right.

MR. HUSS: Is that right if the legislature calls it or if the public calls it? The legislature can mandate certain areas.

THE MODERATOR: The legislature can amend the constitution and send it out to a referendum. the people, but --

MR. HUSS: No I mean if a Constitutional Convention is called by the legislature they can mandate what areas can be -- what can be discussed, but if it goes before the people as a referendum and is passed, or not -- I mean just when it's on on the ballot in 1982 and passes, it opens it up completely; but if the legislature calls a Constitutional Convention it can mandate the areas that can be discussed.

MS. HYLEN: No I don't think so.

MR. KILCHER: Yes.

THE MODERATOR: You'll should know he was the --

MR. KILCHER: Yes, they can do that. Whether they convene, they say that you think. Now we ca do what we want. You cannot bind the Constitutional Convention.

MR. HUSS: You cannot bind them.

MR. KILCHER: No, you can call it. You can call it for certain reasons and suggestions all right to get together and to do what they want.

THE MODERATOR: So it opens up the constitution.

MR. KILCHER: But there's one thing that you can not do. The constitution four bids the cushion be called through the initiative process. I didn't like that.

THE MODERATOR: Celia.

MS. HUNTER: I couldn't vote for that, because I really am concerned about the calling of a Constitutional Convention at this particular period in Alaska's -- I agree, we're a very divided state and we'd have all hell to pay.

MR. HUSS: I would agree with that, too, and just to cover his points. I think a Constitutional Convention couldn't deal any better with the reapportionment. It's already in our constitution to reapportion on the method we've desired, right, so that point is out. And it seems to me it's not worth opening the whole constitution for special interests such as limited entry which could be taken care of if that's not the prevailing feeling of the state, that could be taken care of through a referendum again, right?

MR. KILCHER: Certainly, but then the legislature asks for a constitution -- specifically constitutional amendment, that's the reason for constitutional amend.

MR. HUSS: Right right. What I'm saying is I don't believe it's worth opening up the whole constitution for a few special interests which could be covered or taken care of through the initiative process, such as doing away with limited entry, if that's --

MR. HOPE: Limited entry was already taken care of supposedly through the referendum.

MR. HUSS: Right and you're saying --

MR. HOPE: But it wasn't taken taken care of. We already passed the constitution on unlimited -- it didn't take care of it.

MR. HUSS: Do you want to do away with it again?

THE MODERATOR: Could we be careful of the reporter, please?

MR. HUSS: I'm sorry.

THE MODERATOR: Is there any further discussion on the motion?

MS. LINCOLN: (Georgianna) Question.

MR. KELSEY: Question.

THE MODERATOR: All those in favor of the motion, Andy's motion, to call -- I'm not going to recite the motion exactly, but you know what you're voting on, whether to ask the legislature to call a Constitutional Convention. Eight aye. Or raise your hand.

(complying) Three i n favor.

MR. KILCHER: No good. Okay.

THE MODERATOR: All those opposed.

(Responding)

MR. KILCHER: Madam Chairman, may we go back to the original motion that Carl had here that was --

THE MODERATOR: I was just waiting for him to rewrite it. That's why we took that up.

MR. KILCHER: That's good.

THE MODERATOR: Now we're back to.

MR. JACK: This has turned into a resolution okay.

THE MODERATOR: Okay, we now have a resolution.

MR. JACK: A resolution that the Gamma group respectfully request the conference to reject and nullify the submitted questionnaire.

THE MODERATOR: Is there a second to that --

MS. JOHNSON: Second.

THE MODERATOR: -- motion to adopt this resolution?

MR. KELSEY:

THE MODERATOR: Did you hear it?

MR. KELSEY: Comment.

THE MODERATOR: Yes.

MR. KELSEY: I'm anxious to see this happen, but I'm afraid under the organization they've got they're not going to give us an opportunity to vote on that, so I think we should cover it in our summary as well, and request that if it's possible, but I think we ought to take care of it on an in-house basis here and car it to the full body tomorrow, if we can, but from the way I read this, they're just going to read our summarize and dismiss us.

THE MODERATOR: That's my feeling, and nobody has given us an agenda as to what's going to happen tomorrow. I got the feeling from some comment that was made last

night there's going to be no acceptance or discussion or voting on any of these proposals.

MR. KILCHER: So what are we going to do? What's going to happen tomorrow

THE MODERATOR: But we can make the regions, and as John says, if we want to have it clear for the public that we reject it, maybe we should positively reject it and then if the opportunity should rise, we will take it to the floor.

MR. HOLTHUS: Can't we just say that the Gamma group rejects the questionnaire and calls upon the rest of the conference to reject it likewise?

THE MODERATOR: Will you accept that, Jack?

MR. JACK: Yes.

THE MODERATOR: We've covered ourselves.

MR. HOLTHUS: That way we're covering ourselves.

THE MODERATOR: Any further discussion of this? All those in favor say aye.

(Responding)

THE MODERATOR: Those opposed. Passed.

MS. LINCOLN: (Georgianna) But we're still going to present that motion to the --

THE MODERATOR: If we get the opportunity, but I don't think there's going to be that opportunity. I'll present it in the report, I guess. I'm wondering, you know, what

kind of a report.

MS. LINCOLN: (Georgianna) Madam Chairman, you will present that motion?

THE MODERATOR: Yes.

MS. LINCOLN: (Georgianna) Okay.

MR. JACK: Madam Chairman, procedurally, assuming the floor is given to you to make the report, then the floor is yours and I think probably the first thing to do would be to, before you make your report, to make that motion. I'll be ready to second it and ask for unanimous consent.

MR. KELSEY: Got to be quick.

THE MODERATOR: You're going to have to be quick, because I'm just wondering what kind of a setup we're going to have.

THE MODERATOR: Guy, can you tell us what's going to be happening tomorrow?

MR. VAN DOREN: All I know is the groups are supposed to be -- I mean we're all supposed to meet together at nine o'clock.

THE MODERATOR: And a report is to be made by the chairman?

MR. VAN DOREN: Right, because our group is going back at about seven tomorrow morning.

THE MODERATOR: They are? They're not --

MR. VAN DOREN: We just broke up. We're going to go

back at seven.

THE MODERATOR: Is it going to be a regular business meeting or is it just --

MR. VAN DOREN: It's supposed to be the groups that are going to report. There's two speeches by Gravel and Keith Miller, but I don't know whether -- I don't think they're going to be able to start it either. So it's going to be us.

THE MODERATOR: Are they going to come back at one o'clock. I don't understand whether they're going to adjourn at noon or going to come back at one and go on.

MS. HUNTER: Sounds like they got a press conference on --

MR. HUSS: I think it's over at one.

MS. HUNTER: Absolutely, that's it. I'm planning on. I'm going home.

THE MODERATOR: We're supposed to meet at nine and your group is meeting again at seven?

MR. VAN DOREN: Right.

THE MODERATOR: Okay, Chris.

MS. JOHNSON: We talked about our individual recommendations. What provision are we going to make for that, for getting them into our record and our report?

THE MODERATOR: Well, I'm still wondering how are we going to have -- I'll answer your question in a minute. We

have all of these meanings that are in these sheets.

MR. KADEN: Just take them the sheet

THE MODERATOR: Take in those sheets? What kind of report am I going to be making?

MS. HUNTER: Isn't this a summary of the stuff in

THE MODERATOR: Yes, we have that, but we don't have the means.

MS. LINCOLN: (Georgianna) Aren't we getting a report from -- in the morning we're getting a breakdown

THE MODERATOR: They're not committed, because they worked tonight, ordinarily they're through at five o'clock. She'll be working. All night.

MR. HOPE: I move we present the goals as our report and that one motion, too, as our report.

THE MODERATOR: But we do have those means in there, if you will -- if you will delegate --

MS. HUNTER: Well, she's going to be working tonight, she said.

THE MODERATOR: You mean to dig out just those things. Golly that's a big job. Not for her to do.

MS. HUNTER: No these sheets, haven't we, of --

THE MODERATOR: Well, if a committee wants to stay on right now and finish up the, I would rather do that than try to meet in the morning, because I want to have this thing finished tonight, and if the rest of you don't wish

to stay, we can continue on, but I think that we don't need to have her stay any longer if we're just going to be working on --

MR. HUSS: Right

THE MODERATOR: -- on organizing the report. Agreed?

THE MODERATOR: Marion?

MS. HYLEN: This is a little bit off the subject, but in presenting the, oh, our rejection of that questionnaire, I think we should have a little prelude of why we are. That we didn't have time to make adequate replies, that the questions were yes or no when it couldn't be answered yes or no.

THE MODERATOR: Well, do you think --

MS. HYLEN: I think a little prelude, not much, but a little bit why we are rejecting it. Don't you think we should?

MR. MATHIESEN: Don't give them time to think about it.

THE MODERATOR: That would probably come up under the discussion. I mean the motion should be the motion and then, you know, you don't have to have a motion unless you have discussion. You lose the people if you try to explain why you're going to make the motion. It seems to me.

MS. HUNTER: I don't think that's necessary.

THE MODERATOR: You just make the motion then there's a discussion and you can explain or I can explain. Hinge

will listening there's going to be unanimous consent. We'll just go on.

THE MODERATOR: If we get the chance to make the motion, I don't think we'll have any problem passing it, because I certainly heard an awful lot of similar comments from the other groups.

MR. HUSS: As far as it being on the record, I think we disputed it quite clearly the first day and it's in our transcript as far as the reasons our group has rejected the questionnaire.

MS. HUNTER: We certainly did. We were very vocal.

MR. KILCHER: Madam Chairman.

THE MODERATOR: Yes

MR. KILCHER: The dying hours of this conference, I would like to get on the record with two revolutionary statements.

One, that would of course obviate most of the suggestions here that people could tariff themselves if the surplus money in the future by unreasonable government expense, current expenses, should be distributed equally among Alaska's voters, which, of course, would be an incentive to vote.

Second suggestion, that all State employees in policy-making position should every second year at least work at least a month in a cannery, preferably in sand

point.

(Laughing)

MR. KILCHER: I'm serious.

THE MODERATOR: First we have to divide the question --

MR. KILCHER: Shades of Mao Tse Tung's rice field. I good what's going on in the state.

THE MODERATOR: You'll, you're leaving.

MR. KILCHER: I have to go. I have an appointment.

THE MODERATOR: I wonder if there's a need to have a motion of adopting this report or are you satisfied that we have actually adopted it as we've gone along?

MS. HUNTER: I think we have.

MR. KELSEY: I think we've adopted it.

THE MODERATOR: You have your question about the means. Well, I think if you want to write up anything, any means of achieving the goals, we'll just attach them to this report and you can have them as an individual name on it as a member of this group.

MR. KEENER: I'd just like to say that the State has paid a tremendous amount of money for our court clerk to transcribe every word that we say, and that if they are interested in what we had to say, they will find that in the transcripts. If they're not interested in what we have to say, then this whole thing is wasted in the first place.

MR. KELSEY: Good point.

MR. HUSS: That's just an additional point. I hope you don't forget John's fiscal responsibility in the preamble or --

THE MODERATOR: It's one of these sheets and I would certainly put it in the preamble, I guess. I don't know how I'm going to word this report.

MR. KELSEY: Madam Chairman.

THE MODERATOR: First I make the motion then I try to make the report.

MR. KELSEY: I feel we ought to address the matter of any future conferences be better planned and longer, so we have a better opportunity to do our job.

MR. KADEN: Right, I think that should be stated, that there should be --

THE MODERATOR: A follow-up.

MR. KADEN: Some kind of a follow-up that's --

MR. KELSEY: I'll put a form of a motion.

MS. LINCOLN: (Georgianna) I'll second.

MR. HOLTHUS: Second it.

THE MODERATOR: Your motion is that you recommend to the conference that a follow-up within

MR. KELSEY: Well, I don't like to put a time frame, because sure as we do, they'll find fault with it, but the original concept was ten years ago, if it was ten years from now, but whatever they do --

MS. LINCOLN: (Georgianna) any future --

MR. KELSEY: Whatever the time frame is, it should be better planned so that the conferees have a better opportunity of doing their job and doing it properly. I don't feel that we've done -- we've addressed the matters at length.

MS. LINCOLN: (Georgianna) Because of the time.

MR. KELSEY: Because of the time constraints.

THE MODERATOR: Did you second it?

THE MODERATOR: Is there any further discussion of this motion? Question.

THE MODERATOR: All those in in favor of the motion that we make a recommendation that there be a follow-up and also state our objection to the way the conference was planned and that it was too short a time frame to really do an adequate job? Does that -- all those in favor say say aye.

(Responding)

THE MODERATOR: Those opposed. Motion carried.

MS. LINCOLN: (Georgianna) Just for clarification, you're going to be presenting the goals and those objectivities that we've already approved, right?

THE MODERATOR: Right.

MS. LINCOLN: (Georgianna) Those will be submitted or you will go through those in the report in the hope --

THE MODERATOR: I'm hoping somebody will stay and help me get those out tonight from those -- from those sheets that we -- where we did consider means. Anything else to come before this group?

Here is our facilitator.

MR. TOMA: Hi. I went to dinner.

MS. HYLEN: Where have you been.

MR. KELSEY: Do we allow him to go to dinner?

MS. HYLEN: I did, too,

THE MODERATOR: Are we adjourned? Is there anything further?

MR. KEENER: I move we adjourn.

MR. HOLTHUS: Might say a word of thanks to the chairman.

(applause)

MR. HUSS: Also the recorder.

(applause)

SCOMM

#30:20

This volume includes.. Buckminister Fuller's speech.

LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Pouch Y State Capital
Juneau, Alaska 99811

Reported by: Panela Kozycki, CSR

BANQUET PROCEEDINGS

(December 6, 1979, 8:30 a.m.)

SEN. HOHMAN: May I have your attention, please? One more time, okay. May I have your attention, please?

I'd like to welcome you. We have had, I think, a very good day to this point. And I anticipate that it's going to get more exciting from this point on. I think we saw some people suffer a bit of inconvenience when this turned out to be a more popular vicinity than we had anticipated, and I would like to apologize for that. But as I say, I think the quality of the evening from this point on will more than compensate you for that inconvenience.

This is a conference on the Future Frontiers of Alaska. And we have as the keynote speaker tonight the foremost futurist in the world today. I would like to acknowledge the presence of a friend of mine, an Alaskan futurist, and a man that has been a friend of mine, Senator Mike Gravel, sitting at the table to my right.

The two of us co-chaired this project, Representative Russ Meekins, Chairman of the House Finance Committee, and I. Russ would like to make a few comments at this time. Russ.

(Applause.)

REP. MEEKINS: The key is if you wait long enough, even if you don't deserve an applause, people will give it to you.

I want to thank Senator Hohman for introducing me. I am not sure if he introduced himself. He has a way of doing that a couple of times.

This conference has a way of working, itself. It is -- excuse me, very reasonable that Alaska, which has the most exciting future of any State in the Union and probably of any country in the world, has to speak to us today, the most exciting futurist in the world. And from what we have heard today and from the information we have gained over the last couple of months about our potential and things, one of the statements that seems to express that most clearly is that Alaska is confronted with insurmountable opportunities. And I think that that is a pretty good statement.

We know we can do really great things, and I think we are going to do those things and be an example for the rest of the world as to how to do things right. But I think we have to be careful, very careful, not to make some of the mistakes that are looming out there waiting for us.

So I am sure happy that you all showed up today and I think the response to this dinner was unanticipated

to be this great and also to the conference, itself, shows that the people in Alaska are very interested in their future, and I think with that kind of interest and an input to the legislature, we will probably be able to avoid those pitfalls. Thank you very much.

SEN. HOHMAN: Mr. Fuller's presence here tonight came as a result of a suggestion by one of my staff people, a person that came from the Kuskokwim River area, has spent a lot of time out there, Mr. Dick Maddox. And I thought it appropriate that, well, let me back up.

When we were figuring out how we were going to stage this tonight, who is going to introduce Mr. Fuller, I asked Dick Maddox if he would do that. And he has been admiring Mr. Fuller a long time and he has been preparing for just an assignment since he was 12 years old.

This is Mr. Dick Maddox now.

MR. MADDOX: Being asked to introduce Mr. Fuller is the ultimate in superfluousity -- is that the word for it? What do you say about Buckminister Fuller, poet, philosopher, buccaneer, futurist, and I am inordinantly honored.

When I was a graduate student at the University of Chicago, there was a standing joke that there was only one question on the comprehensive general exams for a doctorate, and that was, define the universe, give two

examples.

We have the man here who can do that. So I advise you all to adjust your seat belts and get ready for a flight, Bucky Fuller.

(applause, standing ovation)

MR. FULLER: It's quite an extraordinary experience to have humanity greet you in that way. I wish everyone of you could be up here for me, to feel it.

I am now 84 and I have been spending the last 52 years making an experiment with myself, which was to discover what, if anything, a little unknown pennyless human being might be able to do effectively on behalf of all humanity that would be impossible for great nation states to do or for great private enterprise to do, whether it's some kind of function different from the great orginizations.

And I discovered that three quarters of the earth is covered with water and of the one quarter that is dry land, more than one half of it is covered with snow, rock. So, only about one eighth of the surface of the earth is sufficient for support of life. And that one eighth is not in one piece, but a lot of little pieces divided up over a hundred nations. So one nation has a pretty small amount of territory over the total earth and having to look out for itself within that territory.

So it really precluded any one of the nation's from looking at the total planet earth. And I have been a United States Naval Officer and I have had commands, and I felt very committed, then, finally, what the little individual could do.

I said, there is nothing to stop me from thinking about the total planet earth. And I gave it the name Spaceship Earth, which began to stick. I said, look at the total known resources of our vast ship. The total accumulative knowhow and how we would use the total resources and total knowhow, if possible, to make this ship work for everybody.

So I have been really concerned for this more than half a century with total earth. So my view point has been developed along those lines, and I would like to be able to think that way. And I also had to think a great deal about how and why humans are here in the universe and how they happen to be on this particular little planet and try and understand how and why we have the capabilities we do have.

All other creatures, other than human beings have some built-in special organic equipment that fits it for some special environment, maybe a little vine that will just grow up in the Amazon. Maybe a special little dog with very short legs to keep his nose close to the ground

to follow his trail. The human beings didn't have that special equipment. We didn't have special wings built-in.

We had -- many creatures have brains, and brains are always and only coordinating the information of our senses. It's only by virtue of our brains coordinating that information that we know that we are alive and that we know what is about our environment. So the brain is always coordinating that information. It's always special. Brains deal in what I call systems. You are a system and I am a system and the earth is a system.

Systems are -- you really describe them geometrically. They divide all the universe outside the system, a little bit of the universe is inside the system and a little bit of the universe, which is a system that is divided. So you and I have a microcosm but you and I are not the microcosm, I want you to understand. Brains are always packaging things in a system. Looking at you, my brains begin to immediately say what is the color of your face, what it feels like. All the different things my senses can tell me about you that are different from you as another system.

So brains are always dealing in these special cases. And humans have in addition to that a phenomenonal mind and we often hear the word mind and brains used interchangably, but I differentiate very distinctly between

them. And incidentally, I was asked to speak about 15 years ago to the American College of Neurosurgeons in Chicago, 2,000 of them, and I differentiated between brains and man, made my whole talk that way. And they gave me an ation, and I said,"you don't have a chance to confront a special scientific body with a special definition like this, and this is your domain, when I am talking about brain and man and I have done this differentiating and you give me an ovation. Can I read that as an approval of my differentiation? " So, they stood up again. So I really feel quite confident when I differentiate between brain and man.

The human minds have this capability, from time to time, to discover relationships existing between special cases that are not a special case by themselves. The brains are always dealing with those special cases, but I find some relationship existing between you. That's what the mind goes out for, relationships between.

I'll give you an important example of it. human beings here for millions of years with the starry skies at night and recognizing various constellations which they call fixed stars for so long.

At which from time to time there would appear a little bit brighter light in the sky, sometimes one, sometimes two, sometimes three in a night. And they are a

little brighter, more coloring to them. And tonight they are in this constellation and the next night in another.

So you realize they are moving around, what today we call planets. But we realize there is something moving around behaving differently from the rest of all the phenomena in the sky.

We gave them names of God's and so forth. But not until man had the capability to calculate mathematically, which is very recently, did we ever try to do any multiplication and division with Roman Numerals, you find you won't get anywhere.

It was not until the Arabic Numerals came in, this most extraordinary of the Arabic Numerals we had a symbol for anything. The Roman numerals were just scratching and you had a servant standing by a gate and every time a lamb went through you would make a scratch.

So the scratches were what we call one to one correspondence. And they had supervisors and he would watch and count on his fingers and put a V there at the end of the 5th scratch. But you couldn't see no sheep, and you couldn't eat no sheep, so nobody thought of a need -- a symbol for nothing.

It is only because the Arabic Numerals came from an abacus, if you ever used an abacus, you know, you get an empty column. An abacus made it possible to move your

column leftward. Every time you got a decimal and it went hundreds of tens and hundreds of thousands and it moved leftward.

When you suddenly tried to make symbols for the content of a column and came to an empty column, you had to have a symbol for it. So that's where the Arabic Numerals came from, to decipher.

When I was young, and the little place I was born in, when I first went downtown, after I started school, the druggist and a few others said have you learned to do your ciphers yet?

Ciphering was a key to calculation. With it came the capability then to predicate with the calculating capability, as an example, you discovered when you calculated out that the sun was not going around us, but we were going around the sun.

That is just a very few years ago in the history of our being here millions of years, that's only less than half, less than half a million years ago.

Then with this calculating capability, we went on with, Kepler working with -- who discovered all these planets were different sizes, they were all different distances from the sun, they were all going around the sun at different rates and it seemed to be very disorderly.

Kepler was a great mathematician, so he said, I

know one thing they have in common, they all go around the sun, at least that. As a mathematician, if I can give them something else in common, I have two known in commons. I am going to amplify them much more. So he said, I am going to deliberately give them a very small increment in time. Each one has exactly the same amount of time.

He gave them -- as to my memory -- 21 days. He knew the distance each one was from the sun, the beginning of the 21 days, so he made a diagram of that.

Then they found the moving of the eliptical orbit, so the end of the 21 days, he made another line and he said, this is where the sun is now and he had a little eliptical chart between the two. So, I had a diagram for each one of these planets and he said, I done all this as a mathematician and I might as well calculate the areas because I have the distances, have all the dimensions here.

Supposing you were Kepler and calculating these areas and you discovered they were not similar, but they were exactly the same, exactly the same mathematical area? How would you really be in this superficial disorder to discover this elegant mathematical agreement? So he said they obviously are coordinating. If they were touching each other like gears, I could understand how they could coordinate. But, these were millions of miles apart. How could you coordinate these incredibly massive planets?

How could they coordinate it millions of miles apart? Human beings, like never before had had to think about that.

So this is an extraordinary relationship going on, but he said, I know if I have a weight that's on a string, swinging around my head, it's in orbit. And I know if I wanted to make an elipse, I'd have to have two strings, at least two tensions going on between these bodies operating millions of miles apart on the sun.

We have Galileo discovering free-falling bodies, accelerating the rate of falling. We found the regular rate of acceleration was in the second power of the mathematical distance traveled. Then we have Isaac Newton, terribly eager to discover what Kepler's incredible -- invisible tension going on. This, you realize, humans have never had to give up any kind of explanation for something pulling and operating over millions of miles and holding enormous bodies together invisibly, this is absolutely a new moment of human intellect. Isaac Newton finally discovered the interattractiveness between these bodies, celestial bodies was varying as a second power of the mathematical distance apart.

He called this the universe ratio. If you have the distance between the two, you increase the interattractiveness fourfold. If you double this as apart, decrease it one quarter what it was.

Astronomers began trying this out and sure enough explained all the celestial behavior and this became what you'd call a generalized principle of science.

But if you asked Mr. Newton what is that gravity you're talking about there, he said there is nothing you can point to, it's a relationship just in between, it's not in anything. I want you to understand that is very, very different from what the brains are always catching on in each special case. So humans, I have found, have this extraordinary capability with minds of discovering principles which can only be mathematically expressed, which quite clearly and as an intellectual capability discovering laws, which were called in science, a generalized law could have no exception. If they ever had, then there is no longer a generalized law. So the generalized laws all turned out to be eternal.

If there is no exception, it means there is inherently eternal, which is exactly opposite what the brains dealing with special cases, all of which was contrary. Brains have been asking man, humanity, how things begin and end is respective of what kind of asking is going on today. Whether we are talking about, the big bang or trying to get some explanation in the beginning, but minds is discovering these eternal relationships, something is very, very different.

We find then, these generalized principles can only be mathematically expressed for the entirely intellectual. We find -- we now know of a -- we have a little inventory of these generalized principles and we begin to realize then that this kind of relationship that I am speaking to you about, interrelationship, is what we call synergy, behaviors of whole systems unpredicted by the behavior and any of the passive system considered only separately. Okay, that's synergy.

So, I saw that the paths of the universe was operating synergetically and so it would be worth looking at -- thus far, and I discovered inventory of all the generalized principles. When humans discovered generalized principles, they didn't know they were going to. It comes as an incredible surprise to discover one, and you don't know whether it's going to be the last one or not.

But we do have this known inventory of generalized principles, which only the human mind apprehends and which can only be, let's say, this is completely intellectual. No other phenomenon we know has access to them.

So in looking at all the generalized principles, I found that none of them have ever been found to contradict any of the others. They are all concurrently operative eternally and are all intercooperative. They are

all interaugmentative. So this seems to be a very extraordinary synergetic behavior.

I want you to at any rate, understand human beings are born to our planet and human beings in the universe, how do we happen to be here? You realize, that human beings are the only phenomena and have been admitted to some of the great design laws of the universe itself and we must have some very important function to fulfill.

But also observe that we were always born naked, helpless, no equipment, no experience, except for absolute ignorance, though we have beautiful equipment. We were designed quite clearly in a very extraordinarily designed universe to have to learn -- we were also hungry, thirsty, curious. We were designed to be driven to learn only by trial and error. We have been here for a few millions of years and we had to make an awful lot of mistakes. And as of the present time where humanity seemed to be enormous problems, I am not worried about the problems, because I am always -- I really exalt when problems come out, they have been problems that have been hidden for a very long time, when we get them out in front, we may be able to solve them.

I am really glorified today we have never had so many problems to face as we have right now.

But that's what we are here to talk about. And I find in the first place, I have been here to Alaska three

times over the years, first in 1958. And there is something really going. I travel around the world a great deal. I don't have an agent. I don't have anybody promoting anything. I just only go where I am invited to go. And I only go if I can afford to go or they can afford to have me. But any way, I have now been around the world 45 times, so much so that I really do feel it, I am beginning to really feel it as this sphere. (indicating)

(Laughter)

This is an awful big sphere in relation to you and I, but I really feel it that way. And I really feel at home, very much at home, anywhere on it. Something is going on here because of my sensitivity to the total world. I feel that something incredible is going on here in Alaska right now. What makes me very happy here is that I find there seems to be a wisdom, there seems to be a sensitivity; there seems to be a courage. There seems to be a disdain for anything untrue or false. There is something very important going on here. There is an atmosphere in the relation that's a very serious human being. I say most promising, we are going to be joining, very rapidly, in the whole world.

We have an incredible crisis in the world due to the fact that evolution, itself, is doing some very, very big things. Evolution, which had humanity deployed very

remotely from one another, unaware of one another, is integrating all of humanity, integrating all the different credos, all the different skin colors, everything is being integrated.

At the same time, evolution is intent on making all humans a success. A really powerful physical success. Humanity in its ignorance and its fear, conditioned reflexes, is very much of a problem to evolution, I am sure. I want you to think about the following.

As far as I can see, humans were designed to have a very important function with that in mind, that you and I, through understanding principles, have been able to develop all kinds of instruments. In my lifetime, we've gone from a -- when I was born, reality was everything you could see, smell, touch and hear. The year I was born, x-rays were discovered. Marconi discovered theoretical wireless, electron was discovered when I was three years of age. You couldn't see those things, so they didn't make any newspaper. Nobody would have thought the electron would be anything.

Then we began to get into alloys, where you can't see what's going on in an alloy. Here is a piece of metal, let's say steel. Mild steel is only 50,000 pounds to it's tinsel strength. Building the Brooklyn Bridge, Robling used what he called piano steel wire, higher carbon, had 70

thousand tinsels, weighing the same, but it had to do 20,000 more, almost half as much again.

World War 1, we developed chromalindum steel where it went to 110,000 tinsel, double the amount of steel.

World War 2, we got into chrome nickel steel, 350,000, that's seven times the strength of that amount of steel as 1851. Weighed exactly the same, nobody could look and tell any difference.

So this great difference going on, there's an enormous change going on in our lives with a capability to do much more, but humanity is not able to see it. Now, you can't tune in with your senses. Therefore, there is what I call an invisible revolution beginning to come along in my lifetime, with electronics, chemistry and metallurgies. Out of that I began to realize some very important things are coming in the way of promise to humanity, because humanity has had a working assumption of the fundamental inadequacy of life support on our planet.

That was just an opinion up to 1800. 1800, when the British -- the battle of Trephalga, 1805, the British Empire was established and lasted for 113 years. The British Empire was first who said, "where the sun never set," because it was the first Empire that was on a sphere against all the Empires before Genghis Khan, Roman Emperor were flattening Empires going to infinity around the edge.

It went to infinity.

A man named Thomas Malthus, who was the professor of economics in the East India Company College, where all of the grand strategy was developed for the exploitation of the British Empire. Thomas Malthus was the first individual in history that received complete inventory of the vital statistics from around the whole world.

All the servants of the East India Company College were all around the world and they had the data. Here is a human being with the data about everything that counts. But the birth rates and death rates and all the different data. Thomas Malthus then said in 1810, he wrote his second book, that quite clearly the data showed that humanity was multiplying it's numbers at a geometrical rate and increasing it's life support as a mathematical rate, quite clearly that the majority of humans were designed to be a failure; that after a struggle and great pain through all the years, he said, "in infinity, you have infinite chances to pray". But he said, "Pray all you want now, this is all the rest. This is a closed system." This is a sphere.

This is the first scientific statement you could ever really make about our planet. There were very few people who were literate at that time. Very knew people knew about it. Very few people who knew about what he was

saying. There were people controlling the great a lines of the supply of the oceans.

Fifty years later, Darwin promoted his theory of evolution, explaining it as consequences of survival, only the fittest of the species and the individuals within the species. He said it did not mean any economic inference with the economy so that it couldn't be more obviously economic also.

We had Karl Marx saying then, quite clearly, I accept Malthus scientific statements that it is a closed system. I accept Marx and I accept Darwin as a scientist. He said quite early to him the worker was the fittest to survive, because he knew how to handle the tools and the seas. He said these other people were parasites. Other people, he said, according to Darwin, we are on top of the heap because we are the fittest to survive and the workers are very dull and they are not interested in great big enterprises and fighting and so forth.

So this brought about two camps, we call them, capitalism and socialism him. And since that time, we have two basic camps, which out of those two, we are talking about just over a century ago, and since that time, Eastern great ideologists says, in view of Malthus, there is not enough to go around. You personally might not like our system. We are convinced we have the fairest and most

logical and ingenius way with coping with lethal inadequacy of life support on our planet. But because there are those who disagree diametrically on how to cope, it can only be resolved by trial of arms, which system is fittest to survive.

This is why Russia and the United States, for the last 30 years, have been expending $200 billion jointly for a total of 6 trillion, 400 billion to buy the highest scientific capabilities on how to destroy the most people greatest distance in the shortest time. All on the basis that there is not enough to go around.

There is no use in spending our capital on you because most human beings are going to fail anyway. Humanity is a failure, and so, we don't spend it that way. We say look out for our total State, which is the most we can do.

Well, I became fascinated in time of my youth, and I was let -- going in the regular United States Navy, when I became an officer, to realize that this invisible revolution is going on of doing more with less. Up until this time, you will see many, many pictures of the sailing ships, fighting ships, and they say, 150 tons, everything was in terms of tonnage. I realize that in World War I, there was invisible things going on. We knew the enemy ships that is the same size as ours, same number of guns.

same caliber. But what he doesn't know is we have a new alloy in our which makes it -- we can fire our guns one thousand yards further than he can. So if you fire when he gets within your critical thousand yards greater, he goes to the bottom and he can't reach you, so that's the end.

I saw at the end of World War I, what we called the most highly classified information, the ability to do more with the same and more with less, that other man couldn't see. It is still the most highly classified information and it's easy to keep it classified because people can't see.

Going on today, everything is going to effect all of your futures, 99.9999 percent of everything is going to effect all your futures, is being conducted in the realms of reality, non-directly contactable by the human senses, only contacted through instruments and it's all being done so dividedly and you can't see it anyway, that you don't have a tendency to integrate this information and rely on the significance of it.

Anyway, back in 1917, in the Navy, I began to realize that there was a possibility that doing more with the same and more with less, we might some day do so much with so little, we might be able to take care of everybody. In other words, it could be that Malthus was not absolute scientific fact. I became fascinated with that and in 1927

I came out of the Navy -- rather, in 1922, I went to the development of experimental and environment control.

I saw that the military always had the high priority on everything that is high performance. There is only so much helium; there is only so much mercury and obviously, and with the credit of good nations, it turned over the defense. The head of the government--number 1, the oath you take, that should take precedence to protect our osvereignty and against invaders. So, he turns this responsibility over to his defense. And the defense wants to know, what are the scientific facts, what are the scientists on the other side going to be doing. So he gets up a theoretical defense to know what the other man is going to do. And they realize that these are very scarce chemical elements, has special ability. So obviously, military has high priority to those capabilities, have high priority to the best brains, to the best tools.

If you have high priorities, then you have antipriorities, and the antipriorities has always been the home front, because they said the poor devils can't all survive, so let them make out the best they can with the left overs of low performance.

To make that very clear to you, in designing -- you all know about Boeing 747's, you all know about the steamship not being used any more. The Queen Elizabeth was

the first, with 85 thousand tons, the Queen Mary with 85 thousand tons, and we had a steamship, United States, with 45,000 tons that had so much aluminum that she out-performed the Queen Mary.

They suddenly became absolutely completely obsolete. We know with a Boeing 747, fully loaded 300 tons, know what it's rate of climb is, how many passengers, what it's crew, complete performance, all the ratios to how many pounds of material, how many ergs of energy and how many seconds of time go into all the investment in producing that.

Does anybody know in this room what this building weighs? Do you know what any building weighs anywhere? How do you know what your building weighs if you don't have any ratio of performance. The building weld is completely thousands of years behind the art of building environmentally controll for the sea or the sky.

In 1927 -- they have what we call the American Institute of Architects has a journal they published, a single family dwelling in 1927, which is considered very up to the minute, up to the minute before World War 1, we had to have ice boxes. We had to have, your shovel, you shovel your coal in your furnace. This single family dwelling in 1927 had an oil burning furnace and had an electric ice box. I took the total cubage of this ideal house, the total

floor area, number of windows, how much light, everything I listed in the way of equipment to do things.

And then I took the most advanced aircraft designing, using vast aluminum coming in and designed them the same control, same floor area, same cubage, and same amount of light.

I had a match in every way, the single family dwelling of the American Institute of Architects, including it's pipes out to the mains, which were part of the house, weighed 150 tons. When I used the most advanced aircraft design, it came out three tons. This was 1927.

So this convinced me that if we were to immediately apply the most advanced science and technology production to the home front, instead of letting this all go to the military, on the working assumption it had to be you or me, maybe we might produce so much that we might be able to some day take care of everybody.

So in 1927, 52 years ago, I started this experimental work on developing an environmental control for humanity. I would like to really get it quite rapidly in matters of just a structure.

Nature always has push and pull, things are trying to come apart and holding it together. And we come out of it the stone age, and we saw-- deeply impressing that you put a stone on top of a stone and gravity holds it

there. You don't know the word gravity, but it stays there. So you use a stone on stone, and all of our engineering today is what you call compressional continuity with tension coming, recently in the way of steel, so you have tension help compressional continuity.

I saw--the universe ought do things that way. The moon doesn't touch the earth. The atoms don't touch one another. We have the islands of compression with the moon and the earth and the sun, all cohered by that extraordinary thing that Kepler discovered, gravity.

So I saw that nature had what is called continuous tension, discontinuous compression. And human beings are built in exactly the opposite way, compression. Compression has very great limits. When I say compression column, compression column, that's what we call slenderness ratio, the diameter through the length. In Greek columns you only go 18 diameters high before it bananas. But the tension is always straightening out. This exactly is no limit of cross section to length in tension, because in nature it's using tensional integrity and the islands of compression she has no limits to size. That's how she could be holding these planets together millions and millions of miles apart. The sun could be holding you and I, our little planet, 92 million miles away.

So I said could human beings design that kind of

structure? That kind of structure might do very much more than we have been doing before.

And we find that man developed the wire wheel. The wire wheel, it had an astronomical compression in the rim and you had an island of compression in the hub, and the whole thing took the shape in tension, tension of the spoke. Then, he found he could do it spherecally. I have here what we call a tensional integrity. This tensional integrity is--there are little struts. Those struts don't touch each other, the whole thing is held together with dacron thread. This dacron thread, each one represents a brick. All the bricks are trying to get out of the system and they are all being held in by the tension.

In other words, this is what we call tensional integrity. Exactly the same design the universe is designed. This is really a model of what Einstein was looking for in what he called his generalized field. He wanted to explain the integrity of the gravity, both the tension and the compression, the radiation, and the gravity in the tension. This is a model of the generalized field theory. It does a very great deal of very little. I am going to just drop it. It just bounces like a pneumatic ball. and distributes all it's loads absolutely evenly, just the way an automobile tire does.

I broke one of the dacron threads just then. I

broke one of those threads, but then the system didn't go to pieces at all. You have to understand that.

Now, with this kind of structuring, we can do an incredible amounts more. We have systems of geometry called the tetrahedron only trying to hold its shape. This is a cube. And this is the kind of the way man has been building. At least the Indians knew how to do it. He made a tepee and used triangles. It is the only kind that holds its shape. This is the minimum structural system of the tetrahedron.

We have three triangles around each corner, octahedron four icosahedron has five. This has 30 structural members. This has 12, and this has six. This is only below six. If the volume of the tetrahedron is one, the same length edge, the octahedron is four, and the icosahedron is approximately 20. We get--using the tetrahedron-- we get one unit of volume for one--what we call one unit of structure, six members. You get four units here for two, and I get 20 units here for five, so I am getting four times as much volume for the structural investment.

This gives me the most you can get. You can't have six sides around each corner. It would add up to 360 degrees, it would be a plane going to infinity. This would not be the system I gave you earlier. So this is the limit

case and that, then, is what I use as a base for the tensegrity, so I have tensegrity icosahedron and I was sure I was getting the most volume for the least surface in the most effective structural manner.

So this is what I built the geodesic structures out of. There are now over 300,000 of them around the world. There are a great many of them up here in Alaska, as you know, the raydomes, but there is one over our exact South Pole and without mention of that terrible crash the other day. They didn't mention it as literally over the exact South Pole where the Poles inside are domed. We have a very large dome that goes over the lake a mile deep frozen at the South Pole. And the scientists around the world realize that there are borings there which will tell a great deal about biological life on that continent long ago.

But, you couldn't bore out where the wind is blowing 180 miles an hour and have a great big environment control and you move and built secondary little buildings around under it and move them around as you change your boring.

Anyway that has been with stainless steel and lumber. In my knowledge of structural logistics is really very, very great today. During the 52 years that I speak about, I have kept track of all the increased tinsel capability in the metals, all the increased tinsel

capabilities in the chemistry, transfers or transparency or whatever, all behavioral characteristics of all the new materials metallurgically, electronically and chemically. And those curves gave me the ability to make predictions. I've got to be what is called a futurist, because I was really able to say at such and such a year, that curve is increasing that rate. We will be able to do such and such.

Anyway, ten years ago, keeping track of all the invisable ways of doing them all with less, continually reducing them into practice and putting them into structures, I was able to to say engineering-wise, it was highly feasible within the ten-year design revolution to have all humanity living in the highest standard anybody had ever known on a completely enduring basis because during that period, we could face out for ever all further use of fossil fuels and atomic /TPH*C /*EPLT /* /TPH*RLG. We could live even /TAO*EURL on your energy income. /-FRBG knows you should live on your income, not on your savings account. You should not live on your capital account as you should not burn up your house when it's a cold night. To him rope is going to be a cold night /TAORBCS, there won't being any house there. So a to him being manufacturing is /* energy is burning up the house and the fossil fuel, we are using up nape tours savings account. I was able to make a statement ten years ago, that between

capabilities in the chemistry, transfers or transparency or whatever, all behavioral characteristics of all the new materials metallurgically, electronically and chemically. And those curves gave me the ability to make predictions. I've got to be what is called a futurist, because I was really able to say at such and such a year, that curve is increasing that rate. We will be able to do such and such.

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You should not live on your capital account as you should not burn up your house when it's a cold night. Because tomorrow is going to be a cold night too and there won't being any house there. So atomic energy is burning up the house, and the fossil fuel, we are using up nature's savings account.

I was able to make a statement ten years ago,

that we now know engineering rise, incontravertably, that we now can have all humanity a physical success and then therefore, I knew Malthus was wrong. Malthus was not correct, there was now, fossil fuel for everybody. And that was all hidden in this invisible capability, very hard for me to get society to see it, because it was invisible.

There were a great many capable people began to check up on me and found I was correct. So for the last -- that was ten years ago -- and each year we increase our capability to do it, so today it's much, much easier to take care of everybody. But it does mean a design revolution. What it means, sir, is not really a political decision, except as a politician who really understands that we do have the means to make it, but it's a technological revolution we're talking about.

Not the revolutions of yesterday, military, political revolution, where you pull the top down. This way you pull everybody from the bottom as high as anybody has ever been. Any way, I now suppose there maybe about a million people who know what I said and they know it's probably correct. But there are four billion human beings on the planet. So we do now have the option to make it. And that's not to be optimistic. To be optimistic, I really have to be sure the man has really gone -- the condition reflexes -- all this invisibility is against it.

At least now we know it is possible for all humans to be successful. And I know therefore that war is obsolete. I know you don't have to rationalize sufferages ever again. Why is -- your family should deserve what that family can't have. Then you wouldn't have to deprive the other family, sir, your family can have. You don't have to rationalize it again. So it would be quite wonderful if humanity were operating on that basis.

And this -- incidentally, my feeling about here, Alaska and all the human beings I meet here, is that this is a world that is looking for what I was talking about, would like to find this fuel.

Having found what I said to be true, I then discovered that all great nations, which are all political systems, which carry on, all great religions, and most of big business, would find it absolutely devastating to the activity to have humanity all a success. They are all predicated on man being primarily failures.

And I found that very tax hungry governments, and very profit hungry corporations, couldn't find any way of putting a meter between you and the sun and the wind, so they weren't really very interested in that. In other words, they were not interested just really by basic drive in their survival in helping you live on the energy income. I saw all this and determined it would take a whole lot of

knowledge on the part of humanity. This is why I have the kind of responsibility I have, when I do meet with human beings to be sure that I communicate to you, that you really do have, and I hope you really understand, that it's absolutely realistic that we do have a chance for a new chapter of humans on our planet, a new chapter of humans in the universe.

Having assumed then, that humans have this beautiful mind to understand principles, I want to go a little bit more about that principle business. We find that the humans learning like Bernelli, learning the pressure differential in gases, mathematical laws of it, who is able to do the mathematical explanations of the Wright Brothers wing foil. And by virtue of understanding the principles of lift, humans beings have been able to build wings, where we way out fly the birds.

We have been able to dive keeper and faster. We have been able to out perform all other creatures and building equipment just by understanding principles. But I can -- you can have my wings now. And we can melt them up and make better wings for both of us.

Any way, we deal in principles and not in the built-in special equipment, you understand.

What we have then, is this very extraordinary capability to be in on the design of the universe, and said,

what do we know about universe in a very big way? The biggest thing I can say about it is that we have learned that the universe is really eternally regenerative.

I'd like, very quickly, to give this to you, because I think there is no way to me to communicate this, unless I get you to feel personally some of the things that we really have discovered in science.

Einstein's excitation by the facts that humans have measured the speed of radiation of all types, in vacuum on our planet. We know what we are talking about. We said that radiation completely unfettered in a vacuum, this is limited speed, so that became a norm to him. Iaasic Newton had been dealing in what he called a norm of at rest. It was normal at rest and that motion was abnormal. And Einstein said, no, motion is normal and any lesser speed is simply interference of the radiation with itself, tying itself into knots.

So the amount of energy in any matter is simply how tightly you mounted up that energy. Now, to Einstein, then the speed of light made a very, great deal of difference. He didn't use the example I am going to give you, but if you look at the pole side, as you do a great deal -- my memory here, it may be faulty, but as I remember it, is a light show taking place 460 years ago. The light just got to us. It takes 460 years for a light to get that

distance. You go to the bright star and the end of the handle of the dipper, is 100 years ago.

You look at Orion's Belt, and there are two very bright stars, one is 1500 years ago the other is 1100 years ago. You look at Andromeda and you see a light show taking place a million years ago.

So Einstein said the universe is an aggregate of nonsimultaneous events. It is very, very important that we know, Iaasac Newton had instant universe. Everything was going on exactly the same time, time was something created on for the the universe.

Einstein said this we know now, The universe is aggregated in nonsimultaneous events. Each one of them is a great energy event. And each one ofthose energy events lasts a certain amounts of duration. So these different enduring episodes overlap one another. I said to myself, what Einstein has established -- what you and I would call scenario.

Where you have, a man comes into a scenario and then he overlaps somebody else and his children, so we have these overlapping episodes. There is nothing in scenario in the one single picture of a Caterpillar to tell you it's going to become a butterfly. And if you have just one picture of a butterfly -- then you have to have a whole lot of pictures of it before you realize it's flying. If you

ever find out how it flys, it may take you millions of frames. To get any real information out of scenario, you must have to have quite a lot of overlapping episodes.

This is a very different kind of a universe, where you must understand, from Iaasac Newton's instant universe. You and I tend to think of the instant universe. You tend to say, I wonder what is outside outside. Rather you want a single frame as a picture, what's outside of that single frame. It makes no sense whatsoever in what we know about the universe. So would I like to talk and always think in terms of Einstein's scenario universe, which he said consisted of finite packages of photons of light and therefore is a aggregate of finites. But you and I would never see the whole, the fact we couldn't see the whole, doesn't mean that it wasn't finite.

Now, we go then to, what we call quantomechanics, where we discover there is just so much energy and we have multiplication only by -- you have division only by multiplication. So we have no more energy in the universe, but yet they're doing more different kinds of things in this scenario universe, more episodes come in. We have transformation going on every where. We have a man named -- scientist named Boltsman and he said, all the stars that you and I see are visible because they are giving off radiation, what we call antrobically, giving off of the

increaseingly disorderly way. Boltsman said they could not be giving off all that energy, if energy had not been imported sometime to that locale.

Boltsman pointed out that where energy was being imported, it wouldn't give off anything, we couldn't see it. It turns out that our own little planet earth is one of those places where we now know energy is being imported in an orderly way, just the opposite of entropy. All the vegetation by photosynthesis, taking random radiation received and converting it into the most beautiful orderly structures. Many of the orderly species then consume that and produce more of these molecular structures.

The only thing we can call it -- the hydrocarbons, or fossil fuels, is consequence of this impoundment of this sun radiation and what we call syntropically and counterdestinction entropically on our planet. We're one of the entropic centers of the universe. The only one we happen to be close enough to, to be able to get any reading, you wouldn't get any reading by radar of any other object until you actually import the energy.

So we now know that all the energies do get conserved that way. We find the universe is totally, sum totally, what we call eternally regenerative. No energy gets created, no energy gets loss. And when you get to a regenerative system on our own planet, the regenerative

system is then the ecology. All of these things supported in some radiation impoundment. And all of it -- everything goes on board of our planet is in support of the integrity of an eternally regenerative universe itself.

When I was 28, Hubble discovered another galaxy, we didn't know there was going to be another galaxy -- 28 is fairly advanced. Now we have discovered over 2 billion galaxies, averaging over a hundred billion stars each. There are expansion of our universe knowledging on this incredible, all by virtue of instruments which we were able to design by virtue of discovering principle with our beautiful minds.

You understand that objects, or whatever they may be, are all principles. So our information gathering gained very greatly. I would like to confront myself with this information. Our planet earth, 8,000 miles in diameter. Our highest mountain, approximately five miles above sea level. Deepest ocean 5 miles deep, so there's about a ten mile differential between innermost and outermost points on the surface of our earth. Ten miles in relation to 8,000, one eight hundredths.

So, for instance, I have it, six inch -- rather six foot diameter sphere, steel sphere, here as representing my earth. If it were highly polished, it would still be rougher, probably, than our earth really is.

If you breathe on this six foot steel ball, there is a condensation in our breathe that is deeper than our oceans. Get a little census scale and you and I and all biologicals are more than 50 percent water. This is the only water we know about in the universe. So we have been so tiny, we made a great mistake by thinking there's a whole lot of water. We are very, very little.

Now, I get to the size of our earth in relation to the sun is one, one hundredths in diameter. There is days when the white sun, you look at it with a cloud in front of it, you take coins out of your pocket in a hurry and put them out at arms length to try to cover the sun. You will find that a five cent piece will cover the sun at arms length. You will find that your human eye, looking on an engineering scale, we get gown to about a hundredth of an inch, we can make just a little difference, beyond that, we can't see it.

The size of our earth, as seen against the size of the sun, is less than one hundredth. So that you and I would not be able to -- when you and I can see the sun, the size of our earth shadowed against it, we wouldn't see it, too small. So to get a little idea, you and I are really invisible on our ball, earth. Five feet average height, so on, 5 thousand feet to a mile, so about, there would be a thousand of us to a mile -- between the outer mountain and

the deepest ocean, it would take 10,000 standing on one another's heads.

And we find that that's invisible on our planet. So you and I are 10,000 invisible and our earth against the sun is invisible. And that sun is a very small star, it is in Orion's belt, it's diameter is greater than the orbit of the earth around the sun. That's a good-sized star. So we are on a very in inferior star. We are invisible on our own planet, our planet is invisible against the sun. And the sun is one of a 100 billion stars in our galaxy. And we now know two billion such galaxies. Quite clearly, that kind of universe is not interested in the Republicans or the Democrats at an election.

I think most of the things we see in our planet, don't make much sense of what is going on, really, in the universe. So, now, I would like to, if you get to thinking on that kind of scale and realize that humans have the capability, then, to make instruments, to photograph, we discovered each of the chemical elements, incandesant and art flame, gives off frequencies which can be seen by the camera, the photographic emulsion, but you and I can't see it. We can only see the red, orange, yellow, green, blue and violet.

Humans have been able, then with our telescopes and photograhy, to take photographs in relation of those

two billion galaxies. We have been able to photograph eleven and a half billion light years away, around us in all directions, have been able to take all the light coming from all those galaxies, running through the spectroscope. And on both of our planets, as tiny as we are, we have the inventory of the relative abundance of all the chemical elements present within the eleven and a half billion light years around us.

Our human mind can do some very big things, and our muscle is nothing. Quite clearly, we are here for our minds, which is an extraordinary phenomenon, and at the present time, the muscle and cunning in the control of human affairs. So if we are here for this mind, we are not making good with what we are designed to be here for.

I pointed out then -- one of the great designs, say the Boeing 747 -- I'll give you three designs. Designing a single family dwelling, I saw the conventional way that you read any architectural magazine, you will need more than 500 drawings to take care of every type of screw, nail and doorknob in the house. And your dimensions don't need to be any smaller than a thirty second of an inch.

Designing an automobile, you have to have 5,000 types of drawings instead of 500 because there is so many moving parts, you have to hold it down to ten thousandths of an inch. Designing a Boeing 747 you have to have 47

thousand types of drawings and many of the dimensions are held down to a millionths of an inch. In order to be able to have that extraordinary thing going through the sky, it has to be able to go 650 miles an hour, it has to qualify on it's testing. 650 miles an hour is 10 times 65. 65 is the speed of a huricane. Resistance in the air increases as the second power of the velocity.

The resistance of the Boeing 747 in the air at 650 miles an hour, is a hundred times the velocity of a huricane. Can you imagine -- and it's designed to operate and hold together so beautifully. The amount of engineering that goes into one rivit in the Boeing 747 is greater than the amount of engineering that goes into one whole automobile.

So, I want to then, get at designing an eternally regenerative universe, with all the 92 camera, everything continually transforming at all times, makes designing Boeing 747 look as easy as designing spaghetti. And I say, then, on the Boeing 747 have brought forward a great many instruments. Those instruments tell you about all the critical conditions in your power plant and in your air frame. Everything critical is on there and they're matching things you can do, move the next dial here, and you are matching the air approaching a red line, you match it and take care of that.

I say human beings are here then, as local information gatherers in the universe. With our beautiful minds having the capability to make the instruments to acquire the information, and what is common to all lives and all history is problems, problems, problems. We are here for problem solving, if you are any good at problem solving, you don't come to utopia, you've got less problems to solve. We are here for local information gathering and local problem solving, in relation to maintaining the integrity of an eternally regenerative universe. And all of the ecology here to keep you and I alive. We are going to need a lot of energy to do those things coming through the ecology.

But nature has designed it so that we do have a minds record. We can prime the pump, we can prime the pump with our savings account, which we have been doing. I can tolerate a little more in my thinking. A little more use with the fossil fuel, but as quickly as possible we are supposed to be getting where we get on with our energy income.

We lack complete integrity, if we don't exercise integrity, I am quite certain the nature is going to wash us out. Nature has incredible number of essential functions just in order to have human beings have the function I am giving you, and you and I need an awful

amount of energy, all this coming to us from the sun. You and I can't take a sun bath and live on it.

So the vegetation has a function of impounding the sun radiation for us. And it has to be routed in order to do it so it can have an enormous amount of leafing and not be knocked down, be able to get water out of the ground to give it it's structural strength. Get water in the sky again to rain back to us. Because the vegetation has to do that routing, it can't reach the other vegetation to appropriate.

So the whole, again would break down, and it -- butterflies and everything is moving the traffic back and forth between the vegetation and inadvertantly in the pollination. Nature doesn't say to the honey bee, I want you to be good and go out and cross-pollinate our vegetation. Nature says to the honey bee, gives it chromosomal instructions to go out for honey and inadvertantly knock off all the pollen. I find humanity then, inadvertantly doing the right thing for the wrong reason.

I see no reason at all why we haven't got to a point in history where we can do the right thing for the right reason. I think that's exactly what is going on. It's very much the temper of this meeting. I know quite a lot of you here, and everyone that I do know, a lot have

come up and introduced themselves to me. It gives me a feeling there is really a seeking here in Alaska right now -- how do you really make this thing work, what is going on.

I would like to show quickly, some slides. Can you raise that, Jonathon? Can we have the lights off around me for a minute? We have to cut off these lights for a second. It's terribly, terribly important for people to be able to see these pictures. Can you just keep carrying on the sound, right?

Here is something, I am sure everybody says they recognize this picture. And I am sorry if you do, because you call it the world map. And I want you to notice, then, for instance, Alaska is bigger than Australia. And Greenland is bigger than South America. And North America is much bigger than Africa, all of which is completely untrue. And there is no Antarctic on there at all, and this part of Russia seems to be 25,000 miles from that part of Russia which is also not correct.

I said if I'm going to be able to think in any way usefully about my total planet, I need to have a very good map. I must have no visible distortion of the relative shape and size of any of the parts. May I have the next picture.

This is what we call the water ocean world, and on it the continents that you see are all exactly the right

shape and size with respect to one another. This is what we call the water ocean world. 90 percent of humanity lives north of the equator. The ten percent that live south of the equator, live fairly close to the equator. There are white dots on this map. Each one is one percent of humanity. You won't see any white dots in this great southeren hemisphere going around the Antarctic.

This is the British Empire, where they controlled the sea lanes. They found -- went down into the Pacific towards the Antarctic. It took you right in the Atlantic. Into the southern Atlantic and it came right into the Indian Ocean. And from the southeren Indian Ocean right into the Pacific again. So what the British did, was control the tips of the -- here -- they control South Africa, the southern tip of South America, and so forth. All the people out here didn't know how they control the world. This is how they control it.

In 1961, three airplanes out performed the Queen Mary, Queen Elizabeth and the Steamship United States, in taking passengers across the Atlantic. Just overnight, airplanes became -- the ships of the sea became obsolete, where human beings get from here to there around our world. The next picture please.

We went into the air ocean world, and here it is, sharpen it up as best you can. Here now, and for the first

time in your life, you are seeing the whole world at once, without any visible distortion of the relative shape or size of any of the parts, without any break in the continental contours, you see one world island in one world ocean. And this is the north/south world. And right in the heart of that north/south world, is Alaska. We learned how to generate electricity not so very long ago, as you remember. We have been celebrating Edison. And there was a limit to how far you could deliver electrical energy. 350 miles was a practical limit, you could deliver it much further, but the further you delivered, the higher the voltage you had to have. We got to limits of insulating capability.

So since World War 1, up to 20 years ago, 350 miles was the limit of deliverability. But outer space program, very much advanced technology. We got to what we call ultra high voltage delivery, and their super conductivity and so forth. It became practical to deliver 1500 miles. 1500 miles took you across the time zone so the peaks and valleys of different generators could be matched very beautifully.

At any rate, I had my world map, and I was fascinated to realize that we could take energy then from the United States grid and reach Alaska all right. I found the Russians were putting in hydroelectric, electrical

generating, in all the northerly flowing rivers up here. I found that 1500 mile reach -- you could reach from Alaska to the Russian network. You would be able to integrate night and day.

All of our generators -- we have 50 percent standby, we are not using peaks and valleys if you integrate night and day, you'd be able to get, really, double your generating capacity overnight.

When Mr. Trudeau was about to go to Russia on his very first trip, I gave him my -- I gave him then a world electrical energy grid. He took it to Breshnev and Breshnev turned it over to his experts and they came back feasible, desireable. If we began -- here, I can see Alaska. And right in the center here, we -- beginning to get an energy grid. We have enormous kinds of nonsense going on in our coinage around the world, where human beings have different ways of carrying on.

We have all kinds of banking tricks of the balance of trade and so forth. If we got down to the same energy network, everybody would -- the universe itself is operating on an energy time basis. It's entirely an energy time basis, that's all that chemistry and physics are about. We got on a unit electrical energy grid, we would overnight have everybody on the same currency. I don't mean it as a joke, but there is the same electric currency. And we

would be able to calculate things in terms of energy.

So I want you to really feel there is something going on here in Alaska, at a point where a great connection is going to be made, of bringing all of humanity together. We find, just in our talking about energy, just for a minute, I will give you the fact that we could live on our energy income. But also, I want you to realize that you can have the lights on -- I have one more chart and I will, I will finish talking about this energy, just for a minute.

The way we use our energy is extraordinarily inefficient. And out of all the energy we have been consuming in America and around the world today, out of every hundred units of energy we consumed, 95 percent of them are completely wasted. We are only operating on what we call an over all five percent engineering efficiency. We have an idea in the United States itself, 24 hours a day, we have over 2 million cars standing in front of red lights with engines going. So we have 2 million horses jumping up and down, going nowhere.

I just want to give you some of the ways to understand that we are only operating at an over all five percent efficiency. All our automobiles are using reciprocating engines. Not because the people design it, because the people don't design it. It is done by

corporations wanting making some money.

The reciprocating engine is only 15 percent efficient. That's all they can ever give you out of all the energy they consume. Turbins are 30 percent efficient. And jet engines are 60 percent efficient. But the space program -- we are using fuel cells, which are 80 percent efficient. We could have been having our turbins, but the automobile companies found that retailing would cost them so much money, that they decided, we are going to distribute that money as dividends instead of buying some knew tooling.

We had the turbins really well worked out, but the energy wasted on automobiles today is 50 percent greater than it would be if the automobile company made that decision. But people don't make those decisions. Then they realize these kinds of binds that we are in. So it's not at all just a matter of finding more energy sources, it's a matter of using the energy we are using much more efficiently. I want to you understand that particular factor. I want to go over to the next picture quickly.

You won't be able to read this picture, but I -- if I'm going to deal in thinking about total humanity and total planet and functions of humans in the universe and so forth, I want to have some way of plotting, if I could, the

rate of increase of science against time. Within science, we have pure science, within pure science, we have isolating of the 90 of the chemical elements. Isolating the chemical elements is a very regular matter. You could keep score of it. Because you have one electron, one proton, two electron, two protrons. Exact membership numbers got into the club.

When history opens, which we don't know -- way, way back when history opens, you and I don't have any knowledge, humanity had already discovered and separated carbon, lead, tin, mercury, silver, copper, sulphur, gold and iron. On this chart, every time humanity isolates a chemical element, we go up one step. Because we had nine -- opening history, we are nine steps high.

This chart begins in 1200 A D and goes to 2,000 A D, 800 years long. In 1200 A D, we isolated arsenic. There was a 200 year lag and we isolated antimony. Another 200 year lag and phosphorus. Then a 75 year lag and it starts climbing very rapidly. There are acceleratings and there are slow downs. The accelerations are always peace time, the slow downs are always war time. We get finally on this chart to where, at this point here, is a remenints of a flattening off. That was year, 1932, the depth of the depression, within that year, that was the first time we had isolated on the shelf all the chemical

elements -- all the 92 regenerative chemical elements. We already now have taken the physical universe apart and it's fundementals, and we are now ready to reassociate in preferred ways.

So this is really a great picture of the invisible revolution going on. From there on we get into the what we call the post uraniums. Against this background it says, what does humanity do with our scientific discovery. Always born naked, helpless, ignorant. Obviously couldn't be -- if it was naked. As it began to learn something, the animal found things it could put on, that it could go where it couldn't go before. As we made discoveries, we were able then to seek out larger environments. We had more of the universe to deal with.

So I said, with this basic scientific capability, I want to give human beings a challenge to develop an environmental control that they can get into, and from inside that environmental control, control energies operating outside the environmental control, to take them in one complete circuit of our earth. You find that this point here, Magellan going around the world in a wooden sailing ship. Able to go around the horn, able to withstand all the extraordinary conditions, but from within that environment control where humanity is living, he was able to control the winds outside to take him in a complete

circuit of the earth.

350 years later, he goes around in a steel steamship. Nobody could, at this time, with a wooden sail ship, could dream of a steel steamship. There was no one who knew how to make steel. They didn't know-- have steam engines or any thing like that.

75 years later, we go around in an aluminum aircraft. 35 years later, we go around in an exotic metal rocket. At the time of the steel steamship, nobody could dream of an aluminum airplane, we hadn't, as yet, learned how to refine aluminum. At the time of the aluminum airplane going around, nobody could dream of going around in an exotic metals rocket. It was inconceivable at the earliest state. This one took two years to go around, this one took two months to go around, this one took two weeks to go around. This one took a little over one hour to go around.

What you are looking at here -- I want you to feel it very deeply, is a basic acceleration of science against time. You are seeing a second power acceleration of the lag, contractions of the lag between states of art. You are seeing another acceleration in the rate at which you go around. What you are witnessing here is a fourth dimensional acceleration of human occupations on our planet. I want you to feel the acceleration. It gets here, what's

going on at this point in 1985, just entering the 80's, in 1985, you had to do something that was inconceivable at the time of the rocket -- circumventing certain navigation of the earth, as was the rocket from the view point of the a aluminum time. The aluminum airplane.

As by 1985, I'm going to have to take you around -- in something that's surprising, for instance, I'm going to send you around by radio. I want to get all of you to really feel is this acceleration. All of you know we are in change and so forth. My visits here, just to Alaska, and just since 1958, there's incredible things going on here. There is a great big piece of scenery here that doesn't change. But there is an enormus change in human affairs and all of you are feeling this. I want you to feel this closing of the gap between the world, of the old world and the new world over the pole which, there is -- we are not going over the pole, we are going through Alaska.

And I want you to feel this very, very greatly, and that has a great deal to do with what I said, that I discovered here, the integrity of the individual, insisting on being simple, insisting on being understanding. Insisting on really being able to meet with nature, trying to understand nature, how to get on with nature. All the things we are talking about are here are completely natural. I am talking about, we make mistakes and learn then how to

correct their mistake and get on with nature. Instead of hurting nature in careless ways.

I say, may I have all the lights on again, now. I am taking a lot of time, but I am talking about a very big subject. It takes time. I don't think you have any right to enter this kind of talk, unless you are really sincere and really want to explore. I feel the longing to understand, very powerful here in Alaska today. So, I am going to go on with just a little more about what I see here.

I am going to give you something, just from a scientific view point. As I spoke about, nature is trying to integrate all humanity, which have been completely remote from one another before. I am sure the people in this room come from all around the world and nature is trying to do this integrating. I would like to have a little understanding of something, what we talk about -- we talk about races, color, skin color and race.

Obviously, human beings who are, we are more than 60 percent water, water freezes and boils in very small limits. We couldn't have been born -- we freeze to death. The South Sea, is the most favorable place you could possibly be born, because there are no big animals there. There are very recent formations. And the water temperature is such that you could be in there all day long

without hurting you. The water, the great Coral -- Barrier Reef, to break away seas so the nice clear water we go running around in is full of fish. We walk in and out of sandy beaches, coconuts falling full of water and full of milk and all kinds of fruit so life could carry on very beautifully.

I am sure this is really where life starts before man then begins to learn how to control the environment in various ways to get out where it's much colder and so forth.

Now, in thinking of the picture that way, human skins had been enormously exposed to the sun. One of the things we have learned about, the human -- vitamin D is essential to the development of our bone structures to be combined with the milk and so forth. And vitamin D can only be acquired by the human beings directly from the sun.

Just as the vegetation can impound sun radiation by photosynthesis, human being skin with can photosynthesize and convert the sun radiation into vitamin D, but vitamin D is something you can get too much of. So if you are exposed to enormous amount of sun, nature had then, to make some filters, so so she developed skin filters to cut down the amounts of sun so you will not get too much vitamin D.

There are two kinds of filters to use, built into the skin, kerotine and meloney. Meloney is a dark brown,

almost black, and the kerotine, a yellow. Those are the filters she used. As man went further and further north and got his skin covered more and more, less of that sun could get at him to give him the vitamin D he was going to need. Therefore nature began to cut out the filters.

Finally it got to where you were so covered and such shortness of sun, nature cut out all the filters and that is what we call a white skin. And some tests that are clearly known, as can be today, we've only known this about ten years scientifically, but there it is. There actually is no difference in skin color. As we go from the northern -- we get into -- we have the white woods and the hardwoods and so forth. And we get a little further south, and we get into the more colored woods. You get into the mahogony and finally you get to the equator, you get to the ebony, the black.

This is all filtering in regulation, so all our light coming from the sun, we do not want to get too much of it when we are in the presence of it. I do like to have that kind of thing understood. We have had throughout the long ages, human beings are born big, and a lot of little people. And the big ones were able to push the little ones around. We have power structures. But we have something through a long history, where the nobles, through this power structure, did all the hunting. And they reserved

the hunting to themselves and all the poor people had to make due with the local roots, whatever they might be, nuts or roots.

We have only known now for ten years absolutely scientifically, that undernourishment in the womb in the first year of life, and you get a damaged brain. Damage can be very mild, but that's not too dull. What we have been calling then, the worker of yesterday who seemed to be dull, simply because he had, he was undernourished -- he didn't get the right chemistry. And the ritual of the going, of the eating of the animals, are -- the animals got all the different herbs and different vegetation. So there is simply, the dull brain then, has something to do with the undernourishment of the --

Today we realize there is no such thing as a two classes of human being, of a worker and the noble at all. I just wanted to get that out. There is no such thing as color or race or race or class. We have just known that for a couple years. So some of the great obstacles of yesterday, we thought these were absolutes, are washing out. It's not going to be quite as difficult as we've been thinking it's going to be. We begin to integrate all of humanity. Now, enough of that.

I would like to come back to when I first began to operate the way I did, 52 years ago at the age of 32. I

did what I did on the basis of, I had become a failure in the world that I had been brought up in, and a failure in the world of living and so forth, enterprise, and I said I never will get on with it. So I said I am really a throw away and I've got to get rid of myself. And the I said, if you are going to do that, you better think about -- each one of us is in a great inventory of experiences which really belong to one another. And if I were to not throw myself away and commit the rest of my life to turning my inventory of experience to the advantage of the many, I could be possibly worried, warranted in keeping alive. That is the compact that I made at that time.

Now, I saw things that really needed to be done for instance, to pursue the development of this lighted environment controlling, to really find out if we did take the slice and divide it into what we call livingry instead of weaponry, that we might be able to make humanity a success, we might be able to come to a new chapter. So, that when I started 52 years ago. I said I am not going to be able to do anything for humanity just by talking to it. I wanted to reform humanity. I like to give humanity the opportunity of using this invisible revolution to do so much with so little, we would make it possible for all humanity a success.

I would be working entirely on artifacts, on

physical equipment. This is going to require all our -- the wealth to be able to acquire the materials, the machinery to operate on. I was absolutely pennyless. I was not being accredited by anybody. Nobody was going to tell me to do this job. So I said, if you commit yourself to doing this -- it seemed to me that I was very impressed with ecology. And ecology then having the honey bee doing this and the human beings doing, inadvertently doing the right thing, if nature is really trying to make man a success in the universe, then I will commit myself really to the physical side of that. And I was doing what nature wanted done, and I could get on and other things could get on in ecology.

Nature does have human beings using money, but she doesn't have honey bees using money and all the hydrogen atoms using money. So we seem to be the only ones using money. I just forgot about the money side and commit myself to doing the things that need to be done. Doing first things first and nobody to mark your papers, nobody tell you what to do. But you are interested in how you develop the most environmental controls with the least materials. Maybe if I do that, I might finally get on and if I am not getting on, maybe it's because I am not doing it right. So I change my course.

I committed myself to -- making myself an

experiment doing that 52 years ago. And I can only tell you really only at the very last second, do I always get what I need, but there is nothing I can budget, I can't count on it. If I don't get what I need to carry on, I realize I must go doing it wrong. So I say, what are the other things I ought to be doing? Like to have me writing books and making this map, or whether it might be making this structure, or whatever it may be.

So I have been now, for 52 years, and during that time only the impossible has happened. And I have really gotten used to the incredible mystery of the universe itself. Humans tend to feel -- we are much too vain. We tend to think we really know what it's all about. And we really don't know what it's about at all. By counting on this -- at least I can tell you, I have been able to get along that way. I am not saying to anybody you can just drop out of the system. I had to see something needed to be done that nobody was attending to.

I decided if I attended to it competently, it might bring advantage to all humanity. If not attended to, it might bring humanity a great disadvantage. So luckily I really got going 52 years ago on the energy problems that we deal in today. I have been dealing that way all that time. That's the reason I am called into conferences, as I have been called in here.

I said, at that time, 52 years ago, if I am going to -- I have been brought up, when I was young, in a way that -- some of the people in the room here may be old enough to remember what I am saying, but my mother -- my father died when I as very young. My mother said, darling, never mind what you think this one is trying to teach you. I went to school and they said never mind what you think this one is trying to teach you.

We work on the assumption that the older people -- the celebration of the young is absolutely unreliable. That is so uncommon today, really, that it doesn't ring too many bells with people. But any way, that's the way I was brought up. When I made up my mind to make myself such an experiment, I said, I am going to have to now do my own thinking. Because many times I discovered what I was thinking turned out to be correct, and what society was saying was wrong.

I said from now on I've got to do my own thinking. This means I must give up everything I have ever been taught to believe. By the word belief, I mean accepting an explanation of physical phenomena, without an experimental evidence. My grandmother said, darling, you know, you are very young, and you know how much I love you, and such and such occurred 2,000 years ago, and I am convinced that you believe it, and you know how much I love you. That's what

I call believing.

So in 1927, 52 years ago, I gave up everything I had ever learned to believe. It has been part of my experience, however, that I -- very large numbers of humanity are deeply moved by some kind of religious urge.

There is some sense of something going on. There is something greater than humans going on in our universe. I said, all right, you have an experimental evidence, personally, of a greater intellect operating in the universe than that of humans, luckily I had had a very good scientific training. And I was able then, to talk to myself, as I have talked to you tonight.

To discover that we have this human mind which could discover these principles, which would only be intellectually expressed, which could be employed, and you I could fly with it, whatever it was, as special case usage. I said I am overwhelmed by the evidence of the greater intellect operating in the universe than that of humans. Whether God is right, I don't know. Frankly, it's something too small. But what I am talking about is the integrity of an eternally regenerative universe. All operating with this extraordinary intellectual order.

I said, I am overwhelmed by this phenomena of God. So in 1927 when I made up my mind to do what did I, I said I am going to commit myself to absolute faith of this

integrity of that universe. What I am doing is what I wanted, I will get on. I really would like to know that I have been able to get to a point where I have been able to get a lot done. I have been able to make enough discoveries to be able to let you know you have an option. And all of it -- I base it completely on my absolute faith in God.

Now, I would like to talk about one or two very great obstacles to human success at the present time. We go back to the earliest of human beings, look at wild horses and see a great king stallion. And every once in a while, a young stallion is born bigger than the other stallions and whwen he gets fully grown, the king stallion challenged to have a battle. And whichever one wins is the one that is going to disseminate the earth. And Darwin felt that that is the way nature has to conserve the strongest brains.

I am sure that early human beings -- every once in a while a big man is born, he didn't ask to be bigger, but he is very much bigger than the others. So little man says, mister, will you reach me one of those bananas, I can't reach the bananas. So the big man reaches the bananas and he keeps doing things for the little people because he was bigger. And the little people say to the big man, the people over there have lost all their bananas, they are dying. They are going to come over here and kill

us for our bananas. You are big, get out and save us.

So he finally decided, this was big business, because he was being continually exploited -- so, he said, well, between these battle, I would like to get ready for the next battle. They said, all right, we'll make you king. So that's how the big man got to be king. So now he is running things, and another big man comes along and says, Mr. King, you have too much around here, so I am going to take it away from you.

So the big battle between the king and the other big man -- and the king wins and they got this man down, and they say, mister, you were going to kill me to take away my kingdom, weren't you? You are a very good fighter, and you understand I could kill you right now, don't you? But I am going to let you, because you are a very good fighter, if you will promise to always fight for me. How about it?

So the man says I will get up, I will fight for you. So he does. But the big man realizes right away, don't let two big men come at me at once, I can handle them one by one. So now you have -- another big man comes along and he licks him, makes him a deal, and -- the spys, so they watch and make sure they don't gang up on him. So now his fighting men are getting very strong. There's a whole lot of little people that don't obey the king, making a lot

of trouble for him.

So, they say bring in that little character, we will have to cut your head off. And he says, Mr. King, you make a great mistake by cutting my head off. Why shouldn't I cut off your head? Well, I will tell you Mr. King, I understand the language of your enemy over the hill and you don't. I heard what he said he was going to do to you and when he's going to do it. He said, you've got a pretty good idea, young man. You tell me every day what my enemy over the hill says he's going to do to me, and your head is going to stay on. Then you are going to do something you've never did ever before. You are going to eat regularly right up here in the castle with me. I am going to put purple on you so as to keep track of you.

So now somebody else is making trouble for him and he is going to cut off his head, and it turns out that he knows how to make better swords than anybody else. Somebody else is going to get his head cut off, he says Mr. King, you don't understand arithmatic, I'll do arithmatic for you here in the castle.

All right, you mind your business, you mind your business. You understand, everybody mind everybody business, is that clear? So now he has all this good information, he has great fighters and his kingdom is getting bigger and bigger. He wants to leave this to his

grandson. He says, I'm getting pretty old, I want you do something about that language. I want you to do something about that metallurgy, I want you to do something about that arithmatic. This was the founding of Oxford University.

All human beings, every child is born prone to be a -- They ask these questions about microcosms and microcosms, continually embarrasing their parents with all these specialist. So the parents go down to school and they tell them about that. The regular school says never mind about the universe, I will learn you your A B C's. We called it elementary school. So I find the next thing, there was a, kind of a magnet in the association of science, having it's annual congress in Philadelphia, of all the scientific bodies in America, in Philadelphia about 20 years ago, 25 years ago. And in that congress, there were two papers presented in different parts of the congress. One was in anthropology, where there was a team had been studying all the known cases, those cases of human tribes that have become extinct.

There was another team in biology that had been exploring for years, all the known case histories of biological species that had become extinct. Both presented papers of their certain areas saying, extinction is the consequences of over specialization.

Well, you can understand very quickly, you can interbreed two fast running horses with very high mathematical probability, concentrating the fast running genius. But as you interbreed special capability, you out-breed general capability. So we find that, by the form of a bird that lives on sea life, marine life, finds that life, marine life that it lives on is in abundance in marshes by the sea.

We find, as there comes an ice age and the waters in the marsh begin to recede. Only birds with very long beaks can reach through the increment of ice. The short beaked ones just die off. They can only poke through with great long beaks. So they only concentrate on breeding for long beaks. Finally the water got so low that the marshes went dry and the forest fire that used to stop at the marsh -- but the marsh is dry so the marsh gets on fire. And for the first time these birds have learned that their beaks have grown so large, they can't fly any more. You've got to understand that over specialization can lead to extinction.

And I see humanity then, completely specialize all around our world and all the challenges that we are having and all this invisibility, we have the option to make it and society not seeing it. And society is so specialized it doesn't know how to operate. It doesn't know how to speak.

I'll go back, rather quickly, to the early days of the United States. At the time of the revolution -- when we had the first forming of the government, for representation, you see the Senator or the Representative, it was all predicated on the fact of that time, on what you get from here to there, on your legs, or on horses, or on a boat.

So supposing you were going back to Philadelphia where the headquarters of the government was at the time. You were from Massachusetts. There were no road ways, there was just some Indians trails. You then had to go by foot or on horse, and it took you many days to get to Philadelphia. You talked to a lot of people on the way and you got to Philadelphia, and it was -- for instance, Jefferson said to his Cabinet, we don't get a letter from our Ambassador Franklin in France, so you better write him a letter. It gives you an idea of the frequency of communication that was going on at that time.

So the challenges from abroad and in Philadelphia were very, very few. And everybody knew what everybody else in Philadelphia felt about that letter from abroad. They went back home by foot talking to people on the way, found out how they feeling. They got home, they told the people about the letter and what everybody in Philadelphia thought and what everybody along the way -- and said what

do you want me to do? And they said, we tell you, we would like to do this. And they were sent back to Philadelphia to vote. We had that one to one correspondence between stimulation and response.

In 1810, only 35 years later, after the revolution, suddenly we have the telegraph. And the representative got home, and the people knew all about it, it was an old hat. He didn't bring the news any more. So we are not getting one to one correspondence. Today we are getting thousands and thousands of stimulations, without really knowing our Representative, probably -- I would say the people here in Alaska would probably know more about the representation personally than most places, but most places don't even know. And they go to vote only on the basis of who has the least stained record. Things like that. It got to a point where it's no longer really one to one correspondence. So the thing is not working the way it's meant to work.

I would like to introduce -- I was asked -- I was often asked to go to Washington, and I was asked a few years ago to speak to the Foreign Relation Committee of the Senate. And they were in full session. Humphrey was still alive. And they asked me to go on with the kind of things -- many of the things I've been saying to you today. They said, what kind of a government do you see coming for the

world? And I had to say to him, that we are going to be, very quickly, 150 sovereign nation's, and we are all going to have to fade out because each one is a blood clot, stopping the circulation of things we have to recirculate.

We don't have to do any more mining today. For instance, 70 percent of all our steel is coming out of scrap. 80 percent of our copper is coming out of scrap. And really we don't have any more -- we don't have to do any more mining. The metals that are recirculating come around every 22 years. And every time they come around, that is the average, we have so much more knowhow, we can build up that metal and take care of many more people with much higher standard of living.

Then all the different nations have protections. The protection from a blood clot so we don't have the -- the nation will be going back to old in a very short time, within the next ten years. So a person says, what kind of government do you see coming? The Russians and the United States are spying on one another and they have these great -- what they call sensors. They are so sensitive that from 100 miles out, they can distinguish between a goat and a sheep.

We are going to -- and we have also been discovering now that every human being has an electromagnetic field, very delicate but extraordinary, an

electromagnetic field. And we find that when a human is feeling positive about something, we have a positive field. When you feel negative about something, you have a negative field. We are going to be able to have sensors on satellites around the world. With propositions we are going to have -- like city manager, we will have appointments of human beings, professional, to confront the world with propositions about what we are going to do about this and that.

This is unitary of all the problems and what we are going to do about this one. We report on them and this will be coming over the television on scheduled 5 minutes after 9, proposition 3, what the world is thinking about that. So we have, then, a complete readout at all times of the way people reflect this. You have continued voting going on electronically. Whether the majority of man may feel about this, even though the majority may be very wrong.

Once you really know that you're really having some kind of democracy going on, that it's incorruptable. The man -- what man is feeling, it's not what he said, I am going to tell my boss the way I am going to do it. He can't put a pretense to something in an absolute way that he feels about this proposition. So if society made a mistake, suddenly discovers it made a

mistake, immediately that gets a readout and immediately you have to change your course.

We find this is all that Norbert Wiener is talking about the cybernetics called feedback and you find there are no straight lines in the industry. You have all of our steering, electromagnetic steering is simply waved like that. You get making a little less error.

Anyway, we will probably being coming to electronic readout democracy for the first true democracy in history. I want to introduce some little insights for you where we may be going along with this electrogrid of where we wash out the differences in currency. All on the same energy accounting basis, where you really know the metabolics on any product or whatever it may be, how much energy goes to produce that. So, I have given you enough of those kind of insights, and I would say where human beings then, I have said, seemingly have this function in the universe to be local information gatherers, local problem solvers, and needing enormous amounts of energy and then we have all that vegetation which I spoke about, which impounds the sun radiation for us, that vegetation, itself, has to have it's posterity.

So the vegetation can't have it's young in its own shadow, because it couldn't get its sun radiation to work. We have all the trees, for instance, giving off

little trees, little gliders going out hopefully from under the tree to land in a place where they prosper. But when the chances are poor, nature makes many signs so far. Every tree giving off an enormous number of these little flying machine seeds. I say the chance of human beings being on this particular planet may make good coming-- being born naked, helpless, ignorant. Getting us to really discover ourselves, to discover our mind.

Our mind is really everything. Our mind really comes into control, we will immediately xercise our option to make it. We will really be graduating as a new phase of humans. Seeing things in the biggest way I can, I see all humans born, we have been operating up to now in a wound of familiar ignorance, with enormous amounts of resources, which by trial and error, we get to the point where we really discovered that we have a function in the universe. It is our mind and not our muscle.

The muscle has been running things up to now. Can we, can we get to the point where we really can, with integrity, have our minds operating? When I ask that kind of question, I see nothing to do with the political system; nothing to do the with the financial systems and so forth. It has something to do with the integrity of each individual. Whether we are going to -- is humanity going to have to pass the examination, not some political system.

Humanity is passing. I'm going to give you rather quickly, a test for yourself. Could this chair be pulled over out of my way? I want everybody to see the blackboard. I am going to take the number 1, 1 to the second power equals one. The module here is 1, 1 times 1 is 1. This is module 2. 2 to the second power equals 4. 1, 2, 3, 4. And here reads three, three to the module, three to the second power equals 9, 1, 2, 3, 4, 5, 6, 7, 8, 9. Four is the module. Four, the frequency is four, four to the second power equals 16, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16. You say triangle instead of squaring. Do you remember when the teacher went to the blackboard and said that was a square. The only reason it held it's shape was because the blackboard held it there. It has no integrity whatever. There is no such thing as a square. Every square is two triangles. Nature always does things most economically. Nature is continually multiplying itself times itself. When nature multiplies itself times itself is she squaring or triangling?

If you ever go out of this room saying square, humanity is all through. You all have to have the guts to really go along with your experimental evidence, not what you have been taught. Because in fact, everything we have been taught is wrong. Is there anybody in this room that doesn't use the words up and down. No hands. I have asked

a number of audiences of great scientists, do any of the audience, the scientists here, who do not see the sun going down in the evening, please show your hands. No hands. So incredible, you have known for 500 years the sun is not going down and you are still seeing it going down. Do you do anything in your school to feel the earth revolving to obscure the sun? You keep on saying to your own children Sunset.

You have even been deceiving your own child, incredible. The words up and down were invented when we thought the earth was flat. We're so tiny, the -- it looked for the obvious, it seemed to be flat. If all the trees are perpendicular to it. If all the perpendiculars are the same plane, they are parallel to the one another, aren't they? Therefore, there are only two directions, up and down. But once you know you are living in a sphere, there is no such thing as up and down, there is no up and down in the universe. I heard the President of the United States, congratulating the astronauts in getting up to the moon. They spoke about being up here on the moon, they were in the direction of my feet when they said it. You keep saying it's blowing from the Northwest. You can't blow air any distance at all. All the great bombs show you all it does is turns right around in itself. Push lines always bend, pull lines straighten out. When you say it's blowing

from the northwest, there is a low pressure to the Southeast that is drafting the air by you so you're looking in exactly the wrong direction when you say I am going into the wind.

We are talking nonsense all the time now, and keep teaching nonsense. If we're going to making it it's because the individual begins to understand, they will go along the experimental evidence. Humanity has to qualify itself, not the system, understand, because the system is teaching everything wrong. Really, I am really astonished by this, as I begin to get deeply into what I am talking about, to what an extent we really do deceive ourselves and go on doing so very carelessly because part of the system is part of the game.

Quite clearly all of our educational system goes on the way it does because primarily the beautiful human beings involved there are earning a living. They are learning how to teach. And they have all the professors with tenure and so forth, by far the best education, radio, cassettes. The only place you really learn is by yourself, you know, in a room. Not in a school room. Where they say stand up and you decide you are immediately licked. We are going to have to come to a video cassette. It's coming very rapidly. We are in for incredible change if we stay on our planet. I just want you to understand that.

I think I have really gone quite as far enough tonight, but I do want to repeat what I have said already. I feel tremendously strongly about you people in Alaska. Nature is really trying, she is trying to make a connection in here. There is an integrity that is coming to the surface very powerfully and felt by all the individuals.

I am going to give you one more great change of big evolution in the world throughout all our known history amongst the mammals, the female carrying the young can't cover as much geography as the male, and the North American wolfe male covers much more territory than the female. I am sure this is true of human beings throughout all history.

The female human stayed around the house where she got the fire going to cook and she would learn to store things and the man was the hunter and he brought things home. She decided to skin it or milk it or what. Because man was a hunter, he also covered more geography, therefore he had some more news. He could tell you what you could see from the top of the hill that the other people couldn't see. He could also tell you what the chiefs in the next place said. But his language was atroscious.

Now, we have that in mind throughout history

being born naked, helpless, ignorant finding it's own way being hungry, telling the children what they can eat and what they cannot eat. They were an authority on what won't kill you and what will keep you going. They are an authority on what you can get away with in the system they're born in. Dad and Mom were protecting you as best they could. And dad however brought home authority. Dad also brought home the news, and dad, let's say his language as atrocious, but the kids understood his language, so he said it in his ascetic way. And this brought aBOUT more and more divergencies of speech. More and more languages.

We have then -- suddenly that electron came in when I was three years of age, and when I was 23, we had the first human voice on the radio, on this invisible medium. Here is this voice coming out of this machine. And when I was 27, I had the first licensed broadcasting station of the human voice.

In 1927, all the daddies is were coming home in the evening, and the kids said, "Daddy, come and listen to the radio, a, man is flying across the Atlantic. " Daddy said, "What?" Daddy never brought home the news again.

Nobody realizes the great astrological change. Dad had been the news man and he was no longer the news man. People got their jobs on the radio, got it by virtue of the commonality of the addiction rather than the

asceteric way daddy said it. They got it by the size of the vocabulary, the versatility of communicating in this common speech. Because Dad and Mom were quite clearly the authority to the kids and dad and mom were listening to the radio, and dad and mom ran across the street to tell what the radio man said.

Frankly, the man on the radio was more of an authority than dad and mom. It didn't mean that dad and mom weren't the authority hey were yesterday, but there was a greater authority coming in the house. Because of that the kids emulated the language of the greater authority. This completely changed the speech pattern of America, of the world.

When I was young, my first job before World War I, were with mechanics which were extraordinary union skilled men. Whose vocabulary were about 100 words, 50 percent vastly obscene. Mostly the way they spit let you know how they felt. All this completely changed and it came about the way I am telling you. Where the dad and mom didn't want to be belittled in the eyes of their kids, they they began to emulate that language too.

Speed of sound, 700 miles an hour, approximately. Speed of radiation of light, 700 million miles an hour. The sound only operates in an atmosphere, the radiation goes on right through the total universe.

The information we get from our eyes is a million times what we get through our ears. The 19 -- the mid-60's the students at the University of California at Berkeley made the first world news as world dissidents, as dissidents in the educational system. That particular group of students asked me to come and meet with them in Berkeley. I met their contemporaries in many other colleges and universities that year. I have been a guest speaker at 550 colleges and universities around the world. Some of them quite a few times. Any way, I met with that group, and we found they were born the year the American television came to the American home.

They said, I know dad and mom love me to pieces and I love them to pieces, but they don't know what's going on. They come home from the shoe store, and they say let's have a beer and start looking at television and sit in front of the television, and they don't have anything to do about going to Korea and they don't have anything to do about going to the moon. We have a completely turn around from when I was young and the older people were saying, never mind, listen we are trying to teach you. We suddenly have a young world saying the world is in trouble. The news is in television was around the world and their compassion was for anybody around the world who was in trouble. And they said because the older people

don't know what is going on. They are very preoccupied because of too small of a scale of thinking. We are going to have to do our own thinking.

We have a young world, very idealistic, setting out to do its own thing with no experience in doing it. There is no experience in trying to tackle the world problems. Highly exploitable, highly idealistic, because Russia and United States were spending $200 million dollars a year on how to destroy one another. They were spending $20 billion a year on psycho-gorilla warfare, how to break down the other man's economy before he gets to the war. And this was greatly exploited right away by -- the American side was being greatly exploited by the Russians, very clever psychology. Within six months, 100 university presidents went down like that. To make the education system look very desireable at that time, look very questionable, as I say, the representative of the people. Gets any more of that education, people don't like this right now.

And so we have then, the kids finding themselves being exploited. I am using my head for a battering ram, I am supposed to be using my head for thinking. so they developed an ammunity for that. I find there's enormous ammunity in that young world against being exploited by -- all over the system them they don't really

no confidence whatsoever in the political system. And so, I find then, as a young world they are coming through each child born successively, is born in the presence of less specific information.

I was eight when the Wright Brothers first broke through. I was brought up that it was as inherently impossible for man the fly. Had been told liars, how crazy can you get. All the things I had been brought up to believe were not going to happen, were happening. Every child has been born in the presence of less information. Each child born successively, will be in the presence of more reliable information.

I am getting letters now -- in a year, possibly about five -- from eight and ten year olds who have been born after man got to the moon. How they find my name to write to, I don't know, but they say I understand you might be interested in my concern. The letters are supurbly written. Even for an eight year old, and they say on our moon project, we have what we call a critical path.

There were a certain number of things that had to be done, about a million things that had to be done, but we are going to get man over to the moon and back safely, it all had to be properly done. Humanity can do anything it needs to do, why don't we make this thing work? So there's a young world coming along, very much intent on

this.

We have a child in the womb. The child has to have oxygen. The mother gives them the oxygen, she gives them their blood. The umbilical cord gets the oxygen to the child. When the child gets out of the womb, then you cut the umbilical cord and they get their own oxygen. I think nature then, had this protective system --human beings learning, get some words and trying to communicate information to their children. All the world is an authority. But misinterpreting the significance of things. Being so very tiny, and the earth being so big, we can understand that we make many, many mistakes. You can understand how they make mistakes up and down, appropriately you understand that.

But it gets to the point where they make so many mistakes, that nature made a cut off. And now the young world has enough information for them to do it's own thinking. To me then if we are going to make it, it's going to be absolutely a matter for that younger world. I found that the young world, starting to do its own thinking, appalled any kind of pretense, it appalled any hipocracy -- and really then, the nature of the human beings here in Alaska, is that you really do love the truth, you really want to know what nature is doing. And this is -- I think it's a beautiful extraction of humanity, really at

its best today, a large number of young people.

So if we are going to make it, it's because that young world doing its own thinking, has discovered an incredible mystery. They don't have to be brought up that there is a great mystery and -- that this church here or this particular religion will teach you about it. They are doing their own thinking about it. They know about it in all history. They give the different kinds of philosophies. But they recognize this is history, themselves. They recognize an incredible mystery of love. The stones don't love stones, and the most incredible thing you feel is love. So I find the young world in love with love and in love with the truth, so if we are going to make it, and I know we have the option to make it, it's going to be done by virtue of truth and it's love of the truth.

Thank you.

* * *

SCOMM

#30:21

LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

December 6, 7, 8, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

RECOMMENDATIONS OF THE FIVE GROUPS

Recommendations of five participating groups, in the Future Frontiers Conference, December 5 through 8, 1979, Anchorage, Alaska

ALPHA GROUP

The Alpha Group of the 1979 Future Frontiers Conference, after discussion of the issues and deliberation, makes the following recommendations to the people of Alaska.

Resolutions were passed of the following topics:

Direct Services
- Future Frontiers Conference
- Education
- Child Care
- Transportation
- Communications
- Law and Justice

Finance
- Policy
- Mutual goals

Resources
- Oil and gas
- Fisheries
- Timber
- Alternative energy

In addition, the group recommends that staff and the general public make reference to the dialogue contained in the transcripts of the conference.

ALPHA GROUP'S EDUCATION RESOLUTION:

Alpha Group resolves that the legislature

consider the following recommendations in the area of education:

1. That the State of Alaska provide scholarship loan funds to any Alaskan student for post-secondary education with special attention paid to

a. Preservation of a student's freedom of choice of colleges or universities;

b. Recognition that private higher education makes a significant and important contribution to the State, and that the legislature not adopt policies that place private higher education at a competitive disadvantage;

c. Providing new and expanding opportunities for vocational and technical education and training; and

d. Loan forgiveness based on years of service in Alaska in the public or private sector;

2. That the State of Alaska allocate funds for local school districts, for teleconferencing and vocational education, according to a policy other than Average Daily Membership in order that all elementary and secondary students in Alaska might be provided the option of a technical trade appropriate for the 1980's, soliciting counseling from industry.

ALPHA GROUP'S CHILD CARE RESOLUTION:

Alpha Group resolves that the legislature

consider the following recommendations in the area of child care:

1. That the State continue to use the resources of private child-caring institutions to deliver services to children entrusted to the State's care; and

2. That the State place children with child-care institutions as a good parent would, providing for prompt payment of full cost of care which includes a portion of those costs required to keep the institution ready to receive the State's children.

The policy of the State should be that of a good parent that cares well for children for whom it has responsibility and pays its bills quickly.

ALPHA GROUP TRANSPORTATION RESOLUTION:

Alpha Group resolves that the legislature considering these recommendations for transportation needs:

1. Expand and upgrade the marine highway system throughout the entire state, including but not necessarily limited to the Alaska Peninsula-Aleutian communities, Yukon-Kuskokwim and tributary system and other areas as later selected;

2. Preparation and implementation of a state-wide plan for air and surface transportation;

3. Construction of a complete system for rural

air transportation, navigation aids and facilities, relatively equivalent to present regional airport facilities;

4. Develop a complete inventory of the entire State's transportation facilities;

5. Upgrade and expand inter-community road systems, including but not limited to extension of the road to Tanana and a connecting link between the Yukon and Kuskokwim Rivers;

5. Avoid imposing transportation intrusions on communities or regions whose residents do not want them, i e, unwanted highways;

7. Improve and expand river-loading facilities.

ALPHA GROUP FUTURE FRONTIERS COMMUNICATIONS RESOLUTION:

Expand and upgrade communications services and facilities in every Alaskan community with special consideration to:

1. Television conferencing for legislative and educational purposes;

2. Efficient telephone systems with a single toll area spreading the costs throughout the State;

3. Other appropriate technology.

The goal is to integrate Alaskan society while preserving the contributions made by diverse cultures.

ALPHA GROUP'S RESOLUTION ON LAW AND JUSTICE:

Alpha Group resolves:

1. That the Alaska court system be expanded as follows:

a. increase the number of judges in order to expedite the civil and criminal calendar;

b. maximize the use of existing facilities beyond the normal working day to improve the convenience to juries and civil litigants; and

c. improve the magistrate system in villages through better communication, using appropriate technology with the presiding judge.

2. Provide increased funds to villages for police training and support, considering State participation in the management in support of the CETA program.

ALPHA GROUP'S FINANCING RESOLUTION:

Alpha Group resolves that the legislature adopt a policy of a financial partnership between the State and private enterprise, in cooperation with local financial institutions with a view toward:

1. Supporting private enterprise through the provision or facilitation of venture capital in Alaska;

2. Capital or operational support for projects and equipment, including leases or lease purchases with the lease rate based on actual revenues received from use of the product; and

3. Approval of borrowers, based on relevant factors beyond those presently considered by banks.

The State economic policy should be to develop with goals of desirable social and economic development toward the improvement and strengthening of the private sector.

RESOLUTION:

Alpha Group resolves that the legislature recognize the existence and opportunities provided by the existence of the native land claims corporations, and the unique opportunities provided by those rural-based private corporations for developing mutual economic and socially desirable goals in rural and urban areas of the State.

Alpha Group further encourages the legislature to develop structures that can provide creative mutual interaction between the State, native corporations and other entities concerned with the healthy and desirable Alaska urban and rural society.

ALPHA GROUP OIL AND GAS RESOLUTION:

Alpha Group recommends that the State investigate a gas-stripping plant for the liquids at Prudhoe Bay and the State transportation system to bring the gas liquids and royalty share to tidewater for maximum State benefit.

Further, Alpha Group recommends that every effort be made to use Alaska petroleum to lower the cost of fuel throughout the state.

ALPHA GROUP RECOMMENDATION ON FISHERIES:

Alpha Group recommends that the Alaskan fisheries program do the following:

1. Encourage and support the best possible harvest, transportation and care technique for all its multiple fisheries;

2. Readiness for complete harvest and best utilization of all State fisheries products;

3. Initiation of the most advanced systems of quality production, control, transportation and storage of fisheries products;

4. Make every effort to train persons in the technical skills necessary to operate in a modern fishery.

ALPHA GROUP'S TIMBER RECOMMENDATION:

Alpha Group resolves that the State should facilitate in every way possible development of Alaska's

vast timber resources in an expeditious, economically feasible and ecologically responsible manner.

ALPHA GROUP'S ALTERNATIVE ENERGY RESOLUTION:

Alpha Group resolves that the State develop alternative energy sources from every community in the State of Alaska, not limited to hydro power, tide, wind, solar power, geothermal or hydrogen cells and sites after an inventory is made.

ALPHA GROUP'S RECOMMENDATION ON ANOTHER FUTURE FRONTIERS CONFERENCE:

Alpha Group recommends that another Future Frontiers Conference be held in five years, and that it be preceded by regional conferences to select delegates for the state-wide conference.

BETA GROUP

The Beta Group appreciates the commitment that the Alaska legislature has made to involve Alaskans in the formulation of public policy through the Future Frontiers Conference.

Additional time during this conference would have permitted more refined policy recommendations. Nevertheless, the concepts recommended are believed to be a valid statement of current and future needs and methods of resolution.

We propose a reconvening of the Future Frontiers Conference within one year to review legislative and administrative reaction to our recommendations and to propose more detailed policy development.

GOVERNMENT SERVICES POLICY STATEMENT

For every request for government financing, programs, participation and/or regulation before acting the government should ask the requester:

1. Is there truly a need?

2. Have you exhausted all other means of resolution of this need?

3. What is the least government can do in conjunction with other resources to meet the need?

4. What is the most creative role government can

play in resolving the need that maximizes private participation?

Then government's role should be limited to the lowest level of participation necessary to adequately resolve the need consistent with incentives for maximum participation by the individual and the private sector in general.

2. Revenue-sharing funds to local governments shall be increased and the State shall share revenue with "No strings attached" disposition to be in sole discretion of local governments.

3. If the unorganized areas of the State are compelled to organize into boroughs, they should be limited to small contiguous areas with common needs.

4. State activities affecting a local area shall not be undertaken without local consultation. Various levels of government participating in the same program shall develop effective means of coordination.

5. Means should be found to constitutionally administer at least some of the State benefits on a longivity of residence basis.

6. Legislative reapportionment shall be implemented so as not to effectively eliminate rural representation.

7. The adventure education program is extremely

valuable to Alaskan youth in helping to achieve self-confidence and a sense of purpose, and shall be made available to all Alaskan youth as an adjunct to regular school curriculum.

COMMUNICATIONS SECTION

1. Broadcasting of State government activities shall be under the control of an independent public board with regional representation.

2. Any expansion or improvement of public communication must be preceded by a careful evaluation of the ongoing as well as start-up costs and of who is going to "Pick up the tab."

3. Government shall not interfere in program content or availability.

4. Development of communication systems shall be sensitive to the resulting social and political effects.

5. Highest priority shall be given to upgrading communications between rural communities and the rest of the world.

6. Career education shall be provided in the field of communications.

7. The University of Alaska shall be provided the means and directive to provide education throughout the State via telecommunications.

8. VHF and microwave systems shall be developed as a supplement to satellite communications.

JUSTICE

1. The State shall assure adequate basic law enforcement facilities in rural areas through local government.

2. Effective means shall be provided whereby judges who are not performing properly shall be removed from office.

3. Publicly supported legal services shall be expanded to meet the growing needs of Alaskans lacking the financial means to hire an attorney.

4. Research shall be undertaken to evaluate sentencing of offenders who commit crimes of violence against females in comparison with sentencing of offenders who commit similar crimes against males.

5. Criminal sentencing shall not reflect minority bias.

6. Criminal justice to be effective must be swift and sure in application.

7. The legislature, judiciary, executive and private sector shall actively pursue programs, incentives and public education to discourage the people of Alaska from their increasing propensity to litigate and shall encourage social amenity.

FINANCE POLICY

The State shall invest its surplus income in the

permanent fund inside the State, to the extent the opportunity for prudent investment exists in Alaska. Monies shall be loaned at low interest rates to anyone who has a financially sound investment opportunity, subject to the availability of adequate security and the borrower's demonstrable ability to repay the loan, provided the project enhances one or more goals of Alaska.

EDUCATION

Policy:

1. Provide residents of Alaska with financial access to post-secondary education.

2. To best serve the interests of the State, autonomy should be granted to the community college system.

3. Explore methods of encouraging competition in educational systems, including alternatives to the University of Alaska system.

Program:

1. Give special consideration to minority students through program development and teacher preparation to enable them to achieve at grade level.

2. Establish a nontraditional state-wide educational program to enable rural students to obtain a Bachelor's Degree, i.e. open-learning, school-without-walls concept.

3. Develop bilingual and cross-cultural programs

and teacher training to better serve minority students.

Funding:

1. State formula funding to provide smaller classes and needed services for children in grades K through six to ensure their success at the secondary and post-secondary levels.

2. Explore alternative forms of endowing Alaskan universities to enable them to achieve excellence.

3. Increase the level of funding for special education programs, including those for gifted students.

4. Provide funding for innovative programs, such as student exchange programs, wilderness experience and special cultural programs.

Amendments:

1. Establish an education fund similar to the renewable resources fund which dedicates a portion of the permanent fund for long-term educational needs.

2. The State of Alaska should improve the status of vocational-technical education state-wide. Such efforts should be geared not only toward program development and maintenance, but improved employment prediction needs and improved job development and placement.

3. Increase the loan funding monies, and, if possible, the individual applicant ceiling amount of the scholarship loan program.

4. Where the Board of Regents of the University of Alaska establishes a state-wide program at a community college, it shall assure the availability of adequate housing for out-of-town students participating.

HEALTH

Health services which include:

1. Family planning counseling; and

2, Mental/Alcoholism/Drug Abuse Health need to be made available to all areas of the State from the paramedical/nurse practitioner level in the rural areas to the fully sophisticated facilities in central urban areas. An adequate means of transportation and communication is necessary.

Expansion of the professional role of paramedics and nurses shall be encouraged at all levels of health-care delivery.

An adequate curricula be added to the school system, stressing early detection and providing training opportunities to help school children become aware of health-care needs.

Alternative methods need to be considered for future water/sewer systems to ensure the practicality of the operation from a maintenance and cost standpoint.

Catastrophic health care should be available to all Alaskans with a mandatory deductible requirement

sufficient to prevent abuse.

A need state-wide is for health education in the media. Our TV, radio and newspaper should have more specific information about preventive health measures. Only when our whole community is more concerned about health will we improve our children's health and, consequently, the welfare of future generations.

ENERGY STATEMENT, BETA GROUP

The energy goal of the State should be:

Existing energy systems which depend on nonrenewable resources should be converted to systems which are based on renewable resources in an orderly, effective and efficient transition.

A means to accomplish this would be for the State government to encourage the private sector, i e, business and individual, through tax incentives, tax penalties and low-interest loans, to convert existing energy systems to be as efficient as possible, and to replace existing energy systems and develop new energy systems that rely on renewable resources.

Among the suggestions of the Beta Group were:

1. Energy-efficient improvements for both residences and businesses should not increase the value of the property for taxation purposes, but should reduce the property tax.

2. The State should encourage the creation of regional energy councils to respond to grass roots concerns and ideas to develop alternative energy sources.

3. An Alaskan energy plan should be developed by 1982 which includes a realistic timetable to accomplish the long-term energy goal.

.... Nonrenewable resources used for energy systems are in a state of transition which requires new problem-solving techniques.

Human energy potential should not be diluted by polarization and provincialism, but must acknowledge the immediate challenge that today's energy crisis brings. The cost of diesel fuel in rural Alaska is a crisis, both in financial and emotional terms. Survival and economic development at present in rural Alaska is dependent on the availability and the price of diesel fuel. Until the primary goal of energy-system dependency on renewable resources is accomplished - and a specific time limit should be established - the State should be prepared to assist the people in rural Alaska to acquire and pay a reasonable price for diesel fuel. Any State program should promote the stated energy goal. In no way should a government program foster business as usual, which provides no incentive to convert to other alternative energy sources.

It appears logical and appropriate that monies

received by the State from the increased revenues from its petroleum resources should be used to accomplish the long-term energy goals and to solve the short-term immediate energy crisis.

All State agencies should coordinate their efforts to achieve the long-term energy goal.

BETA GROUP TRANSPORTATION

It shall be the policy of the State that a transportation system be developed in a manner that serves the economic and social needs of all Alaskans and the areas in which they reside. An integrated system of transportation shall include facilities necessary to accommodate the mode of transportation which best fits the particular needs of the area to be served. Regional representatives will participate in all stages of planning and implementation. And to help facilitate their involvement, there will be established regional advisory committees which shall have representation on a state-wide advisory board that guides state-wide transportation policy.

Priorities of an integrated transportation system shall include the following:

1. Transportation systems to be developed shall minimize adverse social, cultural and environmental impact.

2. All existing transportation facilities shall be upgraded to standards which assure traveler safety,

optimal freight rates and minimal maintenance costs.

3. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical public safety and service support. Particular attention should be paid to improving and developing airport and port facilities and alternative transportation modes to accommodate critical economic needs, such as the transportation of fishery products.

4. When new transportation projects are proposed, full operation and maintenance costs shall be considered in the decision to implement the project.

5. Appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

6. The State of Alaska shall assist in the immediate improvement and development of mass transit systems in urban Alaska.

7. As part of a regional resource planning process, the Department of Natural Resources shall undertake a thorough assessment of transportation needs in relation to development of Alaska's renewable and nonrenewable resources.

8. The Department of Transportation shall explore innovative and alternative transportation modes that may result in lower freight and fair costs and avoid

adverse social, cultural and environmental impact

A criterion for evaluating new transportation systems in both rural and urban Alaska shall be energy efficiency.

9. The Department of Transportation shall give immediate attention to the development of intraregional transportation systems that do not necessarily link.

FINAL REPORT, GAMMA GROUP

Gamma Group spent the first day setting goals for the future of Alaska. We worked as a committee of the whole. We separated our goals into nine areas.

I. Political/Justice
II. Lifestyle
III. Transportation and Communication
IV. Development
V. Human Resources
VI. Education
VII. Governmental Structure
VIII. Economy
IX. Community Development

It was our plan to come up with means for achieving the goals, but time ran out. Except for the goals under Political/Justice, the means submitted herein were not acted on by the group, but were ideas which had been submitted by individuals in the group.

One policy statement which was adopted by the group was that, "Responsible fiscal actions be applied to all goals suggested herein."

Gamma Group recommends that a follow-up conference be held. There was objection to the way the conference was planned, namely, that the time frame was too short to do an adequate job.

We were just beginning to communicate well with each other when we had to push to produce some kind of

report.

Gamma Group voted down a motion to call a Constitutional Convention.

I. POLITICAL/JUSTICE

Gamma Group envisions a future for Alaska as one machine:

1. Political representation reflects both population and geographic diversity.

Recommendations:

a. The Alaska State Legislature should be apportioned in accordance with Alaska's constitution which calls for the election of the House of Representatives on a one man one vote basis, and a Senate on a geographical distribution.

2. Justice and enforcement of the law is applied equally without regard to race, ethnic group, geographic location, sex or social status.

Recommendations:

a. Professional and adequate permanent law enforcement service in rural and urban areas.

b. Increase the number of magistrates and judges and provide for circuit riding magistrates.

c. Legal aid available in rural and urban areas.

d. Minority hire in law enforcement positions which reflect ethnic populations.

e. Improved recruitment and training in all aspects of law enforcement personnel.

f. Courts which are closer to home.

g. End to racial biases in sentencing.

h. State enforcement of local liquor laws.

II. LIFESTYLE

Gamma Group envisions a future for Alaska as one in which:

1. Diverse lifestyles desired by its people are protected and respected.

2. The arts and cultural pursuits are seen as integral to such lifestyles and essential to and enhancing the quality of life.

3. A harmony is maintained between man and his natural environment.

III. TRANSPORTATION AND COMMUNICATION

Gamma Group envisions a future for Alaska as one machine:

1. Aesthetic qualities are incorporated in all transportation and public facilities planning.

Recommendations:

a. The State DOT-PF should avoid a standardization in highway design through incorporation of aesthetics, through a more holistic approach to planning, through employing people of various disciplines. In order to accomplish this, the State should at times seek waivers of federal standards and/or build the projects with State monies.

2. Any anticipated transportation development would only be implemented based on the expressed preference of the local areas to be affected.

3. There are improved rural air transport systems.

Recommendations:

a. Safety should have major emphasis in development of air transport systems.

4. There is improved and expanded marine transportation, including support facilities, throughout Alaska.

5. There are improved rural communications.

Recommendations:

a. Improved UHF/VHF/microwave systems.

b. Improved telephone communications.

c. Improved uplink systems from regional centers on satellite systems.

d. Provide radio stations in regions where they are needed.

IV. DEVELOPMENT

Gamma Group envisions a future for Alaska as one in which:

1. The stewardship role of the State for present and future generations of Alaskans in protecting the natural environment, including wildlife habitat and wild and scenic areas, and in preserving air, land and water quality, is recognized.

2. Protection of the environment and maintenance of viable ecological systems shall be a major factor in reaching decisions on both public and private development projects.

3. The energy needs for a future Alaska shall be based on renewable resources to the greatest extent possible and on localized economical units allowing for maximum self-sufficiency.

4. National energy independence is not reached to the detriment of Alaskan citizens and the environment.

5. Oil and gas leases should occur only where justifiable and only after the Coastal Resource Service Area plans have been completed and approved by the appropriate agencies.

V. HUMAN RESOURCES

Gamma Group envisions a future for Alaska as one in which:

1. The dignity and well-being of Alaskans of all ages, race, sex and economic status are guaranteed.

Recommendations:

a. Adequate housing, preventive and crisis medical treatment, day care and aid for the elderly are essential.

2. The causes of alcohol abuse as an impediment is as an impediment to the full utilization of Alaska's human resource have been recognized and effectively dealt with.

3. Private industry is encouraged to assume the responsibility to offset adverse developmental impact in the areas affected.

Recommendations:

a. Socio-economic studies should be done before the fact, not after the problems occur.

4. Good health is a right of the people.

Recommendations:

a. People should be educated about nutrition.

b. Funds should be made available for

building suitable medical facilities in rural areas.

VI. EDUCATION

Gamma Group envisions a future for Alaska as one in which:

1. High expectations for all students are shared by their teachers and school administrators, and where the opportunity for a enriched education is available to all Alaskans without discrimination.

Recommendations:

a. A commitment to bilingual education.

b. Better standards for village high schools.

c. Student exchange programs between all high schools.

d. Special programs for gifted and handicapped students.

2. The opportunity is provided for Alaskans of all ages to acquire basic academic and life-coping competencies.

a. Two-step certification for Alaskan teachers which would include teaching skills and cultural knowledge.

b. Stress good health and nutrition as a responsible part of the program.

3. Apply to the fullest extent possible and at all educational levels principles and practices of self-directed life-long learning.

4. The State assume its constitutional responsibility for edge indicating all public school children.

5. Continuing education is provided.

6. Compulsory education in all public school systems be 100 percent funded.

Recommendations:

a. Funds be made available for suitable buildings.

VII. GOVERNMENTAL STRUCTURE

Gamma Group envisions a future for Alaska in which:

1. Flexibility in the types of government available at the local level and experimentation in the means by which we govern ourselves is encouraged.

Recommendations:

a. Legislation prevented experimentation of local government structures must be repealed.

2. State decision-making is decentralized by means of maximum local public involvement and control.

VIII. ECONOMY

Gamma Group envisions a future for Alaska in which:

1. Maximum self-sufficiency is provided by and for the people, through the encouragement of small-scale self-sustaining business, agriculture, manufacturing, resource and energy utilization.

IX. COMMUNITY DEVELOPMENT

Gamma Group envisions a future for Alaska in which:

1. Land disposals are adequately planned by the state and existing land-use patterns, and the desires of the people in the local area are taken into account in order to maintain quality of life.

2. Urban areas are assisted by the State to achieve quality urbanization.

Recommendations:

a. When feasible the State should shift transportation funding from projects which promote automobile dependence to mass transportation.

3. Rural housing, water and assuming disposal facilities are designed for suitability to local needs. (Criteria should include energy conservation, affordability, utilization of local resources and know-how, and strong

local input in planning and implementation).

DELTA GROUP GENERAL RECOMMENDATIONS

OF THE

FUTURE FRONTIERS CONFERENCE

1. Make money available to local banks for investment in small Alaskan businesses, with specific requirements from the State.

2. Make State housing loans available where other housing funds are not.

3. Fully reinstate and fund the Veterans Loan Program and include surviving spouses.

4. Liquidate by lump-sum the Alaska Native Fund paid for by the State (400 million dollars).

5. Do not repeal State income tax.

6. Continue an aggressive national advertising campaign to promote tourism.

7. Expand and upgrade the Alaska Marine Highway system.

8. Reactivate the Capital Site Planning Commission and direct the legislature to proceed without delay for moving the capital according to law.

9. Regionalize the telecommunications system, so that regional centers can broadcast via an uplink system regional news, entertainment, public affairs and

educational television.

10. Legislature should mandate that the top priority of the telecommunications system be the installation of emergency and medical telephone in every village in Alaska.

11. Create a single toll area for the entire state for telephone communications.

12. Upgrade rural airports to make them more fully operational and safe.

13. Expand key rural commercial center airports to provide more economical transportation systems.

14. Delay any attempt to organize the unorganized borough until studies made of economical and geographical feasibility of that organization.

15. Expand and improve the magistrate system in rural Alaska.

16. Improve maintenance and upgrade present State highway system.

AGRICULTURE

17. Continue to vigorously promote the development of our agricultural potential so that the State becomes as self-sufficient as possible.

18. Establish a Department of Agriculture.

19. Encourage in-state production of all mineral

and organic elements for use as fertilizer within the state.

20. Increase Agriculture Revolving Loan Fund.

21. Provide State tax incentives for agricultural production.

FISHERIES

22. Stimulate the rapid development of on-shore processing facilities and Alaska-based vessels with development of the bottom fish industry utilizing all of the State's investment and regulatory tools, including but not limited to:

A. Loans for Alaskan fishermen and processors,

B. State bonds for the construction of ports and harbors,

C. Promoting a marketing association to develop world markets for Alaska seafood products.

23. Establish strict quality control for all Alaska seafood products.

24. Encourage the legislature to investigate the possibility of establishing a policy that would restrict foreign ownership and control of the Alaskan seafood processing industry.

25. Support a substantial federal exploitation tax to be levied on foreign vessels fishing and processing in the American 200-mile zone.

EDUCATION

Opening Remarks

In the spirit of Buckminster Fuller's thesis that the healthy growth of the human mind is vital for the survival of mankind, and recognizing that the preservation of Alaska's unique life-style in the face of enormous pressure for resource development is dependent upon intelligent and creative leadership, the State shall make a total commitment to and establish as one of its highest priorities excellence in the University of Alaska system, including emphasis on social, cultural and physical studies related to the artic and subartic and adjacent seas.

In the implementation of this program, and providing an incentive to Alaskan families to encourage their children to attend the university system, the legislature shall consider adopting policies of free tuition and other incentives that would encourage all Alaskans who want to further their education to attend the university system.

26. Consider adding the Naval Artic Research Laboratory as a facility for the University if federal funds are withdrawn.

27. Develop excellence in vocational and

technical education as a basic function of the community college system.

28. Provide funding to expand pre-school educational programs as an educational priority.

29. Provide an exchange program between urban and rural students in Alaska.

30. Continue support for and expansion of community school program.

31. Pursue methods to fully utilize telecommunications in all phases of education, especially to support rural schools with regionalized programming.

32. Provide adequate funds to support basic literacy projects in Alaska.

33. Support expansion of programs for the exceptionally gifted students in Alaska.

HEALTH AND SOCIAL SERVICES

Opening remarks

That in the spirit underlying each of the following policy recommendations, the broad cross-section of Alaskans from every part of the state strongly urge the legislative and executive branches to encourage, whenever feasible, the adoption and implementation of health and

social programs which encourage local input, provide incentives for self-help and adopt creative policies that tend to encourage human dignity.

34. Public policy as developed by the legislative and executive branches of government should shift priority as far as possible from the curative and treatment approach to health promotion, health education and disease prevention and social service programs and similar approaches recommended for problems.

35. Since disease prevention is cheaper than cure and treatment, Alaska should single out diseases which contribute unduly to the pain and suffering of citizens and lay heavy claims on public funds. Earliest attention should be given to tuberculosis, otitis media, alcoholism and drug abuse, accident prevention, and venereal disease.

36. Cost containment for all health care purchased by government should be undertaken with a minimum goal that payment and fees for services should not be allowable beyond the increases in the Consumer Price Index for the region concerned.

37. That to the extent allowable by present law and reasonable amendments thereto, health and social services delivery programs should be vested in local government and in private nonprofit corporations with mutually agreeable funding provided by federal and state

governments.

38. Revenue-sharing funds made available by the State government for health services and health facilities should be made available to local governments, with the local governments determining the priorities for usage of the funds, whether for services, institutions or facilities.

39. That public policy in Alaska include studies leading toward the possible revision of all direct service health expenditures with the emerging possibility of opting out the Medicaid program, the development of an unique and comprehensive Alaska health insurance program, or other innovative improved methods for assisting Alaskans in meeting medical costs.

40. Immediate attention should be given to an improved catastrophic illness program to bring relieve to low- and middle-income wage earners, otherwise ineligible for federal and state assistance.

41. The State should consider a revised plan of reimbursement for physician services and hospitals, including strong emphasis on the free enterprise, competitive system and that as a quid pro quo the free market forces be rigidly enforced as demanded in other fields of endeavor.

42. Alternatives to expensive institutional health care (hospitals, nursing homes, residential centers)

should be sought, including pilot programs and coordinated home support and health care, with services available not only from nurses but also from doctors for in-home assistance.

43. Since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of health care dollar expenditures, special massive attention should be given to the fundamental causes of those accidents and the relationship thereto to other social and health phenomena, and that a bold program of education and prevention be developed.

44. All third-party insurance payment mechanisms for health care in Alaska should be required to cover mental illness services in much the same way as they cover physical illness at the present time.

45. Legislative and executive branch decisions should be directed toward more extensive utilization and funding of community mental health centers and several small regional juvenile residential facilities should be provided for mentally disturbed juveniles.

46. That the legislative and executive branches provide for the detailed analysis regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the Aid to Families with Dependent Children Program. (Under AFDC, the monthly

payment for mother and child is $350 versus $608 for two persons under the supplemental security income programs.)

47. Since $80 per month per person for certain needy persons in the State is not sufficient to deal realistically with those eligible, a detailed study should be provided to determine the future structure and coverages under the General Relief and General Relief Medical programs.

48. The legislative and executive branches of government should attempt to influence more strongly the Federal Office of Management and Budget in order to adjust the official poverty guidelines for Alaska, to bring it in line with financial realities and remove the current discrimination against Alaska's needy made possible by the policies of the Federal Office of Management and Budget.

49. That the legislative and executive branches provide for an updated, comprehensive study of the status of Alaska's elderly population, with special emphasis on adequacies of the financial assistance provided to elderly eligibles, and with special review of the effects of inflation and the fixed income of retired persons and in connection with a proposed Older Alaskans Commission.

50. The legislative and executive branches of government in Alaska have recently provided for a comprehensive Corrections Master Plan for Alaska. After

public hearings are held in affected communities only, those portions of the plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska.

51. Limited and new programs, such as Treatment Alternatives to Street Crime and New Start Center have demonstrated efficiency and adequate rate of success in assisting in the continuing rehabilitation of ex-offenders. It is in the interest of every citizen of Alaska that such ex-offenders be assisted in developing new life patterns free of crime and deserve adequate staff and financial support to assist in that goal.

52. Even though public assistance in the form of money-transfer payment programs and social services based on counseling do not have the same goals, human service centers in various communities throughout the State should be co-located in order to serve citizens in a more efficient manner.

53. Since Alaska does not operate any social service child care institutions and only one correctional juvenile institution, revisions should be made in the "purchase of services" statutes by amendment in order to fund those privately operated programs giving care to juveniles whose care has been made a State responsibility more nearly on

the basis of actual full cost of care.

54. The legislative and executive branches of government should make provisions whereby a reasonable percentage (approximately one percent) of the human services budgets of the State could be utilized by the executive agencies for research and evaluation purposes in order that full data may be available and proper evaluations made to place sound statistical and programmatical basis under all expenditures in the field of human services.

55. Support adventure-based education on a continuing basis.

56. Continue support of Crisis Centers throughout the State.

OIL AND GAS - ENERGY

57. Explore State oil and gas potential so that planned development can occur. Develop seismic information before State commits its resources to development.

58. Investigate and inventory archaeological sites and insure their protection, especially in areas that might currently be threatened due to development or erosion.

59. Oil and gas resources should be used primarily to benefit Alaska's energy needs.

60. Considerations other than just the rate of

monetary return and security should be utilized as a State investment policy.

61. The legislature shall develop a policy in the 1980 legislative session for the development of oil and gas resources to determine the rate of development.

62. The legislature shall consider the possibility whether the State should be involved as a partner to industry in oil and gas leasing, exploration and development.

63. The State shall inventory the State's fuel and mineral resources and this shall be incorporated into State capital project's development plan.

64. The State shall invest income from our nonrenewable resource wealth to develop renewable energy as a major State priority.

65. The State shall develop incentives for industry and consumers for energy conservation, especially in the areas of waste heat utilization, mass transit, insulation and car pooling.

66. The University of Alaska shall develop excellence in the matters pertaining to the resources of the northern latitudes.

67. The State legislature should specially encourage small-scale utilization of alternate energy resources. This would include use by individuals, families

and small businesses.

TIMBER

68. Establish a conservation corps. to put people to work maintaining State forrests and parks, especially thinning and protecting State forrests.

69. Increase utilization of timber resources with appropriate ecological and biological and economical conservation.

70. Increase utilization of State timber for personal use.

71. Research utilization of State timber into finished timber products.

72. Produce a quantitative report of the real effects of timber harvest on other resources.

REPORT OF Epsilon Group TO THE ASSEMBLED DELEGATION
LEGISLATIVE COUNCIL CONFERENCE
ON ALASKA'S FUTURE FRONTIERS

We have accepted the challenge of this great undertaking and accept it in the light of its excellence as an exercise in participant democracy.

Epsilon Group was a microcosm of Alaska, representing as it did a balance of cultures, regions and ethnic populations which reflected the diversity of our state.

Our specific recommendations are as follows:

IN THE AREA OF NATURAL RESOURCES

1. Oil and natural gas policy: There will be no further oil or gas exploration conducted until a Coastal Zone Management plan and an outer continental shelf management plan is adopted. And further, any oil or gas leasing program must include regional interests and considerations.

IN THE AREA OF FISHERIES

Epsilon Group recommends that the legislature adopt Alaska's fisheries as its highest priority, and that the State increase its jurisdiction over fisheries activities to include the entire 200-mile limit.

WITH REGARD TO STATE LANDS

No State land disposal program should preclude agricultural use.

In the area of agriculture specifically, Epsilon Group recommends that a State agriculture program emphasize in-state production, distribution and consumption of Alaskan agricultural commodities and products.

Further, that the State make available money to help fund alternative method to fuel and fertilizer production, such as methane and alcohol fuels from agricultural products.

Further, both fisheries by-products and petroleum-based fertilizers be made available.

The State should further encourage the retention of all potential agricultural lands for exclusively agricultural purposes through tax incentives.

TOURISM

The tourist industry is recognized as Alaska's second major industry and should reflect both cultural sensitivity and the integrity of ethnic populations within the state.

The State should see that local employment benefits accrue to Alaskans in any tourism programs.

The State should ensure that local and regional

inputs be included in tourism program planning.

With specific regard to the proposed World's Fair, Expo '84, that the State promote local and regional participation and particular emphasis on participation of both minorities and women.

WITH REGARD TO ENERGY

The State should invest funds for the development of appropriate energy source.

The State should look into grants or subsidies for the development of alternative energy sources for marine transportion.

The State should provide a cash prize annually to any Alaskan who develops and builds an energy-efficient structure.

The State should upgrade existing State buildings and facilities to meet minimum energy-efficient studies.

The State should pursue and encourage in-state processing of natural resources to a finished and cosumable form. These products and resources should then be made available to Alaskans on a priority basis. And further, that any in-state resource processing be pursued with strong consideration for local environmental concerns.

The legislature should provide funding for the development of sail power applicable to the fishing and

maritime industries and establish maritime museums within the state.

General policy on energy resource development and the environment:

1. We ask that the State protect the subsistence, cultural and psychological values of the State's resources, specifically to include its people.

2. We ask that the State include in its oil and gas policy a provision providing that no gas be withdrawn from an oil reservoir until oil recovery from that reservoir is mostly completed.

3. We further ask that the State include in its oil and gas policy a provision insuring that maximum pressure be maintained in oil reservoirs from the beginning of production activities in order to maximize petroleum recovery.

4. Further, that the State of Alaska upgrade all State buildings from an energy-efficient standpoint, and that all future State buildings meet an energy-efficiency standard. And in order to meet those ends, the State should use as its guideline the ASHRE (American Society of Heating and Refrigerating Engineers) No. 90-75 A, 1992 standards, to be implemented no later than 1985.

Each year this law is to become more stringent to:

1. Maintain a maximum energy efficiency in the structure; and

2. Maximize efficiency in the mechanics of heating and refrigeration.

LAND

1. All Alaska lands are to be regarded as an asset of all citizens present and future.

2. Prior to any land disposal planning be done providing for local input.

3. Said planning should involve determining the best resource potential, the best use, the best disposal mechanism, giving local preference.

4. The State should expedite the processing of permits, loans and leases relative to land acquisition.

5. The State should reconsider the joint consideration process of municipal and state lands.

GOVERNMENT

State government:

1. The State government must provide formula grant funding for planning a five-year program in the unorganized borough.

2. The State shall develop a plan to ensure equitable representation in the State legislature, taking

into consideration both population and geographical considerations.

HEALTH AND SOCIAL SERVICES

1. The State should establish a comprehensive health insurance program.

2. Encourage the private sector to provide health and social services in Alaska.

3. The State should emphasize the role of the family in social, health and education priorities and policies.

TRANSPORTATION

1. The State should encourage development, maintenance and up grading of existing area transportation systems.

2. And should further develop programs to expand public harbor and port facilities, with a view of expanding the fishing and maritime industry in Alaska.

3. The State should research and encourage alternative transportation systems, including mass transportation in the urban areas.

4. The State should pass legislation enabling the establishment of port authorities with full taxing powers.

5. The Department of Transportation should hold local public hearings and the legislature provide funding for both inter- and intrastate transit systems on a community-to-community basis as desired locally.

6. Alaska should use a portion of the unanticipated revenues from the North Slope to defray the cost of intrastate transportation.

EDUCATION

The emphasis of Epsilon Group was to encourage more relevant educational programs and delivery systems that are field based and have a strong emphasis on local control. They should concentrate and place an emphasis on strengthening the diversity of our people, the numbers of people involved and the development of both relevant curricula and methods of funding.

It was also proposed that there should be 100 percent financing of school bonds. A process of certification should take place which requires special courses to develop better understanding of our multi-cultural/ cross-cultural population base as well as ongoing evaluation of teachers.

LAW AND JUSTICE

We recommend that the State of Alaska encourage

the equitable treatment of all individuals within the judicial system regardless of race, sex, ethnic or cultural background. This will be encouraged through special funding and programs:

1. The Judicial Council should investigate and develop plans to remedy inequities.

2. Should provide better services in law enforcement for rural areas.

3. Give preference to women who are victims of violence or displacement in areas such as housing to insure the safety and protection of our women.

COMMUNICATIONS

The State should participate in funding both the existing and newly developed systems of communications, so that those expenses are not part of the consumer service charges for improved communications net works, including the utilization of advanced and expanded telecommunications technology.

SCOMM

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Legislative Council
State of Alaska

A Conference on Alaska's

Future Frontiers

Sheraton Anchorage Hotel
December 6,7,8 1979



Graphics and layout by Roxanne Turner, Juneau
Photos courtesy the Alaska Historical Library, Juneau

The Future Frontiers Conference, 1979
is dedicated to
Gene Guess
Former Speaker of the
Alaska House of Representatives

The Conference on Alaska's Future Frontiers was a success. The delegates who attended are a highly motivated cross-section of Alaskans. They produced thoughtful recommendations that will stand the test of time in setting both immediate priorities and long-range goals for state government.

As preparation for the conference, forty-nine Alaskans submitted detailed papers on public policy issues facing Alaska in the 1980's. These were given to the delegates prior to the December conference and were found to be valuable for collective understanding of issues and options available. Another forty-one papers written by members of the Alaskan public are also contained in this volume.

Additionally, the services of verbatim transcription of the delegate meetings was a great, new step in public participation. Not only were the group recommendations ready the day following the conference, but every word spoken in favor or opposed to the group decisions is available for its meaning and context. And a general summary precedes the group recommendations.

We thank and commend the delegates, group chairmen, authors, members of the public, legislative interns and staff for making the Future Frontiers Conference the success that it is.

Senator George Hohman, Jr.
Representative Russ Meekins
Co-Chairmen

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LIST OF DELEGATES

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YAMASHIRO, Jane - Anchorage

RESOLUTION SUMMARIES

The following are summaries of major resolutions submitted by the five study groups of the Future Frontiers conference. Many innovative suggestions made by only one or two of the groups are not included in the summaries, not because they are not worthwhile but because we were looking for consensus among the five groups. Several themes appeared throughout the conference discussions and are reflected in many of the resolutions. One is the interest by Alaskans in maintaining diversity in lifestyles, in alternatives available to citizens in their local governments, educational opportunities, resource development and geographic location. Local and regional differences are preferable to standardization which does not take individuality into account. Local control was another pervasive theme: local control over decisions pertaining to almost every kind of service and to development of economic and natural resources. Flexibility was a key interest of most delegates; they recognize the potential Alaska has to experiment with innovative technologies and social programs and stress that we must not lock ourselves into traditional methods of solving problems without exploring alternatives.

POLITICS, GOVERNMENT AND LAW

In the areas of politics, law and government, the major recommendations of the conference delegates concerned improvement and expansion of services, particularly to rural areas, and increasing local representation and participation in all aspects of government services. The concensus was that

-- the Alaska court system should be expanded in order to expedite proceedings. This can be accomplished by several means which include increasing the number of judges, expanding the hours of operation, increasing the number of magistrates in rural areas and providing for circuit-riding magistrates.

-- expanding legal aid services to assist lower income citizens in both rural and urban areas

-- eliminating biases in sentencing which reflect in any way the age, sex, cultural background, race, geographic location or social status of the accused.

-- increasing local governments' autonomy, flexibility and participation in decision-making and revenue sharing processes.

-- carefully studying and planning for any organizational changes in boroughs which are presently unorganized.

-- carrying out legislative reapportionment in accordance with Alaska's constitution to reflect both population and geographic diversity, and making sure that rural representation is not effectively eliminated.

-- upgrading law enforcement recruitment, training, minority representation and rural services.

TRANSPORTATION AND COMMUNICATIONS

It was generally felt by the conference participants that both transportation and communication facilities and services need to be expanded and upgraded.

In formulating recommendations pertaining to transportation, delegates stressed several points:

-- a thorough assessment and evaluation of existing and needed transportation must be carried out in order to draw up an integrated statewide plan which takes into account regional differences, local requirements and local preferences.

-- the marine highway systems should be improved and expanded

-- highways, roads, ports and airports should be improved and maintained with a goal to increasing safety.

-- alternative forms of transportation should be considered, including a shift to mass transit systems where feasible.

-- in planning transportation services and facilities, energy efficiency, costs, and environmental impacts should be considered.

Communications systems were generally in need of expansion and improvement, according to conference participants. An integrated statewide system was felt to be desirable but with costs contained and government control minimized. A single toll area for telephones in the state was suggested, and VHF and microwave systems to supplement satellite transmissions were recommended.

HEALTH AND SOCIAL SERVICES

The recommendations of the five study groups in the area of health and social services were quite varied, but two major themes were evident:shifting the focus of health services to emphasize education and prevention; and encouraging innovative and alternative health care services which, while funded by state and federal sources to a large extent, maintained local government and private control. Major recommendations included the following:

- the state should encourage private sector and local services to the maximum extent possible.

- education should be stressed, both in schools and through the media, in areas of nutrition, preventative measures and early detection.

- some form of financial relief should be available to defray high medical costs; this could be in the form of catastrophic illness insurance.

- a comprehensive health insurance plan available to all Alaskans, cost containment policies for government health care services.

- and administrative and legislative efforts to alter the present inadequacies in federal funding levels and categories of health and social services.

as well as cost containment policies

- certain health problems which are serious in Alaska should receive more attention in research, funding, education and health delivery systems; these include alcohol and drug abuse, mental health; accidents, and diseases such as otitis media, tuberculosis, and venereal disease which are especially prevalent in Alaska.

- rural health care delivery systems should be expanded and improved.

EDUCATION

Recommendations in the area of education centered around increasing funding levels of many programs and in upgrading the quality of education at all levels. Proposals included the following:

- increase amounts and availability of financial aids for post-secondary education, such as loans, scholarships, free tuition, and others.

- expand use of teleconferencing and telecommunications in the educational programs, particularly in rural areas.

- improve post-secondary education options; private universities, the University of Alaska system, community colleges, and alternative education such as open learning and schools-without-walls programs.

- strengthen vocational and technical education programs.

- recognize the need for bilingual/bicultural programs and include cultural background awareness in teacher training and certification requirements.

- upgrade the quality of education in the lower elementary grades, preschool programs, and programs for the gifted and handicapped.

RESOURCES AND ECONOMIC DEVELOPMENT

Vigorous but responsible development was the theme in most recommendations in the area of resource and economic development, and energy-related issues were in the forefront of discussion.

- emphasis should be placed on development of alternative energy technologies (mostly small scale) and local self-sufficiency.

- the conversion of nonrenewable to renewable energy sources should take place as rapidly as possible and be encouraged through regulation and strong financial incentives.

-- the state should develop a comprehensive energy plan which contains both short and long term goals and time guidelines.

-- energy-efficiency standards in all buildings should be followed, with financial incentives for private sector structures and energy conservation should be encouraged.

-- revenue from state nonrenewable resources should be plowed back into development of renewable resources.

-- to the maximum extent, Alaskan resources should be used in Alaska for Alaskans.

-- sound development of oil and gas, fisheries, timber, agricultural land and tourism should take place, all with environmental safeguards.

-- a strong potential for fisheries development was recognized in numerous suggestions for encouraging greater exploitation of this resource.

-- well-planned policies should guide the development of resources.



NOTES:

RECOMMENDATIONS OF THE FIVE GROUPS

Recommendations of five participating groups, in the Future Frontiers Conference, December 5 through 8, 1979, Anchorage, Alaska.

ALPHA GROUP

The Alpha Group of the 1979 Future Frontiers Conference, after discussion of the issues and deliberation, makes the following recommendations to the people of Alaska.

Resolutions were passed of the following topics:

Direct Services
- Future Frontiers Conference
- Education
- Child Care
- Transportation
- Communications
- Law and Justice

Finance
- Policy
- Mutual goals

Resources
- Oil and gas

Fisheries
Timber
Alternative energy

In addition, the group recommends that staff and the general public make reference to the dialogue contained in the transcripts of the conference.

ALPHA GROUP'S EDUCATION RESOLUTION:

Alpha Group resolves that the legislature consider the following recommendations in the area of education:

That the State of Alaska provide scholarship loan funds to any Alaskan student for post-secondary education with special attention paid to

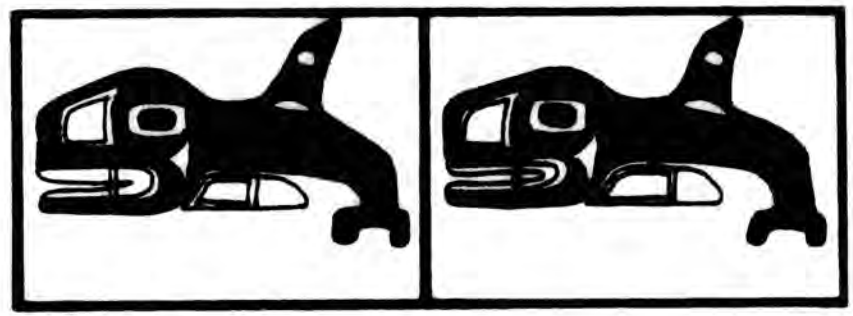
a. Preservation of a student's freedom of choice of colleges or universities;

b. Recognition that private higher education makes a significant and important contribution to the State, and that the legislature not adopt policies that place private higher education at a competitive disadvantage;

c. Providing new and expanding opportunities for vocational and technical education and training; and

d. Loan forgiveness based on years of service in Alaska in the public or private sector;

2. That the State of Alaska allocate funds for local school districts, for teleconferencing and vocational education, according to a policy other than Average Daily Membership in order that all elementary and secondary students in Alaska might be provided the option of a technical trade appropriate for the 1980's, soliciting counseling from industry.



ALPHA GROUP'S CHILD CARE RESOLUTION:

Alpha Group resolves that the legislature consider the following recommendations in the area of child care:

1. That the State continue to use the resources of private child-caring institutions to deliver services to children entrusted to the State's care; and

2. That the State place children with child-care institutions as good parents would, providing for prompt payment of full cost of care which includes a portion of those costs required to keep the institution ready to receive the State's children.

The policy of the State should be that of a good parent that cares well for children for whom it has responsibility and pays its bills quickly.

ALPHA GROUP TRANSPORTATION RESOLUTION:

Alpha Group resolves that the legislature consider these recommendations for transportation needs:

1. Expand and upgrade the marine highway system throughout the entire state, including but not necessarily limited to the Alaska Peninsula-Aleutian communities, Yukon-Kuskokwin and tributary system and other areas as later selected;

2. Preparation and implementation of a statewide plan for air and surface transportation;

3. Construction of a complete system for rural air transportation, navigation aids and facilities, relatively equivalent to present regional airport facilities;

4. Develop a complete inventory of the entire State's transportation facilities;

5. Upgrade and expand inter-community road systems, including but not limited to extension of the road to Tanana and a connecting link between the Yukon and Kuskokwim Rivers;

6. Avoid imposing transportation intrusions on communities or regions whose residents do not want them, i.e., unwanted highways;

7. Improve and expand river-loading facilities.

ALPHA GROUP FUTURE FRONTIERS COMMUNICATIONS RESOLUTION:

Expand and upgrade communications services and facilities in every Alaskan community with special consideration to:

1. Television conferencing for legislative and educational purposes;

2. Efficient telephone systems with a single toll area spreading the costs throughout the State;

3. Other appropriate technology.

The goal is to integrate Alaskan society while preserving the contributions made by diverse cultures.

ALPHA GROUP'S RESOLUTION ON LAW AND JUSTICE:

Alpha Group resolves:

1. That the Alaska court system be expanded as follows:

a. increase the number of judges in order to expedite the civil and criminal calendar;

b. maximize the use of existing facilities beyond the normal working day to improve the convenience to juries and civil litigants; and

c. improve the magistrate system in villages through better communication, using appropriate technology with the presiding judge.

2. Provide increased funds to villages for police training and support, considering State participation in the management in support of the CETA program.

ALPHA GROUP'S FINANCING RESOLUTION:

Alpha Group resolves that the legislature adopt a policy of a financial partnership between the State and private enterprise, in cooperation with local financial institutions with a view toward:

1. Supporting private enterprise through the provision of facilitation of venture capital in Alaska;

2. Capital or operational support for projects and equipment, including

leases or lease purchases with the lease rate based on actual revenues received from use of the product; and

3. Approval of borrowers, based on relevant factors beyond those presently considered by banks.

The State economic policy should be to develop with goals of desirable social and economic development toward the improvement and strengthening of the private sector.

RESOLUTION:

Alpha Group resolves that the legislature recognize the existence and opportunitis provided by the existence of the native land claims corporations, and the unique opportunities provided by those rural-based private corporations for developing mutual economic and socially desirable goals in rural and urban areas of the State.

Alpha Group further encourages the legislature to develop structures that can provide creative mutual interaction between the State, native corporations and other entities concerned with the healthy and desirable Alaska urban and rural society.

ALPHA GROUP OIL AND GAS RESOLUTION:

Alpha Group recommends that the State investigate a gas-stripping plant for the liquids at Prudhoe Bay and the State transportation system to bring the gas liquids and royalty share to tidewater for maximum State benefit.

Further, Alpha Group recommends that every effort be made to use Alaska petroleum to lower the cost of fuel throughout the State.

ALPHA GROUP RECOMMENDATION ON FISHERIES:

Alpha Group recommends that the Alaskan fisheries program do the following:

1. Encourage and support the best possible harvest, transportation and care technique for all its multiple fisheries;

2. Readiness for complete harvest and best utilization of all State fisheries products;

3. Initiation of the most advanced systems of quality production, control, transportation and storage of fisheries products;

4. Make every effort to train persons in the technical skills necessary to operate in a modern fishery.

ALPHA GROUP'S TIMBER RECOMMENDATION:

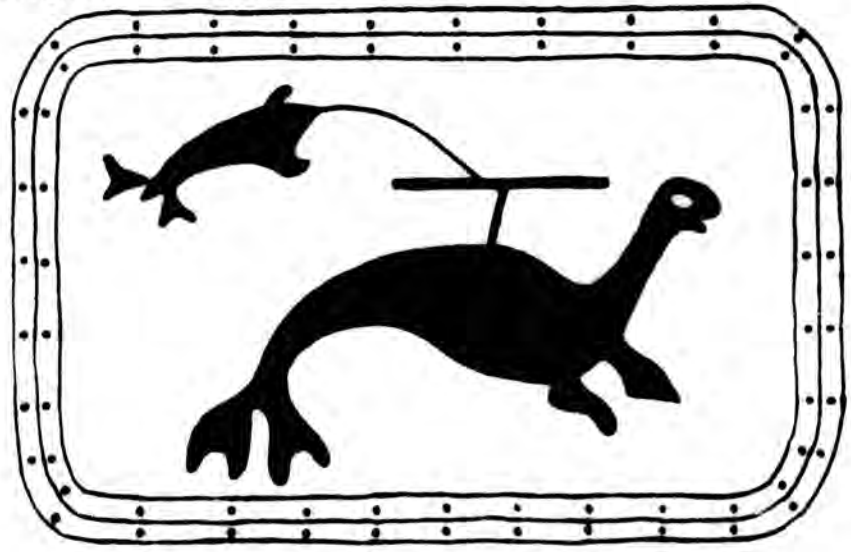
Alpha Group resolves that the State should facilitate in every way possible development of Alaska's vast timber resources in an expeditious, economically feasible and ecologically responsible manner.

ALPHA GROUP'S ALTERNATIVE ENERGY RESOLUTION:

Alpha Group resolves that the State develop alternative energy sources from every community in the State of Alaska, not limited to hydro power, tide, wind, solar power, geothermal or hydrogen cells and sites after an inventory is made.

ALPHA GROUP'S RECOMMENDATION ON ANOTHER FUTURE FRONTIERS CONFERENCE:

Alpha Group recommends that another Future Frontiers Conference be held in five years, and that it be preceded by regional conferences to select delegates for the statewide conference.



BETA GROUP

The Beta Group appreciates the commitment that the Alaska legislature has made to involve Alaskans in the formulation of public policy through the Future Frontiers Conference.

Additional time during this conference would have permitted more refined policy recommendations. Nevertheless, the concepts recommended are believed to be a valid statement of current and future needs and methods of resolution.

We propose a reconvening of the Future Frontiers Conference within one year to review legislative and administrative reaction to our recommendations and to propose more detailed policy development.

GOVERNMENT SERVICES POLICY STATEMENT

For every request for government financing, programs, participation and/or regulation before acting the government should ask the requester:

1. Is there truly a need?

2. Have you exhausted all other means of resolution of this need?

3. What is the least government can do in conjunction with other resources to meet the need?

4. What is the most creative role government can play in resolving the need that maximizes private participation?

Then government's role should be limited to the lowest level of participation necessary to adequately resolve the need consistent with incentives for maximum participation by the individual and the private sector in general.

2. Revenue-sharing funds to local governments shall be increased and the State shall share revenue with "No strings attached" disposition to be in sole discretion of local governments.

3. If the unorganized areas of the State are compelled to organize into boroughs, they should be limited to small contiguous areas with common needs.

4. State activities affecting a local area shall not be undertaken without local consultation. Various levels of government participating in the same program shall develop effective means of coordination.

5. Means should be found to constitutionally administer at least some of the State benefits on a longevity of residence basis.

6. Legislative reapportionment shall be implemented so as not to effectively eliminate rural representation.

7. The adventure education program is extremely valuable to Alaskan youth in helping to achieve self-confidence and a sense of purpose, and shall be made available to all Alaskan youth as an adjunct to regular school curriculum.

COMMUNICATION SECTION

1. Broadcasting of State government activities shall be under the control of an independent public board with regional representation.

2. Any expansion or improvement of public communication must be preceded by a careful evaluation of the ongoing as well as start-up costs and of who is going to "Pick up the tab."

3. Government shall not interfere in program content or availability.

4. Development of communication systems shall be sensitive to the resulting social and political effects.

5. Highest priority shall be given to upgrading communications between rural communities and the rest of the world.

6. Career education shall be provided in the field of communications.

7. The University of Alaska shall be provided the means and directive to provide education throughout the State via telecommunications.

8. VHF and microwave systems shall be developed as a supplement to satellite communications.

JUSTICE

1. The State shall assure adequate basic law enforcement facilities in rural areas through local government.

2. Effective means shall be provided whereby judges who are not performing properly shall be removed from office.

3. Publicly supported legal services shall be expanded to meet the growing needs of Alaskans lacking the financial means to hire an attorney.

4. Research shall be undertaken to evaluate sentencing of offenders who commit crimes of violence against females in comparison with sentencing of offenders who commit similar crimes against males.

5. Criminal sentencing shall not reflect minority bias.

6. Criminal justice to be effective must be swift and sure in application.

7. The legislature, judiciary, executive and private sector shall actively pursue programs, incentives and public education to discourage the people of Alaska from their increasing propensity to litigate and shall encourage social amenity.

FINANCE POLICY

The State shall invest its surplus income in the permanent fund inside the State, to the extent the opportunity for prudent investment exists in Alaska. Monies shall be loaned at low interest rates to anyone who has a financially sound investment opportunity, subject to the availability of adequate security and the borrower's demonstrable ability to repay the loan, provided the project enhances one or more goals of Alaska.

EDUCATION

Policy:

1. Provide residents of Alaska with financial access to post-secondary education.

2. To best serve the interests of the State, autonomy should be granted to the community college system.

3. Explore methods of encouraging competition in education systems, including alternatives to the University of Alaska system.

Program:

1. Give special consideration to minority students through program development and teacher preparation to enable them to achieve at grade level.

2. Establish a non-traditional statewide education program to enable rural students to obtain a Bachelor's Degree, i.e. open-learning, school-without-walls concept.

3. Develop bilingual and cross-cultural programs and teacher training to better serve minority students.

Funding:

1. State formula funding to provide smaller classes and needed services for children in grades K through six to ensure their success at the secondary and post-secondary levels.

2. Explore alternative forms of endowing Alaskan universities to enable them to achieve excellence.

3. Increase the level of funding for special education programs, including those for gifted students.

4. Provide funding for innovative programs, such as student exchange programs, wilderness experience and special cultural programs.

Amendments:

1. Establish an education fund similar to the renewable resources fund which dedicates a portion of the permanent fund for long-term educational needs.

2. The State of Alaska should improve the status of vocational-technical education statewide. Such efforts should be geared not only toward program development and maintenance, but improved employment prediction needs and improved job development and placement.

3. Increase the loan funding monies, and, if possible, the individual applicant ceiling amount of the scholarship loan program.

4. Where the Board of Regents of the University of Alaska establishes a statewide program at a community college, it shall assure the availability of adequate housing for out-of-town students participating.

Health

Health services which include:

1. Family planning counseling; and

2. Mental/Alcoholism/Drug Abuse Health need to be made available to all areas of the State from the paramedical/nurse practitioner level in the rural areas to the fully sophisticated facilities in central urban areas. An adequate means of transportation and communication is necessary.

Expansion of the professional role of paramedics and nurses shall be encouraged at all levels of health-care delivery.

An adequate curricula be added to the school system, stressing early detection and providing training opportunities to help school children become aware of health-care needs.

Alternative methods need to be considered for future water/sewer systems to ensure the practicality of the operation from a maintenance and cost standpoint.

Catastrophic health care should be available to all Alaskans with a mandatory deductible requirement sufficient to prevent abuse.

A need statewide is for health education in the media. Our TV, radio and newspaper should have more specific information about preventive health measures. Only when our whole community is more concerned about health will we improve our children's health and, consequently, the welfare of future generations.

ENERGY STATEMENT, BETA GROUP

The energy goal of the State should be:

Existing energy systems which depend on non-renewable resources should be converted to systems which are based on renewable resources in an orderly, effective and efficient transition.

A means to accomplish this would be for the State government to encourage the private sector, i.e. business and individual, through tax incentives, tax penalties and low-interest loans, to convert existing energy systems to be as efficient as possible, and to replace existing energy systems and develop new energy systems that rely on renewable resources.

Among the suggestions of the Beta Group were:

1. Energy-efficient improvements for both residences and businesses should not increase the value of the property for taxation purposes, but should reduce the property tax.

2. The State should encourage the creation of regional energy councils to respond to grass roots concerns and ideas to develop alternative energy sources.

3. An Alaskan energy plan should be developed by 1982 which includes a realistic timetable to accomplish the long-term energy goal.

Non-renewable resources used for energy systems are in a state of transition which requires new problem-solving techniques.

Human energy potential should not be diluted by polarization and provincialism, but must acknowledge the immediate challenge that today's energy crisis brings. The cost of diesel fuel in rural Alaska is a crisis, both in financial and emotional terms. Survival and economic development at present in rural Alaska is dependent on the availability and the price of diesel fuel. Until the primary goal of energy-system dependency in renewable resources is accomplished -- and a specific time limit should be established -- the State should be prepared to assist the people in rural Alaska to acquire and pay a reasonable price for diesel fuel. Any State program should promote the stated energy goal. In no way should a government program foster business as usual, which provides no incentive to convert to other alternative energy sources.

It appears logical and appropriate that monies received by the State from the increased revenues from its petroleum resources should be used to accomplish the long-term energy goals and to solve th short-term immediate energy crisis.

All State agencies should coordinate their efforts to achieve the long-term energy goal.

BETA GROUP TRANSPORTATION

It shall be the policy of the State that a transportation system be developed in a manner that serves the economic and social needs of all Alaskans and the areas in which they reside. An integrated system of transportation shall include facilities necessary to accommodate the mode of transportation which best fits the particular needs of the area to be served. Regional representatives will participate in all stages of planning

and implementation. And to help facilitate their involvement, there will be established regional advisory committees which shall have representation on a statewide advisory board that guides statewide transportation policy.

Priorities of an integrated transportation system shall include the following:

1. Transportation systems to be daveloped shall minimize adverse social, cultural and environmental impact.

2. All existing transportation facilities shall be upgraded to standards which assure traveler safety, optimal freight rates and minimal maintenance costs.

3. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical public safety and service support. Particular attention should be paid to improving and developing airport and port facilities and alternative transportation modes to accommodate critical economic needs, such as the transportation of fishery products.

4. When new transportation projects are proposed, full operation and maintenance costs shall be considered in the decision to implement the project.

5. Appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

6. The State of Alaska shall assist in the immediate improvement and development of mass transit systems in urban Alaska.

7. As part of a regional resource planning process, the Department of Natural Resources shall undertake a thorough assessment of transportation needs in relation to development of Alaska's renewable and nonrenewable resources.

8. The Department of Transportation shall explore innovative and alternativ ansportation modes that may result in lower freight and fair costs and a id adverse social, cultural and environmental impact.

A criterion for evaluating new transportation systems in both rural and urban Alaska shall be energy efficiency.

9. The Department of Transportation shall give immediate attention to the development of intra-regional transportation systems that do not necessarily link.

FINAL REPORT, GAMMA GROUP

Gamma Group spent the first day setting goals for the future of Alaska. We worked as a committee of the whole. We separated our goals into nine areas.

I. Political/Justice
II. Lifestyle
III. Transportation and Communication
IV. Development
V. Human Resources
VI. Education
VII. Governmental Structure
VIII. Economy
IX. Community Development

It was our plan to come up with means for achieving the goals, but time ran out. Except for the goals under Political/Justice, the means submitted herein were not acted on by the group, but were ideas which had been submitted by individuals in the group.

One policy statement which was adopted by the group was that, "Responsible fiscal actions be applied to all goals suggested herein."

Gamma Group recommends that a follow-up conference be held. There was objection to the way the conference was planned, namely, that the time frame was too short to do an adequate job.

We were just beginning to communicate well with each other when we had to push to produce some kind of report.

Gamma Group voted down a motion to call a Constitutional Convention.

I. POLITICAL/JUSTICE

Gamma Group envisions a future for Alaska as one in which:

1. Political representation reflects both population and geographic diversity.

Recommendations:

a. The Alaska State Legislature should be apportioned in accordance with Alaska's Constitution which calls for the election of the House of Representatives on a one man, one vote basis, and a Senate on a geographical distribution.

2. Justice and enforcement of the law is applied equally without regard to race, ethnic group, geographic location, sex or social status.

Recommendations:

a. Professional and adequate permanent law enforcement service in rural and urban areas.

b. Increase the number of magistrates and judges and provide for circuit-riding magistrates.

c. Legal aid available in rural and urban areas.

d. Minority hire in law enforcement positions which reflect ethnic populations.

e. Improved recruitment and training in all aspects of law enforcement personnel.

f. Courts which are closer to home.

g. End to racial biases in sentencing.

h. State enforcement of local liquor laws.

II. LIFESTYLE

Gamma Group envisions a future for Alaska as one in which:

1. Diverse lifestyles desired by its people are protected and respected.

2. The arts and cultural pursuits are seen as integral to such lifestyles and essential to and enhancing the quality of life.

3. A harmony is maintained between man and his natural environment.

III. TRANSPORTATION AND COMMUNICATION

Gamma Group envisions a future for Alaska as one in which:

1. Aesthetic qualities are incorporated in all transportation and public facilities planning.

Recommendations:

a. The State DOT-PF should avoid a standardization in highway design through incorporation of aesthetics, through a more holistic approach to planning, through employing people of various disciplines. In order to accomplish this, the State should at times seek waivers of federal standards and/or build the projects with State monies.

2. Any anticipated transportation development would only be implemented based on the expressed preference of the local areas to be affected.

3. There are improved rural air transport systems.

Recommendations:

a. Safety should have major emphasis in development of air transport systems.

4. There is improved and expanded marine transportation, including support facilities, throughout Alaska.

5. There are improved rural communications.

Recommendations:

a. Improved UHF/VHF/microwave systems.

b. Improved telephone communications.

c. Improved uplink systems from regional centers on satellite systems.

d. Provide radio stations in regions where they are needed.

IV. DEVELOPMENT

Gamma Group envisions a future for Alaska as one in which:

1. The stewardship role of the State for present and future generations of Alaskans in protecting the natural environment, including wildlife habitat and wild and scenic areas, and in preserving air, land and water quality, is recognized.

2. Protection of the environment and maintenance of viable ecological systems shall be a major factor in reaching decisions on both public and private development projects.

3. The energy needs for a future Alaska shall be based on renewable resources to the greatest extent possible and on localized economical units allowing for maximum self-sufficiency.

4. National energy independence is not reached to the detriment of Alaskan citizens and the environment.

5. Oil and gas leases should occur only where justifiable and only after the Coastal Resource Service Area plans have been completed and approved by the appropriate agencies.

V. HUMAN RESOURCES

Gamma Group envisions a future for Alaska as one in which:

1. The dignity and well-being of Alaskans of all ages, race, sex and economic status are guaranteed.

Recommendations:

a. Adequate housing, preventive and crisis medical treatment, day care and aid for the elderly are essential.

2. The causes of alcohol abuse as an impediment to the full utilization of Alaska's human resource have been recognized and effectively dealt with.

3. Private industry is encouraged to assume the responsibility to offset adverse developmental impact in the areas affected.

Recommendations:

a. Socio-economic studies should be done before the fact, not after the problems occur.

4. Good health is a right of the people.

Recommendations:

a. People should be educated about nutrition.

b. Funds should be made available for building suitable medical facilities in rural areas.

VI. EDUCATION

Gamma Group envisions a future for Alaska as one in which:

1. High expectations for all students are shared by their teachers and school administrators, and where the opportunity for an enriched education is available to all Alaskans without discrimination.

Recommendations:

a. A commitment to bi-lingual education.

b. Better standards for village high schools.

c. Student exchange programs between all high schools.

d. Special programs for gifted and handicapped students.

2. The opportunity is provided for Alaskans of all ages to acquire basic academic and life-coping competencies.

a. Two-step certification for Alaskan teachers which would include teaching skills and cultural knowledge.

b. Stress good health and nutrition as a responsible part of the program.

3. Apply to the fullest extent possible and at all educational levels principles and practices of self-directed life-long learning.

4. The State assume its constitutional responsibility for educating all public school children.

5. Continuing education is provided.

6. Compulsory education in all public school systems be 100 perce funded.

Recommendations:

a. Funds be made available for suitable buildings.

VII. GOVERNMENTAL STRUCTURE

Gamma Group envisions a future for Alaska in which:

1. Flexibility in the types of government available at the local level and perimentation in the means by which we govern ourselves is encourage

Recommendations:

a. Legislation preventing experimentation of local government str tures must be repealed.

2. State decision-making is decentralized by means of maximum lo public involvement and control.

VIII. ECONOMY

Gamma Group envisions a future for Alaska in which:

1. Maximum self-sufficiency is provided by and for the people, thro the encouragement of small scale self-sustaining business, agricul manufacturing, resource and energy utilization.

IX. COMMUNITY DEVELOPMENT

Gamma Group envisions a future for Alaska in which:

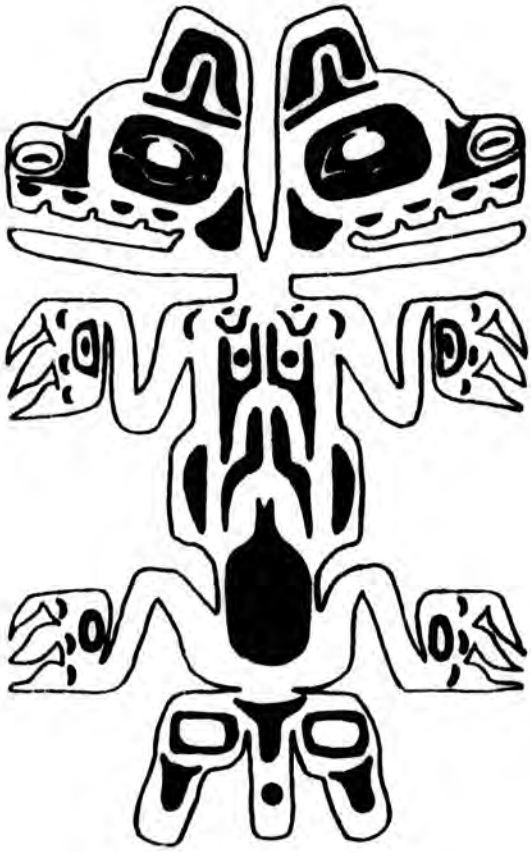
1. Land disposals are adequately planned by the state and existing l use patterns, and the desires of the people in the local area are taken account in order to maintain quality of life.

2. Urban areas are assisted by the State to achieve quality urbanization.

Recommendations:

a. When feasible the State should shift transportation funding from projects which promote automobile dependence to mass transportation.

3. Rural housing, water and assuming disposal facilities are designed for suitability to local needs. (Criteria should include energy conservation, affordability, utilization of local resources and know-how, and strong local input in planning and implementation).



DELTA GROUP GENERAL RECOMMENDATIONS

OF THE

FUTURE FRONTIERS CONFERENCE

1. Make money available to local banks for investment in small Alaskan businesses, with specific requirements from the State.

2. Make State housing loans available where other housing funds are not.

3. Fully reinstate and fund the Veterans Loan Program and include surviving spouses.

4. Liquidate by lump-sum the Alaska Native Fund paid for by the State (400 million dollars).

5. Do not repeal State income tax.

6. Continue an aggressive national advertising campaign to promote tourism.

7. Expand and upgrade the Alaska Marine Highway system.

8. Reactivate the Capital Site Planning Commission and direct the legislature to proceed without delay for moving the capital according to law.

9. Regionalize the telecommunications system, so that regional centers can broadcast via an uplink system regional news, entertainment, public affairs and educational television.

10. Legislature should mandate that the top priority of the telecommunications system be the installation of emergency and medical telephone in every village in Alaska.

11. Create a single toll area for the entire state for telephone communications.

12. Upgrade rural airports to make them more fully operational and safe.

13. Expand key rural commercial center airports to provide more economical transportaton systems.

14. Delay any attempt to organize the unorganized borough until studies made of economical and geographical feasibility of that organization.

15. Expand and improve the magistrate system in rural Alaska.

16. Improve maintenance and upgrade present State highway system.

AGRICULTURE

17. Continue to vigorously promote the development of our agricultural potential so that the State becomes as self-sufficient as possible.

18. Establish a Department of Agriculture.

19. Encourage in-state production of all mineral and organic elements for use as fertilizer within the State.

20. Increase Agriculture Revolving Loan Fund.

21. Provide State tax incentives for agricultural production.

FISHERIES

22. Stimulate the rapid development of on-shore processing facilities and Alaska-based vessels with development of the bottom fish industry utilizing all of the State's investment and regulatory tools, including but not limited to:

a. Loans for Alaskan fishermen and processors;

b. State bonds for the construction of ports and harbors;

c. Promoting a marketing association to develop world markets for Alaska seafood products.

23. Establish strict quality control for all Alaska seafood products.

24. Encourage the legislature to investigate the possibility of establishing a policy that would restrict foreign ownership and control of the Alaskan seafood processing industry.

25. Support a substantial federal exploitation tax to be levied on foreign vessels fishing and processing in the American 200-mile zone.

EDUCATION

Opening Remarks

In the spirit of Buckminster Fuller's thesis that the healthy growth of the human mind is vital for the survival of mankind, and recognizing that the preservation of Alaska's unique life-style in the face of enormous pressure for resource development is dependent upon intelligent and creative leadership, the State shall make a total commitment to and establish as one of its highest priorities excellence in the University of Alaska system, including emphasis on social, cultural and physical studies related to the arctic and subarctic and adjacent seas.

In the implementation of this program, and providing an incentive to Alaskan families to encourage their children to attend the university system, the legislature shall consider adopting policies of free tuition and other incentives that would encourage all Alaskans who want to further their education to attend the university system.

26. Consider adding the Naval Arctic Research Laboratory as a facility for the University if federal funds are withdrawn.

27. Develop excellence in vocational and technical education as a basic function of the community college system.

28. Provide funding to expand pre-school educational programs as an educational priority.

29. Provide an exchange program between urban and rural students in Alaska.

30. Continue support for and expansion of community school programs.

31. Pursue methods to fully utilize telecommunications in all phases of education, especially to support rural schools with regionalized programming.

32. Provide adequate funds to support basic literacy projects in Alaska.

33. Support expansion of programs for the exceptionally gifted students in Alaska.

HEALTH AND SOCIAL SERVICES

Opening Remarks

That in the spirit underlying each of the following policy recommendations, the broad cross-section of Alaskans from every part of the state strongly urge the legislative and executive branches to encourage, whenever feasible, the adoption and implementation of health and social programs which encourage local input, provide incentives for self-help and adopt creative policies that tend to encourage human dignity.

34. Public policy as developed by the legislative and executive branches of government should shift priority as far as possible from the curative and treatment approach to health promotion, health education and disease prevention and social service programs and similar approaches recommended for problems.

35. Since disease prevention is cheaper than cure and treatment, Alaska should single out diseases which contribute unduly to the pain and suffering of citizens and lay heavy claims on public funds. Earliest attention should be given to tuberculosis, otitis media, alcoholism and drug abuse, accident prevention, and venereal disease.

36. Cost containment for all health care purchased by government should be undertaken with a minimum goal that payment and fees for services should not be allowble beyond the increases in the Consumer Price Index for the region concerned.

37. That to the extent allowable by present law and reasonable amendments thereto, health and social services delivery programs should be vested in local government and in private nonprofit corporations with mutually agreeable funding provided by federal and state governments.

38. Revenue-sharing funds made available by the State government for health services and health facilities should be made available to local governments, with the local governments determining the priorities for usage of the funds, whether for services, institutions or facilities.

39. That public policy in Alaska include studies leading toward the possible revision of all direct service health expenditures with the emerging possibility of opting out the Medicaid program, the development of a unique and comprehensive Alaska health insurance progrm, or other innovative improved methods for assisting Alaskans in meeting medical costs.

40. Immediate attention should be given to an improved catastrophic-illness program to bring relief to low- and middle-income wage earners, otherwise ineligible for federal and state assistance.

41. The State should consider a revised plan of reimbursement for physician services and hospitals, including strong emphasis on the free enterprise, competitive system and that as a quid pro quo the free market forces be rigidly enforced as demanded in other fields of endeavor.

42. Alternatives to expensive institutional health care (hospitals, nursing homes, residential centers) should be sought, including pilot programs and coordinated home support and health care, with services available not only from nurses but also from doctors for in-home assistance.

43. Since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of health care dollar expenditures, special massive attention should be given to the fundamental causes of those accidents and the relationship thereto to other social and health phenomena, and that a bold program of education and prevention be developed.

44. All third-party insurance payment mechanisms for health care in Alaska should be required to cover mental illness services in much the same way as they cover physical illness at the present time.

45. Legislative and executive branch decisions should be directed toward more extensive utilization and funding of community mental health centers and several small regional juvenile residential facilities should be provided for mentally disturbed juveniles.

46. That the legislative and executive branches provide for the detailed analysis regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the Aid to Families with Dependent Children Program. (Under AFDC, the monthly payment for mother and child is $350 versus $608 for two persons under the supplemental security income programs.)

47. Since $80 per month per person for certain needy persons in the State is not sufficient to deal realistically with those eligible, a detailed study should be provided to determine the future structure and coverages under the General Relief and General Relief Medical programs.

48. The legislative and executive branches of government should attempt to influence more strongly the Federal Office of Management and Budget in order to adjust the official poverty guidelines for Alaska, to bring it in line with financial realities and remove the current discrimination against Alaska's needy made possible by the policies of the Federal Office of Management and Budget.

49. That the legislative and executive branches provide for an updated, comprehensive study of the status of Alaska's elderly population, with special emphasis on adequacies of the financial assistance provided to elderly eligibles, and with special review of the effects of inflation and the fixed income of retired persons and in connection with a proposed Older Alaskans Commission.

50. The legislative and executive branches of government in Alaska have recently provided for a comprehensive Corrections Master Plan for Alaska. After public hearings are held in affected communities only, those portions of the plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska.

51. Limited and new programs, such as Treatment Alternatives to Street Crime and New Start Center have demonstrated efficiency and adequate rate of success in assisting in the continuing rehabilitation of ex-offenders. It is in the interest of every citizen of Alaska that such ex-offenders be assisted in developing new life patterns free of crime and deserve adequate staff and financial support to assist in that goal.

52. Even though public assistance in the form of money-transfer payment programs and social services based on counseling do not have the same goals, human service centers in various communities throughout the State should be co-located in order to serve citizens in a more efficient manner.

53. Since Alaska does not operate any social service child care institutions and only one correctional juvenile institution, revisions should be made in the "purchase of services" statutes by amendment in order to fund those privately operated programs giving care to juveniles whose care has been made a State responsibility more nearly on the basis of actual full cost of care.

54. The legislative and executive branches of government should make provisions whereby a reasonable percentage (approximately one percent) of the human services budgets of the State could be utilized by the executive agencies for research and evaluation purposes in order that full data may be available and proper evaluations made to place sound statistical and programmatical basis under all expenditures in the field of human services.

55. Support adventure-based education on a continuing basis.

56. Continue support of Crisis Centers throughout the State.

OIL AND GAS - ENERGY

57. Explore State oil and gas potential so that planned development can occur. Develop seismic information before State commits its resources to development.

58. Investigate and inventory archaeological sites and insure their protection, especially in areas that might currently be threatened due to development or erosion.

59. Oil and gas resources should be used primarily to benefit Alaska's energy needs.

60. Considerations other than just the rate of monetary return and security should be utilized as a State investment policy.

61. The legislature shall develop a policy in the 1980 legislative session for the development of oil and gas resources to determine the rate of development.

62. The legislature shall consider the possibility whether the State should be involved as a partner to industry in oil and gas leasing, exploration and development.

63. The State shall inventory the State's fuel and mineral resources and this shall be incorporated into State capital project's development plan.

64. The State shall invest income from our non-renewable resource wealth to develop renewable energy as a major State priority.

65. The State shall develop incentives for industry and consumers for energy conservation, especially in the areas of waste heat utilization, mass transit, insulation and car pooling.

66. The University of Alaska shall develop excellence in the matters pertaining to the resources of the northern latitudes.

67. The State legislature should specially encourage small-scale utilization of alternate energy resources. This would include use by individuals, families and small businesses.

TIMBER

68. Establish a conservation corps to put people to work maintaining State forests and parks, especially thinning and protecting State forests.

69. Increase utilization of timber resources with appropriate ecological and biological and economical conservation.

70. Increase utilization of State timber for personal use.

71. Research utilization of State timber into finished timber products.

72. Produce a quantitative report of the real effects of timber harvest on other resources.



REPORT OF EPSILON GROUP TO THE ASSEMBLED DELEGATION LEGISLATIVE COUNCIL CONFERENCE ON ALASKA'S FUTURE FRONTIER

We have accepted the challenge of this great undertaking and accept it in the light of its excellence as an exercise in participant democracy.

Epsilon Group was a microcosm of Alaska, representing as it did a balance of cultures, regions and ethnic populations which reflected the diversity of our State.

Our specific recommendations are as follows:

IN THE AREA OF NATURAL RESOURCES

1. Oil and natural gas policy: There will be no further oil or gas exploration conducted until a Coastal Zone Management plan and an outer continental shelf management plan is adopted. And further, any oil or gas leasing program must include regional interests and considerations.

IN THE AREA OF FISHERIES

Epsilon Group recommends that the legislature adopt Alaska's fisheries as its highest priority, and that the State increase its jurisdiction over fisheries activities to include the entire 200-mile limit.

WITH REGARD TO STATE LANDS

No State land disposal program should preclude agricultural use.

In the area of agriculture specifically, Epsilon Group recommends that a State agriculture program emphasize in-state production, distribution and consumption of Alaskan agricultural commodities and products.

Further, that the State make available money to help fund alternative method to fuel and fertilizer production, such as methane and alcohol fuels from agricultural products.

Further, both fisheries by-products and petroleum-based fertilizers be made available.

The State should further encourage the retention of all potential agricultural lands for exclusively agricultural purposes through tax incentives.

TOURISM

The tourist industry is recognized as Alaska's second major industry and should reflect both cultural sensitivity and the integrity of ethnic populations within the state.

The State should see that local employment benefits accrue to Alaskans in any tourism programs.

The State should ensure that local and regional inputs be included in tourism program planning.

With specific regard to the proposed World's Fair, Expo '84, that the State promote local and regional participation and particular emphasis on participation of both minorities and women.

WITH REGARD TO ENERGY

The State should invest funds for the development of appropriate energy source.

The State should look into grants or subsidies for the development of alternative energy sources for marine transportation.

The State should provide a cash prize annually to any Alaskan who develops and builds an energy-efficient structure.

The State should upgrade existing State buildings and facilities to meet minimum energy-efficient studies.

The State should pursue and encourage in-state processing of natural resources to a finished and consumable form. These products and resources should then be made available to Alaskans on a priority basis. And further, that any in-state resource processing be pursued with strong consideration for local environmental concerns.

The legislature should provide funding for the development of sail power applicable to the fishing and maritime industries and establish maritime museums within the State.

General policy on energy resource development and the environment:

1. We ask that the State protect the subsistence, cultural and psychological values of the State's resources, specifically to include its people.

2. We ask that the State include in its oil and gas policy a provision providing that no gas be withdrawn from an oil reservoir until oil recovery from that reservoir is mostly completed.

3. We further ask that the State include in its oil and gas policy a provision insuring that maximum pressure be maintained in oil reservoirs from the beginning of production activities in order to maximize petroleum recovery.

4. Further, that the State of Alaska upgrade all State buildings from an energy-efficient standpoint, and that all future State buildings meet an energy-efficiency standard. And in order to meet those ends, the State should use as its guideline the ASHRE (American Society of Heating and Refrigerating Engineers) No. 90-75 A, 1992 standards, to be implemented no later than 1985.

Each year this law is to become more stringent to:

1. Maintain a maximum energy efficiency in the structure; and

2. Maximize efficiency in the mechanics of heating and refrigeration.

LAND

1. All Alaska lands are to be regarded as an asset of all citizens present and future.

2. Prior to any land disposal planning being done providing for local input.

3. Said planning should involve determining the best resource potential, the best use, the best disposal mechanism, giving local preference.

4. The State should expedite the processing of permits, loans and leases relative to land acquisition.

5. The State should reconsider the joint consideration process of municipal and state lands.

GOVERNMENT

State government:

1. The State government must provide formula grant funding for planning a five-year program in the unorganized borough.

2. The State shall develop a plan to ensure equitable representation in the State legislature, taking into consideration both population and geographical considerations.

HEALTH AND SOCIAL SERVICES

1. The State should establish a comprehensive health insurance program.

2. Encourage the private sector to provide health and social services in Alaska.

3. The State should emphasize the role of the family in social, health and education priorities and policies.

TRANSPORTATION

1. The State should encourage development, maintenance and upgrading of existing area transportation systems.

2. And should further develop programs to expand public harbor and port facilities, with a view of expanding the fishing and maritime industry in Alaska.

3. The State should research and encourage alternative transportation systems, including mass transportation in the urban areas.

4. The State should pass legislation enabling the establishment of port authorities with full taxing powers.

5. The Department of Transportation should hold local public hearings and the legislature provide funding for both inter- and intrastate transit systems on a community-to-community basis as desired locally.

6. Alaska should use a portion of the unanticipated revenues from the North Slope to defray the cost of intrastate transportation.

EDUCATION

The emphasis of Epsilon Group was to encourage more relevant educational programs and delivery systems that are field based and have a strong emphasis on local control. They should concentrate and place an emphasis on strengthening the diversity of our people, the numbers of people involved and the development of both relevant curricula and methods of-funding.

It was also proposed that there should be 100 percent financing of school bonds. A process of certification should take place which requires special courses to develop better understanding of our multi-cultural/cross-cultural population base as well as ongoing evaluation of teachers.

LAW AND JUSTICE

We recommend that the State of Alaska encourage the equitable treatment of all individuals within the judicial system regardless of race, sex, ethnic or cultural background. This will be encouraged through special funding and programs.:

1. The Judicial Council should investigate and develop plans to remedy inequities.

2. Should provide better services in law enforcement for rural areas.

3. Give preference to women who are victims of violence or displacement in areas such as housing to insure the safety and protection of our women.

COMMUNICATIONS

The State should participate in funding both the existing and newly developed systems of communications, so that those expenses are not part of the consumer service charges for improved communications net works, including the utilization of advanced and expanded telecommunications technology.

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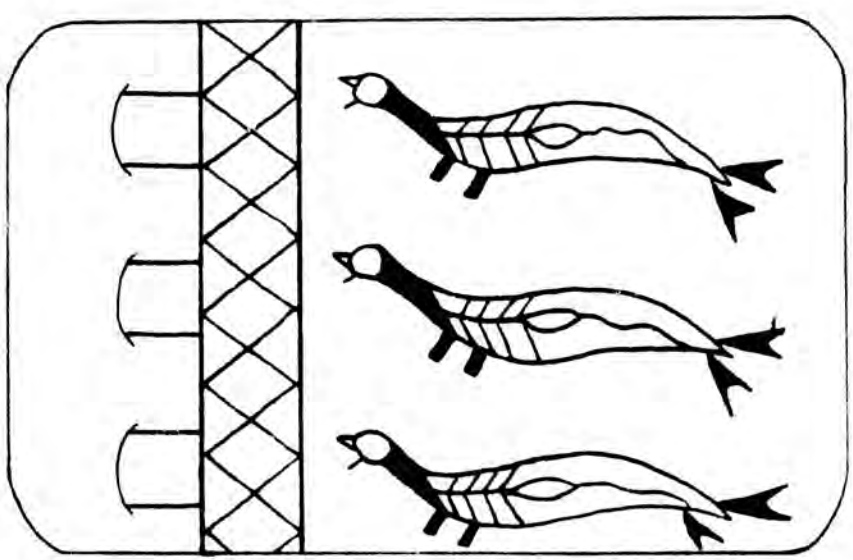

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'. . . . . THIS LAND IS SACRED'

In 1851, Seattle, Chief of the Suquamish and other Indian tribes around Washington's Puget Sound, delivered what is considered to be one of the most beautiful and profound environmental statements ever made. The city of Seattle is named for the Chief, whose speech was in response to a proposed treaty under which the Indians were persuaded to sell two million acres of land for $150,000.

"How can you buy or sell the sky, the warmth of the land? The idea is strange to us.

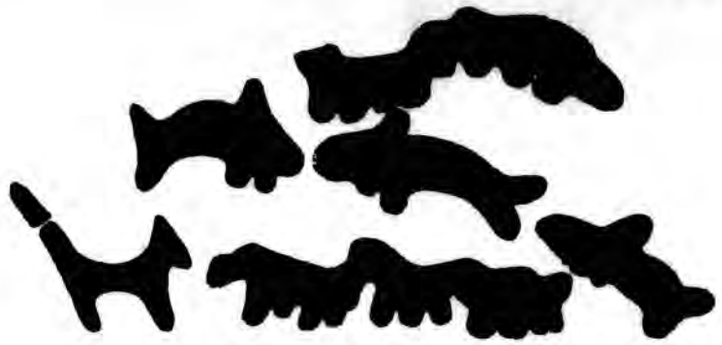
If we do not own the freshness of the air and the sparkle of the water, how can you buy them?

Every part of this earth is sacred to my people. Every shining pine needle, every sandy shore, every mist in the dark woods, every clearing and humming insect is holy in the memory and experience of my people. The sap which courses through the trees carries the memories of the red man.

The white man's dead forget the country of their birth when they go to walk among the stars. Our dead never forget this beautiful earth, for it is the mother of the red man. We are part of the earth and it is part of us. The perfumed flowers are our sisters; the deer, the horse, the great eagle, these are our brothers. The rocky crests, the juices in the meadows, the body heat of the pony, and man — all belong to the same family.

So, when the Great Chief in Washington sends word that he wishes to buy our land, he asks much of us. The Great Chief sends word he will reserve us a place so that we can live comfortably to ourselves. He will be our father and we will be his children.

So we will consider your offer to buy our land. But it will not be easy. For this land is sacred to us. This shining water that moves in the streams and rivers is not just water but the blood of our ancestors. If we sell you land, you must remember that it is sacred, and you must teach your children that it is sacred and that each ghostly reflection in the clear water of the lakes tells of events and



memories in the life of my people. The water's murmur is the voice of my father's father.

The rivers are our brothers, they quench our thirst. The rivers carry our canoes, and feed our children. If we sell you our land, you must remember, and teach your children, that the rivers are our brothers and yours, and you must henceforth give the rivers the kindness you would give any brother.

We know that the white man does not understand our ways. One portion of land is the same to him as the next, for he is a stranger who comes in the night and takes from the land whatever he needs. The earth is not his brother, but his enemy and when he has conquered it, he moves on. He leaves his father's graves behind, and he does not care. He kidnaps the earth from his children, and he does not care. His father's grave, and his children's birthright are forgotten. He treats his mother, the earth, and his brother, the sky, as things to be bought, plundered, sold like sheep or bright beads. His appetite will devour the earth and leave behind only a desert.

I do not know. Our ways are different from your ways. The sight of your cities pains the eyes of the red man. There is no quiet place in the white man's cities. No place to hear the unfurling of leaves in spring or the rustle of the insect's wings. The clatter only seems to insult the ears. And what is there to life if a man cannot hear the lonely cry of the whippoorwill or the arguments of the frogs around the pond at night? I am a red man and do not understand. The Indian prefers the soft sound of the wind darting over the face of a pond and the smell of the wind itself, cleansed by a midday rain, or scented with pinon pine.



The air is precious to the red man for all things share the same breath, the beast, the tree, the man, they all share the same breath. The white man does not seem to notice the air he breathes. Like a man dying for many days he is numb to the stench. But if we sell you our land, you must remember that the air is precious to us, that the air shares its spirit with all the life it supports.

The wind that gave our grandfather his first breath also receives his last sigh. And if we sell you our land, you must keep it apart and sacred as a place where even the white man can go to taste the wind that is sweetened by the meadow's flowers.

You must teach your children that the ground beneath their feet is the ashes of our grandfathers. So that they will respect the land, tell your children that the earth is rich with the lives of our kin. Teach your children that we have taught our children that the earth is our mother. Whatever befalls the earth befalls the sons of the earth. If men spit upon the ground, they spit upon themselves.

This we know: the earth does not belong to man; man belongs to the earth. All things are connected. We may be brothers after all. We shall see. One thing we know which, the white man may one day discover; Our God is the same God.

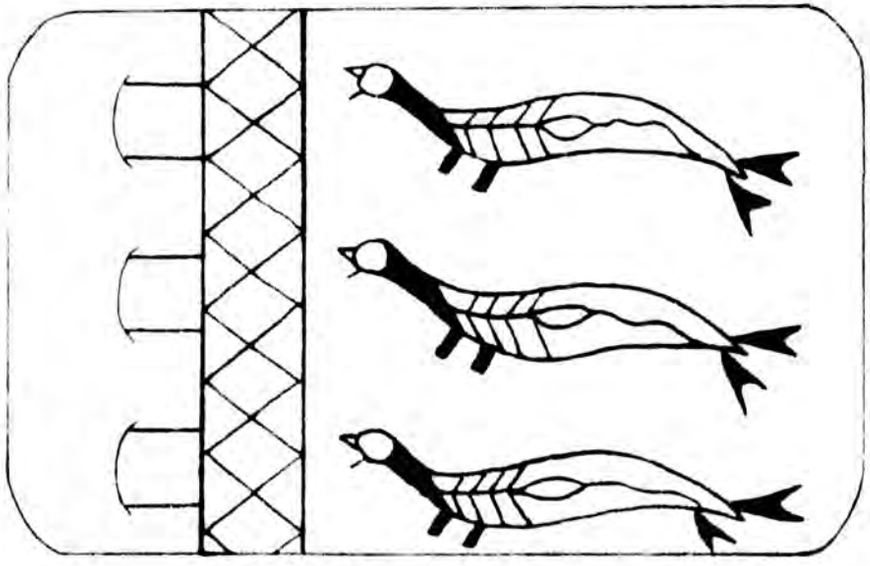
You may think now that you own Him as you wish to own our land; but you cannot. He is the God of man, and His compassion is equal for the red man and the white. This earth is precious to Him and to harm the earth is to heap contempt on its creator. The whites too shall pass; perhaps sooner than all other tribes. Contaminate your bed and you will one night suffocate in your own waste.

But in your perishing you will shine brightly fired by the strength of the God who brought you to this land and for some special purpose gave you dominion over this land and over the red man.

That destiny is a mystery to us, for we do not understand when the buffalo are all slaughtered, the wild horses are tame, the secret corners of the forest heavy with scent of many men and the view of the ripe hills blotted by talking wires.

Where is the thicket? Gone. Where is the eagle? Gone.

The end of living and the beginning of survival."



Glenn Olds submitted the speech as a footnote to his article.

CHANGE IN ALASKA: CREATING THE FUTURE

By
Robert Weeden

Some think the future is in the Book of Fate. Some see people as sheep, herded about by random circumstance. Luckily for us all, there are some who strive to create futures by guiding the present. This essay is addressed to the thousands of Alaskans who daily direct their hopes, energies, and talents toward a better tomorrow.

Change is time and life: universal and beyond argument. Zero change is inconceivable; excessive change is future shock, a clock gone wild. The critical question is how to direct change so that the good of the past survives to be re-shaped by the best of the future.

Recently in Alaska it has been easy to be tempted into pessimism. Where there was spaciousness there is scarcity or rumor of scarcity. Simplicity has given way to complexity, independence to helplessness, friendliness to distrust. It seems natural, when changes outdistance adaptive response, for the past to look better than the present or future. One of Evelyn Waugh's characters in "Put Out More Flags" said, "In the old days if there was one thing wrong it spoiled everything; from now on for all our lives, if there's one thing right the day is made."

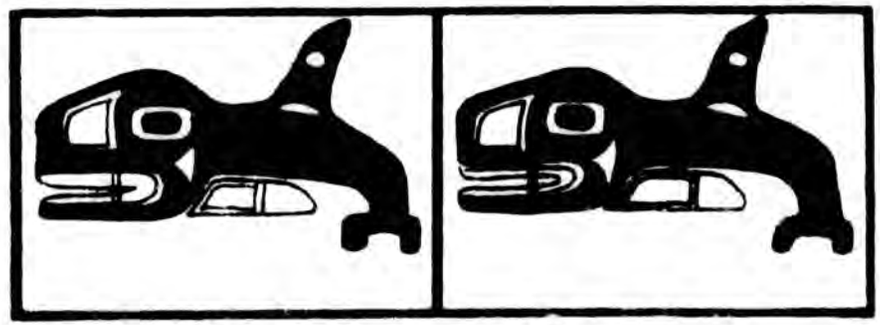
For my part, I see no greater inherent dangers in the future than in the past, except the danger of giving up. My interest is in striving: in taking action informed by the past, adequate to reality, and shaped by a dream.

Changes of the Past: Native and Frontier Alaska

Native Alaskan societies adapted thoroughly to natural conditions. They had no other choice, given their subsistence economic base and their limited technology for buffering environmental forces, moving long distances rapidly, and storing food or wealth. Adaptation accepted certain boundary conditions set by nature, but it also proved to be a highly durable strategy. Survival was not the sole achievement of subsistence societies, however. Native people were creative in art, mythology, and the transfer of knowledge. Their strong interdependence and necessarily close-knit living led to systems of personal relationships that "civilized" societies could well admire.

The invasion of Alaska by non-Natives in the two centuries following Bering's voyage signalled the onset of the frontier. A high-technology society, founded on a strategy of manipulating nature, moved into the North to find goods valued in its temperate - zone homelands. Natives were killed, displaced, or simply engulfed. Profits were sent back South or were used to build bases of exploitation, small replicas of home communities. The region's money economy and governance were propped up by massive speculative investments and subsidies from the South. Of this ever-expanding phalanx only a few outriders needed to adapt substantially to northern environments. The majority lived in a buffered world built and operated by an intricate technology and fed intravenously with Outside capital.

There was no single time when frontierism came to Alaska and no single time when it left. (Attitudes akin to frontierism survive today despite the disappearance of the geographic frontier.) However, three events between 1958 and 1971 certainly mark a sharp transition. The first was statehood, a pact committing Alaskans to work toward social permanence and self sufficiency. The second was the statutory settlement of Native claims, a giant step toward equal participation by Natives in economic and political affairs. Petroleum discoveries at Prudhoe Bay were the third, bringing a promise of momentary fiscal solvency to us all.



Fantastic changes took place in the frontier period, mainly in the 75 years following gold discoveries and salmon canning. Population growth stastistics, measures of economic flow, and the growth in mutilevel governance tell one side of that story. The other side is marked by alcoholism, suicide, mental disease, growing crime rates, overexploited resources, and pollution, sure signs that change has been accompanied by high stress and inadequate adaptation.

Groping Toward Permanence

There is solid evidence that most Alaskans want to help create a permanent society in the North. There is strong concern for problems of renewable resource use even while spectacular finds of exhaustible resources capture the headlines. Public leaders are serious about a substantial Permanent Fund. Rural people, even in unorganized areas, want the responsibility for educational policies. The North Slope Borough's coastal management ordinance is just one example of the determination of local governments to use sophisticated and powerful tools for protecting regional lifestyles. There is a will to build permanence, but that will is diluted by the clamor of boomerism and hampered by self-doubt.

Achieving permanence requires new perceptions, values, and policies. We will have to work out ways of managing renewable and non-renewable resources so that our economy pays its way without massive Outside subsidies and without risky reliance on huge, shortterm windfalls. We will have to achieve wisdom in handling our few windfalls so that they do not cause social disruption and so that coming generations are not impoverished. New relations must be evolved with the federal government. Native and non-Native Alaskans will need a thorough rethinking of our relationships to nature, listening carefully and responding adaptively to messages from the earth. And, lastly, we will need to find ways to protect regional diversity as a unique and fundamental part of the Alaskan way of life.

All of this may sound vague and academic, but the connections to the hard policy choices facing us today are concrete and highly visible. There is a program for action for every dream.

Getting There: Actions with a Future

Renewable resources are the key to a durable northern society, and their two most important features are productive capacity and renewability. A sustained policy toward renewable resources rests on four cornerposts: 1) maintaining in top condition soils, waters, and habitats that nurture crops, timber, fish, and wildlife; 2) accurately gauging and staying well within sustained harvest limits; 3) avoiding excess harvesting capacity; and 4) investing adequately in research and development.

The specific applications of those commonsense ideas should be obvious. Being tough on polluters (including those in the renewable resource industries) isn't a political fad, it is a step toward survival. Rejecting the brinkmanship inherent in "maximum sustained yield" harvests is an obvious wise choice, one that admits our scientific uncertainties and allows for unexpected declines in productivity. Limited entry systems, either explicit as in the salmon fisheries and McKinley Park backcountry permits, or implicit as with the combination of allowable cut and primary processing timber policies in Southeast, will be required in direct relation to the rise in the number of potential resource users. Low-interest loan programs designed to encourage a buildup of resource extraction businesses need careful and constant reappraisal. And a broad array of research and technology development programs must be understood as essential and profitable elements of good management, not as half-starved hitchhikers.

Nonrenewable resources also are extremely important to Alaska's longrun future. The three major groups of nonrenewables -petroleum, coal, and metallic minerals - inherently pose different challenges.

Petroleum is the Roman candle of our celebration of economic life in Alaska. Youngsters born in 1958 saw the match lit and may well outlive the last spark. From that perspective it is clear that oil and gas policy has to account for the decline as well as the rise of the petroleum era. I can express at least four broad objectives of such a policy: 1) reduce the height and stretch out the duration of the exploitation curve; 2) prevent the swamping of other interest while, inevitably, petroleum dominates political and economic af-

fairs; 3) soften the effects of the downside of the curve; and 4) put aside a share of the benefits of oil and gas exploitation and social debts they have to pay off.

The most obvious (and most difficult) policy is to slow the rate of leasing. We may not be able to influence federal leasing schedules very much, (though delays of even a few years can sometimes be critical), but we should be able to choose our own lease sale timing. Opposing the longrun social wisdom of stretched-out exploitation, and the purely economic argument that oil will be worth more later than it is now, are the political forces generated by slack time following booms. Somewhere we have to find the courage to break the cycle.

Another important decision is whether to encourage (and probably subsidize) buildup of major refineries and petrochemical plants in the state, based on royalty oil and gas. My own view is that such industries would last only as long as handy Alaskan supplies of petroleum are available; importing crude oil for refining and later export doesn't make sense. It would be like building sandcastles in the top of an hourglass, worsening the wind-down crisis of the turn of the century.

The third basic element of petroleum policy is to divert windfall revenues into a Permanent Fund, the income from which is plowed back into the fund to protect the real dollar value of the principle. Coupled with a curb on annual state expenditures and unwise pork-barreling, this policy would dampen, (but not eliminate), the growth-stimulating effects of petroleum bonanzas, reduce contemporary social stress, and give our grandchildren a share of the one-time resource we are converting to waste heat and money.

Old King *Coal* is the sleeping giant of the nonrenewables, and no one knows whether or when he will wake up. Our deposits are immense, mostly remote, and low in grade. Mining would be by open-pit and stripping techniques. There is an obvious need for strong reclamation and antipollution laws, which regulations are tailored to the uniquely vulnerable permafrost and vegetation dynamics of the North. Royalties, now a pittance, must be increased to compensate for taxpayer costs of impact. Coal mining *could* be an important element in our economy for much longer than petroleum development, and should be required to pay its way in the fullest sense of the phrase.

If petroleum is our Roman candle, ***hardrock and placer materials*** are our longest string of firecrackers. Mining may never employ really large numbers of people, and probably will never yield windfall revenues to the State, but mining will be around for centuries. Though each mining project should be approached as a short-term activity, mining as a whole can be considered permanent.

If large ore-processing plants are developed in Alaska, we may face serious air pollution and weather pollution problems. In the forseeable future, however, the paramount policy area related to mining is access and transportation. The problem is simple: mineral deposits occur in remote areas (because most of mountainous Alaska is remote), roads or railroads are needed if the deposits are to be mined, and the increased surface access completely changes rural life and resource stewardship. Resolution of the Alaska land ownership question by Congress will give new shape to this problem, but will not solve it.

Because I want to see most of Alaska remain wild, and because I think that the absence of road linkages to cities gives rural regions the best chance to make their own choices of lifestyle, I hope mining is not the stimulus (or excuse) for the roading of Alaska. The question is how to develop minerals without an intricate highway network radiating from Anchorage and Fairbanks. Fortunately,there are answers: river, air, and ocean access; isolated road spurs from mine to coastal port; railroads; and, in some cases, simply deciding not to mine.

Alaska is in the rare position of having *public revenues* far in excess of current needs. I think this is a shortterm "problem" because no future State revenues comparable to those from Prudhoe are likely, but right now the challenge of wealth is real. The role of the Permanent Fund has been mentioned; it can be an adequate solution to the "surplus" problem if the flow into it is expanded substantially and if the growth of the General Fund expenditures is cut back at the same time. (However, at least one program area is being starved of annual appropriations with serious current and future consequences. This is the natural resource stewardship area: the realm of basic resource research, resource assessment, monitoring, protec-

tion of air, water, soil, and habitat quality, and management techniques development. Partly because of personal political vendettas and partly because of a notion that such functions stifle economic development and reduce profits, the several agencies with the stewardship role have fallen further behind into crisis-oriented management. If we cannot invest in good management and useful research while we are rich, we will never do more than react to urgent current demands.)

There are grounds for concern that the institutions we have established to manage surplus oil wealth (Permanent fund, Renewable Resources Development Corporation) and to spend large chunks of it (Department of Transportation and Public Facilities, possibly the Alaska Power Authority) are not adequately accountable for the broad and longterm consequences of their actions, or even aware of them. There is an understandable tendency to rely on financial and engineering technicians to manage the money and design the projects. Such people certainly can help, but we need to make sure a more diverse group is responsible and accountable for policy.

In the arena of *federal-state relations*, I think it is obvious that no permanent Alaskan society can survive the present armed-camp atmosphere. The nation needs Alaska, and Alaska needs the nation. Cooperation in land use planning (an issue raised so often that our receptors are dulled, but one no less urgent than ever) is an immediate and important need. With all the leverage we have, we should insist that federal development projects conform to statutory standards of environmental protection, that in some cases the State receive and control impact conservation funds, and that federal management of conservation lands be sensitive to the ecologic and cultural differences between here and Outside. What can we do in return? Well, we could extend our hands in friendship instead of just for handouts.

Social change is a triangle of tension touching those actions that are economically feasible, those that are socially acceptable, and those that are ecologically permissible. We have neglected environmental signals - *messages from the earth* - in our preoccupation with economic development. The most crucial sea-change our society needs to undertake is to fit more smoothly and adaptively into northern environments. The challenge is great for Natives and non-Natives alike, the former because they are using new tools and institutions in a familiar place, the latter because they have to apply familiar tools to a strange environment.

I can do no more here than list the main aspects of northern environments that seem important signals as we build our future. The comparatively low biological productivity of land and freshwater is a pervasive and fundamental element. Permafrost and fire have wider implications to architecture, construction, waste disposal, timber and wildlife management, rural settlement, and other human activities. The seasonal sun cycle should strongly influence home design and energy systems. The pollutability of northern airsheds has already affected development planning. Cold, of course, is and will be a behavior-shaping characteristic of the North.

If we learn and respond creatively, the process of fitting and refitting into the North (a full and true "coming into the country") will be satisfying and stabilizing. We will find, in even deeper ways than we have so far, that *diversity in human society* is a natural outgrowth of diversity of environment and resource endowment. Working against the grain of diversity, however, are a number of homogenizing forces, big and small. A few examples are network television, mass marketing, rigidity and standardization in big business, inflexibility in government service delivery and regulation, and the widening subculture of petroleum (in Alaska, the only things certain are death and Texas).

With a little thought these forces can be countered. We can walk away from onerous federal service programs and design our own. Through zoning and other tools we can make it harder for nationwide chains to punch out locally-run businesses. Regional forms of decision-making can displace unnecessarily centralized policy setting. Subsidies that encourage single, huge, regionwide power sources can be withheld and diverted to development of varied, dispersed, and smaller sources. Texas accents could be outlawed. The point is that our regional diversity is a deeper thing than style alone. It is worth protecting and nurturing because every imposition of uniformity erodes the prospects for survival as an efficient, smooth-running, distinctive, and self-respecting human society.

do

I said earlier that the gravest danger we face today is giving up. Too many of my peers are cynics. Too many young people are trying to find a hole to live in. Too many political leaders excuse failure by pointing to Outside forces.

To a far greater extent than the tired and the skeptical want to admit, we are able to create good futures. Outsiders may whimsically change economic volume and pitch, but we are in control of quality and style. Our political leaders need to use the leverage law and politics afford to exert this control, and to find the courage to make unpopular decisions when the longer run good demands. We adult Alaskans need to use our inward eye to illuminate neglected values and our outer eyes to see reality more clearly. And our youth need only to give rein to the well-springs of hope and vigor they all were born with.

Notes and Biography

I relied on ISER publications by Tom Morehouse (1977) and Scott Goldsmith (1978) for estimates of Alaskan petroleum reserves and ideas on state fiscal policy, respectively. Walter Firey's book (1960) "Man, Mind, and Land" classified many things about human adaptation and change. The several books of the 1960's by Alaskans George Rogers and Dick Cooley started much of my thinking about these issues.

Bob Weeden was born and raised in New England, but a boyhood yearning for wilder country took him West in 1956. After earning degrees in wildlife conservation at the University of Massachusets and University of Maine, he embarked on a doctoral program at the University of British Columbia. After graduation, he and his Canadian wife Judy headed up to Alaska, where they have lived since 1959. Bob worked as a biologist for the Alaska Department of Fish and Game for 10 years, then joined the faculty at the University of Alaska in Fairbanks where he teaches wildlife management and a broad array of natural resource courses. A conservation activist for 20 years, Bob has written scores of technical and popular articles as well as a recent book called "Alaska: Promises to Keep" (Houghton Mifflin 1978). For a year and a half beginning in 1975 he served as the Governor of Alaska's Director of Policy Development and Planning. He has served on many boards and commissions, including the National Marine Fishery Advisory Committee and the Committee of Scientific Advisors to the U.S. Marine Mammal Commission.



"The Big Thing"
Old Mother Seward: I'll rub some of this on his sore spot: it may soothe him a little.
Nast's Cartoon on the Alaska Purchase — From "Harper's Weekly" for April 30, 1867.

A CHANGING ALASKA

Prepared by
Michael Rowan

Historical Perspective

Measuring socio-political change in Alaska has been a precarious occupation. Until the mid 1960's, public opinion surveys were rarely appied in either the government sector or the private sector. Traditional forms of demographic information, such as the Census, national surveys, or academic research were either irrelevant; for example, some Census forms classified Eskimos, Indians and Aleuts as "Spanish speaking"; or they were inadequate, such as national surveys that include so few interviews from the small Alaska population that the findings are statistically meaningless in terms of learning anything about the state.

Even when surveys came into general use, the rapid population explosion, in-migration, cultural change, and economic developments initiated in the mid-60's quickly eclipsed most data. Even in the 1970's, major decisions in the public and private sectors were based upon obsolete or erroneous assumptions about the Alaska population, creating a volatile political environment. Several times in this period, the public sent a majority of new faces to the Legislature, to the surprise of those who felt comfortable and secure in their views about what the public wanted.

During this period, which extends into the present, the Alaskan public abandoned the traditional political parties, adopting in its stead a neo-populist, anti-government posture which is complicated and ambiguous in its developing form. As a result, radically divergent political views and personalities clashed in Alaska, and government policy generally divided. In the private sector, Alaskans appear to follow patterns of behavior previously identified in the USA, and so most of the market data internal to the state is consistent and applicable. But in the public sector, Alaskans are cutting and stitching the new pattern on a daily basis, making it problematic to assess where they are, and difficult to predict where they are heading.

Current Status

In this section, areas of significant (and often volatile) change in Alaskan views are briefly identified. Survey research data ranging over the period 1969-1979, most of it proprietary and unpublished, and involving over sixty major studies and 10,000 Alaskan interviewees, rests as the basis for all observations which follow. For convenience, the topics are listed, but not in terms of priority or dynamics.

A. *Participation.* While most Americans are concerned and opinionated about public issues and community life, Alaskans are especially so. [The writer has conducted surveys in 24 of the states.] Alaskans have a strong interest in controlling events and shaping their own lifestyle. They feel a trustration when control is beyond them, and a resentment of that situation. Most Alaskans are migrants to the state who share immediately with longterm residents the ideal of being self-made and self-regulated. Much of the antagonism toward powerful institutions (government, labor, industry, the media) can be traced to this characteristic, and it goes a long way in explaining why the initiative process is being used more and more in Alaska: the people want to take over their future directly.

B. *Identity as "Alaskan".* Alaskans have a sharp sense of identity with Alaska, and they view the state as a larger lens on their own community. Few Alaskans have seen the state firsthand, but all feel a keen pride in being part of it. This perspective is based more on the open and trusting relationships struck by Alaskans struggling with a common dilemma, than on the shared sense of living in a grand environment. What Alaskans really like about Alaska is each other — which is not to imply Alaskans do not love the land — it's just that the people come first. As a result of all this, the Alaskan self-perspective is of the self-made, free, controlled and independent variety; and, in the extreme, this persepctive is registered by "outsiders" from the "lower-48" as narrow, insular, chauvinistic and sometimes selfish. The significance of all this is that Alaskans are developing a feeling of sovereignty which, sparked by the fires of d-2, raises real questions about Alaska's status. If a common culture and a clear, shared sense of identity were to envelop the state in this condition, the seeds for devolution as in Quebec, Scotland, the Basque country,etc. would be sown. But at this point,

internal divisions in the state, and confusion about what to do about d-2 appear to be forestalling the development of this clear, shared sense of identity among Alaskans. So the situation remains unstable and dynamic at the same time, in a way that is unique in the union.

C. *Migration.* About half the Alaskan population has come to the state since the 1969 Brookings conference. They came for economic opportunity and to escape the consequences of essentially urban life in the west, east, midwest, and southwest (including Texas) — in that order of volume. Basically, the new Alaskans brought with them the same kind of problems they escaped from — traffic is the major local problem mentioned in urban Alaska. Over the 1970's, a new attitude emerged — an out-migration desire among 5% to 10% of the households. During pipeline construction, many families did come and go; and a general sensitivity to rapidly escalating population growth developed when most migrants stayed. An effort was made in law (Alaska Hire, Limited Entry, Pioneer allotments, residency requirements) to distinguish the "real" Alaskan from the predators and pretenders; some were struck down by the U.S. Supreme Court while others were upheld by statewide referendum. Today, large majorities of Alaskans would encourage "getting around" the Supreme Court rulings in any way possible, as long as "Alaskans" wind up with privileges and benefits from residence not granted to other U.S. citizens.

D. *Alaska Natives.* Alaskan attitude toward the Native peoples has experienced a major change over the last ten years. In 1969, there was a positive, affirmative feeling toward Native life and culture; today, the feeling is the opposite, at least in the Anchorage and Fairbanks areas. Recent migrants to Alaska know little about Native life other than that which they see from the window of their cars while driving down "Two Street" in Fairbanks or 4th Ave. in Anchorage. Many of these urban residents are ignorant of, or misinformed about Native culture, rural life, the land claims, and so on. Some believe that the Natives are rich with land and money, and they resent this especially when they can't get some land for themselves, or when they see the federal government freezing land transfers to the state based upon d-2 classifications. Urban Alaskans have high respect for what they assume is rural lifestyle, but they know little or nothing about it. This situation can deteriorate further before it becomes critical, but it is already shaping some of the capital improvements issues facing the state government.

E. *Regionalism.* Alaskan resentment of certain communities has increased over the decade, even though all areas show progress from Alaska'a newfound wealth. Anchorage is generally the target here, since its growth now gives it about half the state's political and economic muscle. While people in Anchorage often seem oblivious to the existence of other parts of the state, all the other areas are aware of Anchorage. There is a general sense of unfair distribution of government funds in Alaska which, while not substantiated by the facts, comprises a large portion of local political campaign rhetoric.

F. *The Capitol Move.* This is an issue which Alaskans have voted on more than any other. The capitol move is essentially a product of distrust in government, and it takes its motivation from those who would put it under their noses, and thus watch it (control it) more effectively. Yet, as soon as the location was selected, the pro-move constituencies in Fairbanks, the Kenai and rural Alaska began to evaporate, leaving the situation in limbo, and the capitol in Juneau.

G. *Anti-Federalism.* Once Alaska threw off the chains of federal financial support, the anti-federal attitude (which appears to have been smoldering since Territorial days) cascaded uncontrollably. D-2 was the final straw. Now there is a significant minority in the state (about one-third of the voters) who would give up federal spending in the state in order to escape federal regulation.

The land issue is prominent here because it strikes at the reason people came to Alaska, the dream of freedom and opportunity. (The truth of the Alaskan experience is that it is essentially urban and interior, not rural and exterior.) Urban Alaskans long for a piece of land to make that dream come true, and anyone who gets in the way of it is in trouble. This explains why Mo Udall has a +5% / −70% rating among Alaskans.

H. *Role of Government.* Alaskans seek as small a role for government as is possible, but it is their major tool for development, so they are caught in a quandry. Alaska is like a developing nation in



the sense that it needs a superstructure of facilities, but it is totally unlike a developing nation in the sense that it has the money to build them. But even as it moves to do so, there is a resentment of state government power and a feeling of unfairness in the way money is spent. There is also little accurate information in the public about how the money is divided up, and to this day most Alaskans believe that the original $900 million of lease sale revenues was "wasted." Only the local government has the trust of most Alaskans (when compared to the state or federal), but even there, when studied internally, the local government is not trusted by significant blocks of people (witness the development of community councils in Anchorage).

Alaskans are not only anti-government, they are in the larger sense anti-big. They distrust big business, big labor, big government, even big education (U.of A.). They are anti-bureaucracy and oppose state employee raises. They would reduce or eliminate taxes on personal income, limit state spending, and obliterate most prerequisites of public office.

I. *Growth.* This is the issue over which the last two gubernatorial battles were drawn; but, because of simplistic rhetoric, the matter was not properly addressed. There is, in Alaska, a very large majority who favor economic growth along with a very large majority who oppose population growth at the 1970's rate. The economic growth is favored most in the urban centers, where sensitivity to population growth is also the highest. Whether Alaskans would adopt an economic policy which encouraged economic growth in rural Alaska if it did not result in more population (generally, from outside) in urban Alaska is a hypothetical question, but interesting nevertheless. The politicians have not divided the question but talk of both kinds of growth as if they are identical. The public is confused about the issue, and this explains the whisker-close elections for governor in 1974 and 1978 (in the primaries).

J. *Wealth.* The Alaskan public wants to save some of the oil wealth and invest it in traditional activities (fishing, mining, timber, tourism) which hold promise of diversifying the economy when the oil runs out. Referenda on the permanent fund and fish hatcheries bonds bear this out.

At the same time, Alaskans seek some immediate benefits from the wealth, and this has caused a considerable dialogue in Alaska about how to go about that.

Alaskan families now have the highest income in the nation, but there is economic trouble afoot in the state. During the pipeline boom, incomes often doubled and many women joined the workforce; in this period, many obligations were made (mortgages, etc.) based upon current income which began to fade in 1978. At this point, about a third of the families in Alaska identify unemployment as the problem they fear the most. This has instigated a desire for eliminating the income tax, or distributing state wealth through dividends, etc., in about half the families of the state. This is a complicated area for the public (which happens to be the most educated state public in the union, by the way), and it will require a lot of public dialogue to form a consensus on any scheme to distribute income. One thing is clear, though; if the scheme appears to increase the size of government, it will be turned down flat: this, it appears, is the feeling that supports the notion of eliminating the income tax.

Other Perspectives

These questions and issues have been approached by others in the private sector, the government, and in academia. Since much of

it is proprietary, or not available for other cause, no review is provided here of those activities. However, it would be remiss not to mention the exemplary efforts of the Public Forum, both as research collector and communications innovator for public affairs discussion in Alaska. The Forum has sharpened the public dialogue in the state.

Directions

Many of the socio-political problems in Alaska can be ameliorated or eliminated by an active, organized research and communications system. For instance, open research with representative samples of the Alaskan public, if widely published, could reveal "why" the public is thinking the way it is, not just "what" the public is doing. An extraordinary amount of time and money has been wasted on the capitol move in the last five years simply because few people recognized why the public voted for the move in 1974.

Radio and television are also available for instant feedback and public dialogue (even research) on major public issues. Such programs can increase citizen information, public participation, and the likelihood of statewide consensus — in a flash — compared to the slow and anachronistic print communications techniques . . . or so-called public hearings, which rarely turn out anything but private, special interests to plead their case. Some simple examples of how to update the Alaska research and communcations system are as follows:

(1) Create a Citizen Feedback System in the state so that a means is available for the executive, legislative and judicial bodies to ask questions directly of the public, and go into issues in-depth with questionnaires formulated by top decision makers. All these can be published as news.

(2) Establish a Survey Research Center in Alaska where all the private and public surveys can be computerized and stored for analysis, comparison and use. (At this moment, Rowan Group is negotiating with the University of North Carolina at Chapel Hill, and U. C. Berkeley, to take ten years of Alaska surveys into their survey research centers. The U. of A. has expressed no interest in such a center, although repeated requests from public and private researchers have been made over the years.

(3) Create an information-bank transmission system, similar to the systems in Michigan, California or North Carolina — which are the best — so that all the information is available to anyone with a terminal. Satellite transmission of such data is inexpensive. Such an installation would double local library knowledge about Alaska — for Alaskans!

(4) Expand the teleconferencing mechanisms now in existence.

(5) Experiment with telephone-feedback systems which permit vote-counting or free-comment taping.

(6) Expand the news-production flow from the governments to the people. Cover in-depth stories, such as regionalism, racial perspectives, etc., with longer set-pieces, as in 60 Minutes.

(7) Conduct television town-meetings in order to gain public participation of large majorities of whole populations in issues of major concern. Such discussions would also be conducted statewide, by satellite, with a state-wide representative sample providing immediate feedback response to questions put "live" in the TV show.

Bibliography (Biography)

A listing of the Rowan Group survey reports from which the conclusions of this paper were drawn will be supplied at the Futures conference. Some of the surveys will be available for review, others can be made available upon request.

The author of this paper, Michael Rowan, is the President of Rowan Group Inc. (a survey research company), and a director of Media Group (a San Francisco based film and television production company), Public Affairs Analysts Inc. (a New York-London international public affairs counseling company), and Environmental Media Consultants Inc. (a New York-based media strategy development corporation).

Rowan has designed and conducted surveys in over half the states and in seven foreign nations. Clients range from governments (foreign and domestic) to corporations and unions, political candidates and universities. Since 1969, Rowan has been conducting surveys in Alaska, having become a resident of Bethel in 1964, where he served briefly as City Manager. An office of Rowan Group is located in Anchorage.

Rowan is a member of the American Association of Public Opinion Research, the American Marketing Association, and is Vice President of the International Association of Political Consultants, and a director of the American Association of Political Consultants. He has been admitted before both state and federal courts as an expert witness on survey research and communications, and has testified often before the U.S. House and the U.S. Senate Committees dealing with the Census, government research methods, and related issues.

"IT'S ONLY MONEY"

or, "BOUNDLESS WEALTH IS A PREDICAMENT WE CAN ESCAPE THROUGH HONEST SELF-APPRAISAL, HARD WORK AND ENTERPRISE."

by
William Spear

Alaska's much extolled "storehouse" of natural resource wealth relative to its small population, and its recent fortuitous accumulation of working capital provide, obviously, some excellent opportunities for local development: economic, social, political and what have you. However, these natural riches have always been with us and, arguably, there has actually been substantial development capital available over the past decade. How then does our dream for a self-sustaining, locally owned, diverse, humane, appropriate, and independent economy continue to elude us?

We often hear our State compared to underdeveloped countries, and yet the differences are quite dramatic in most ways. We suffer from no deficiency of resources. Our land is virtually teeming with animals, fish, vegetation, water, renewable and non-renewable energy sources. We have no population problem; we have a stable, well trained and honest government that would be the envy of any developing nation, (notwithstanding our practice of berating public employees and institutions like a drunken wagon driver beating and cursing his horse.) We have an exceptionally young and vigorous population, which is at least as well educated as that of other states. There are no ravages of war, religious or political upheaval. We have land increasingly available for various economic purposes and increasing amounts of capital for both long term development projects and individual ventures. Yet in spite of all this, we import virtually everything we use or consume in our daily lives and we depend for our income upon either government or multi-national corporations. We provide almost nothing for ourselves.

The historical evidence is that people who have great wealth heaped upon them, wealth which they have not created or earned themselves, generally have no real understanding of it, and as a result, dribble it away. Thus, for instance, the Spanish conquistadors returned to Eurpoe with whole convoys of gems and precious metals for several decades, but, alas, only a few generations later, their grandchildren were wandering about the countryside barefooted. Similarly, Alaska's present wealth is not earned, it comes out of the ground. The middle eastern countries and underdeveloped, but oil rich countries, such as Mexico, face the same difficulty in transferring, as it were, the technology of wealth. It is a difficult irony.

Another interesting feature of large heaps of money held by people unused to it is that it tends to overawe. Perhaps we become hypnotized and intimidated by its very existence, and we unconsciously seek to find projects sufficiently grand so as not to insult the money. Grandiose schemes somehow seem to make us more worthy of its presence. There is, also to consider, the traditionally scorned social behaviour typical of nouveau riches who attempt to buy results that are not for sale, abandoning what they have in the process.

The attitudes and qualities which will lead to a self-sustaining economy and a healthy society cannot be purchased. We already have many of the elements in substantial quantity, but we seem embarrassed or timid about giving them rein and developing them. It seems strange to say, in a state seemingly so proud, but we have yet to establish a positive sense of Alaskan identity and self-possession. We must have confidence in ourselves and our abilities, in our observations, and our way of doing things. We must develop and express the love of the land which unifies and supports us; care for it; give and take from it. If we really *didn't* give a damn about how they did it outside, we would be well on our way to success; but the phrase, which used to be a cheerful expression about Alaskan resourcefulness and ingenuity, has been taken up as the chauvinistic battle cry of a defensive and hostile group of people who see themselves as being in an embattled citadel.

The facts are that we not only *do* give a damn how they do it outside, but, with an embarrassing willingness, seem to uncritically accept the opinions and recommendations of conventional and self-appointed wise persons with no apparent reference to what we know about ourselves and our country. Thus, for instance, without any reference to the existence and history of Alaska's rich and varied livelihoods, we are complete suckers for "jobs". Government agencies and developers speak proudly of the "jobs" they have

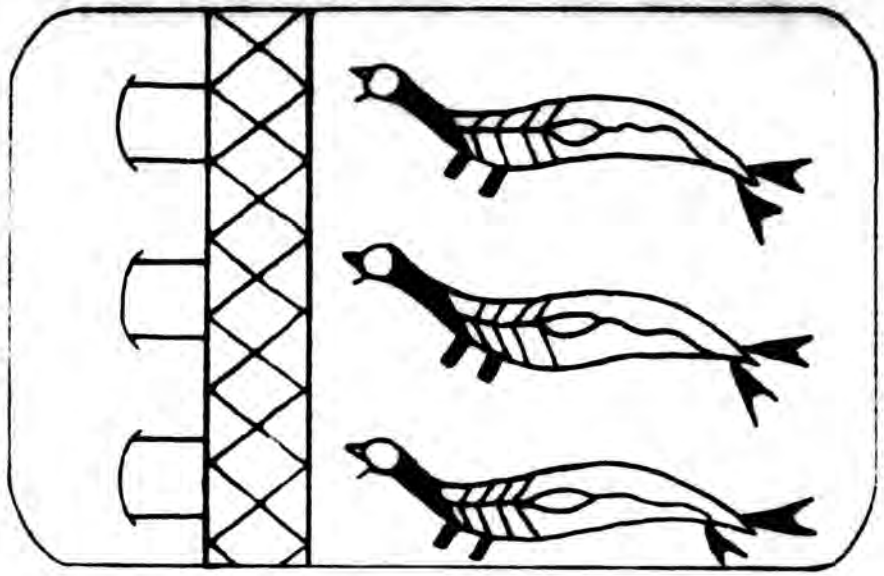
created and how the unemployment "rate" or percentage has gone up or down. Never mind that the jobs are completely boring, inappropriate and destructive of morale, culture and personal pride and that no one wants them. During the pipeline, various manpower agencies, including the Native organizations, jealously fought over credit for who made how many "placements". Somehow, we became actually convinced that dragging the most productive villagers out of their homes and sending them a thousand miles away to a work camp with a bunch of welders from Oklahoma was economically and socially desirable behavior.

The elements for a healthy economy and society are present, and we throw dollars by the million into varous economic development programs, and subsidies for private industries, but somehow, nothing seems to happen. Or if it does, it doesn't seem to be what we wanted. This may be happening because we are making some wrong assumptions, or that we are allowing someone else to provide inappropriate assumptions for us. The result likely follows not only from our tendency to generalize but also from a lack of rigor and honesty in viewing ourselves. Our actions in the recent past have been based as it were, on deduction (reasoning from premises or propositions antecedently proved or assumed as true or certain; going from the general to the particular) rather than induction (looking at a lot of particular facts and drawing a conclusion), a process which requires constant observations and reexamination of evidence. In light of our repeated or constant failures to develop results, (and it may not be a uniquely Alaskan problem) perhaps it is time to question our assumptions and develop some new ones.

What then is the technology of wealth and how do we obtain it and turn it to our purposes?

It is almost too obvious to state that the essential element of any self-sufficient economy in Alaska is local, unsubsidized, self-sustaining *production*. Once this is established, distribution, consumption and trade, including export, will follow. More interrelated production and increased employment can be expected to develop later.

It is not likely that Alaska will fare any better than anyone else in creating government supported "great leaps forward" or Russian-style five year plans. The Japanese have had success in this regard



but the attitude of their population is entirely different, perhaps even opposite ours. We should not make the mistake of trying to start from the top, but rather, start at the bottom and build a strong base for a future economy. It is interesting to note in this regard that 2/3 of Russia's total agricultural output is produced on garden size plots, the collectives having failed miserably. Travellers there say an extremely active underground market in agricultural produce has sprung up in the very shadow of the Kremlin. This is no grandiose scheme and no medals are given out because no bureaucrat thought it up and no multi-national corporation invested millions. However, it is an extremely significant achievement and one much more relevant to us that the Siberian "technologies" for large scale agriculture which seem so fascinating to some.

One of the difficulties we have had in analyzing and acting upon economic development matters is that we have grown accustomed to discussing matters in macroeconomic terms and statistics. We like to speak in broad sweeps and assumptions and make predictions from computer based econometric models developed from past statistics and trends. Economic development is not, however, a function of macroeconomics. Such discussions are merely crude attempts to monitor and describe the broad shape and outline of the basic state of affairs, a state which is made up of many rather tiny

cells of productivity. In developing this overview we often lose sight of the driving force and soul of the system which is actually microeconomic.

Thus we hear much discussion, particularly in government circles, about all manner of financing schemes, legislative solutions, subsidies and the like. Lately consideration of what technologies are appropriate is a popular topic of conversation. Although financing, public policy and technology are necessary and important aspects of Alaska's economic development, it is remarkable how little attention is paid to the need for human skills, attitudes and motivation in the production of the results we seek. We seem to forget that production and distribution are still a function of the private sector and that they depend upon some particular private individual or group of people organizing purposeful economic activity.

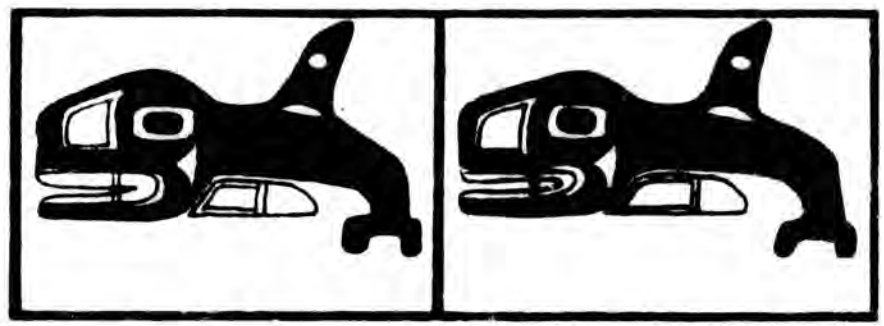
Microeconomics is simply the economics of business enterprise, and in Alaska, due to small isolated markets, business enterprise is likely to be microbusiness. In other words, we must add to our list of appropriatenesses the appropriateness of economic scale. In considering this proposition, remember that we are talking about enterprises and ventures where there is actual production. (Franchised fast food operations and other retail, flow-through businesses don't count here.) Thus, we are not talking about a middle man for office furniture made in Michigan, we are talking about *making* furniture and using it locally.

Neither do the business organizations offering this production necessarily have to be traditional. They can be worker owned, community based, operated by barter and so on, however, their forms must be able to respond to the demands of a business plan and make the decisions necessary to take an abstract idea, convert it into a concrete entity and provide for its maintenance and/or expansion over an indefinite period of time. Starting a business from scratch and maintaining it is one of the most difficult and demanding things a human being can do. It requires vast reserves of determination, realism, drive and ambition, self-confidence, ability to take advice, resourcefulness, honesty and so on. It is, however, far from impossible, and successful ventures start every day all over the world. Moreover, people are happiest when they are doing something difficult.

Likewise, the *motivation* for these things to develop must be present. Ordinarily we guess that such motivation is provided by money, by people wanting to become richer. Certainly this is a major part of it, but there is also the satisfaction of seeing something grow and develop under one's care and superintendence. There can be no social "program" or plan which has a chance of success if it does not honestly and realistically take into consideration people's motivations. No amount of ideology or political intervention or insistence on how the world *should* be is going to change how it actually is. Thus, our social and welfare programs, subsidies and tax policies must be examined just as critically as the types of projects we consider.

Thus, as we stand poised before the next decade, it seems clear that some sort of significant economic activity is going to take place in Alaska. (It would take at least a decade to get *swindled* out of that much money.) Two paths seem spread before us. Because there is not likely to be any real unanimity, and because of the general process of synthesis, and because much of our future is out of our control anyway, it is doubtful we will come out very definitely one way or the other.

However, it is quite possible that we will develop two economies, each having very different premises and characteristics. For the immediate future they may not have to be competitive, but eventually the crunch will come, because the underlying basis for them is significantly different and conflicting.



On one side, the extractive fossil fuel economy and its allies will continue to develop unless there is economic collapse nationally. As United States energy prices rise there will be attempts to create in Alaska a lifeboat ethic for the past systems. Alaska will be sought to be established as the last hold out of the energy rich American dream of the sixties. State owned reserves of fossil fuels will be diverted to local uses, if possible, and their consumption will be subsidized or made artificially cheap. This feature, and the development of resource extractive industries such as coal, timber, and bottomfish fit the familiar chamber of commerce prototype and will actually be designed to create "jobs" which is code for attracting people. More people will create increases in retail demand, land sales, tax-based public works construction and demand for services such as transportation, communications and financing. The elemental feature of this economy is that it will not actually produce anything, its economic activity coming from land speculators, middle men, bankers, airlines, communications companies, bureaucrats, lawyers, retailers, construction workers and so on.

The underlying support for such an economy will be resource extraction which, if properly managed, could provide at least for a time, a relatively stable platform for development. It is doubtful that the resources will be so managed however. If the United States economy solves its energy problems in the intervening years, the lifeboat theory will have worked. We can simply hop on to the new systems or technologies and live happily ever after. It is hard to see how any rural area will prosper in such an economy however.

The second economy, which might take place right under the noses of the first one, but which will not be noticed, because it is not grandiose, is what I will call the Neo-Capitalist-Buddhist-Bio-Bush-Trickle-Up economy. While everyone in Anchorage is washing each others' shirts, so to speak, a productive rural economy begins to sneak upon us. The primary situs for this economy will be almost everywhere but Anchorage, however, it will have substantial enclaves there. The consumer part of this economy is already in place. The Bush knows that even if someone does develop fusion that they will never get on the system (unless Doyon is holding the patents). There are a lot of others who just don't want to be on the grid.

The impetus for this development will be the still struggling, appropriate/alternative technology group whose values are self-sufficiency and independence rather than materialism and conspicuous consumption. This economy will be primarily productive, beginning initially with local food production, housing and renewable energy systems. Gardening, indoor and out, subsistence hunting and fishing (watch for a referendum which will seek to avoid race war by excluding all non-resident hunting) will expand into preservation, barter and eventually marketing. The businesses will be micro and vary in organization. This economy will be characterized primarily by a much more integrated relationship between the man-made and the natural environment, provision of many economic needs locally, less capital-intensive more labor-intensive systems of production which will have more personal involvement, decentralization of systems and less emphasis on jobs with more emphasis on livelihoods.

Life in such an economy would be much more complicated and difficult than it is today, where specialization and division of labor make things simpler (so long as the system as a whole produces). It will have rewards for a great number, however, in its element of self-sufficiency and pride of accomplishment.

Both of these scenarios are obviously polarities based upon different points of view. The impetus for activity in either situation will not be altruism (although one side will wave the flag and talk about our free enterprise system while the other adopts an air of moral superiority and mumbles about small being beautiful) but rather, simple self-interest. The primary differences here will be in individual perceptions of what is good for one based on a view of the future.

Either scenario could run away with it all depending upon the success or failure of the competing technologists. That is, if one group or the other showed remarkable success while the other failed miserably, the failing elites and technologists would fall into disrepute.

Alaska has a brilliant opportunity to lead the rest of the nation out of the wilderness. It could do this by combining the best elements of the two economies and creating a productive renewable resource economy based on individual enterprise. We have the resources,

the money and the talents. To accomplish this h[illegible] some very substantial attitudinal changes are needed.

In the bio-bush crowd we need to see some serious production oriented activity. There is already the sensibility about the geography and the biology, but how do we make it actually pay off for us? The 80's will demand actual solutions for consumers. It will not be possible to oppose a 15 mbf mill by saying an 8 mbf mill would be more acceptable. It is no longer our privilege to accept or reject abstract entities. To have the self-sustaining economy, people need locally produced lumber with which to build their homes, their boats, their barns and greenhouses and so on. Someone, some human being, has to sit down and develop a business plan and create an 8 mbf mill and successfully market the product. If the world is going to change favorably and appropriately we must change it personally. It's that simple. Small may indeed be beautiful, and if it is, it is a point in our favor, because as anyone in business will tell you, beauty is what sells.

For the extracto-fossil fuel folks we need to see some realism about the resources we rely upon. As noted, the other team could use some defectors with some technical and business skills, so think about putting something together. A windcharger in an urban setting may seem an unnecessary extravagance to you, but it expresses a legitimate and healthy attitude, and it is no more absurd than driving a forty pound child three blocks to school in a four thousand pound Lincoln. All the smugness is not on the other side either. There seems to be an attitude that just because someone else discovered oil which was accidentally on our property that somehow the "free enterprise" system has been smiled upon by the deities and Alaskans are the chosen people. In a way that's true, but the credit goes to the people who had the technical and business know-how to discover and produce the oil, not someone sitting around buying low and selling high and calling it productive.

In short, if we begin to come together, united in our repsect for the geography we all say we love, and pool our talents to create some real self-reliance and independence by producing some basic wealth on a renewable basis, we can not only reaffirm the basic health of the great American experiment and show the world new patterns of self-sustaining synergy, but we can have one hell of a lot of fun doing it. I'm skeptical that this will happen but I'm not so cynical as to exclude its possibility or not do what I can to make it happen.

William Spear is an attorney and trustee of the Alaska Renewable Resources Corporation.

NOTES

A NEW CONSTITUTIONAL CONVENTION FOR ALASKA?

(Some interim thoughts)

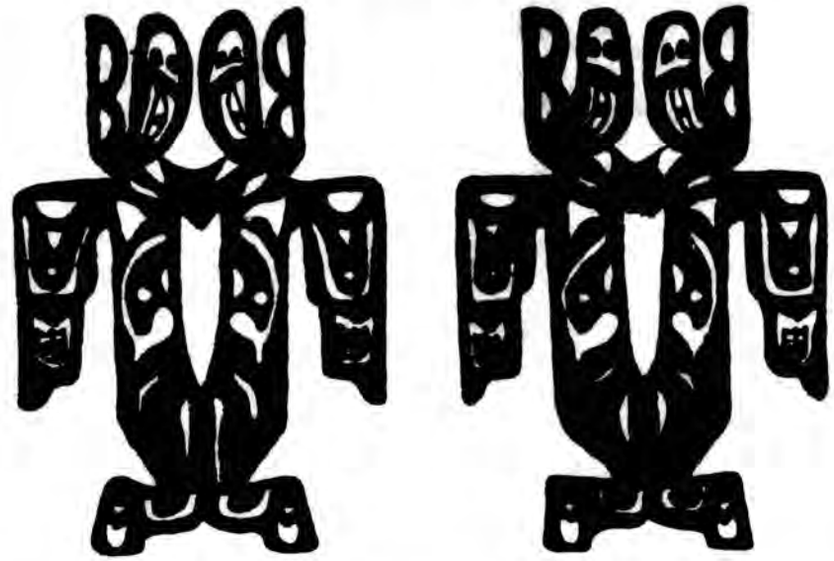
by
Victor Fischer

Alaska's constitution was written twenty-four years ago as part of the statehood movement. Since 1959, the constitution has functioned as the fundamental law of the State of Alaska. The question before us now is whether the guarantees of individual rights, the structure of government, and other parts of the constitution are still adequate to serve the state and the people today in the foreseeable future. Or should we consider revising the constitution in view of changed values and different conditions in Alaska?

This question is real, for in 1982 Alaskans are scheduled to ballot on whether or not to hold a new constitutional convention. Their answer may have far-reaching effects on Alaska's future. It is, therefore, none too early to consider the issues entailed in calling a convention and to evaluate alternative courses that we might pursue.

The Interim Committee on the Constitutional Convention was established by the 1979 legislature to explore the issues entailed in providing answers to these questions and to make recommendations to the legislature about the means of preparing for the forthcoming convention referendum; the committee is co-chaired by Senator George Hohman and Representative Brian Rogers. Part of the material in this paper is derived from my work for this committee.

Accomplishing an objective analysis of constitutional convention issues may not be easy. Alaska's life nowadays abounds with a multitude of issues of importance to significant numbers of people: the fiscal situation of the state — too much money now, not enough in the future, give it away, lower taxes, save it; oil and gas development vs. environmental protection; jobs, unemployment, local hire; right-to-life vs. abortion choice; economic development — petrochemicals, renewable resources, mining, etc.; loans, subsidies, incentives; land distribution; growth and development vs.



subsistence and protection of lifestyles; big government, lack of adequate services; federal domination of Alaska; capital move; etc., etc., endlessly.

Some of these issues existed in the 1950's, when the constitution was adopted and statehood came to Alaska. But the mood is quite different now from what it was then. The unity, spirit, idealism, and deep belief in democracy that characterized and sustained the stathood movement and motivated the constitutional conventon do not exist in Alaska today. And nothing has taken their place, at least nothing positive or constructive. Rather, public dialogue and responsiveness to issues are characterized by dissension, divisiveness, anger, and extremism. Whereas twenty-plus years ago a common general philosophy and broad purpose underlay the striving for statehood, as the nation Alaska is now characterized by single or narrow issue campaigns that ignore everything else about them. And added to all that is a negativism and know-nothingism that characterizes the reaction of many media, groups, and individuals to any consideration of public issues or of the future of the state, its communities and neighborhoods.

This current climate is not particularly healthy for considering the basic philosophies and structures upon which the state's

democratic institutions are founded. And yet, it is possible that the very consideration of state goals and purposes that would accompany preparations for and the conduct of a constitutional convention might help overcome the "malaise" that is said to characterize our public spirit today. Above all, the choice doesn't exist: the constitution requires that we decide whether or not to have a convention, and our purpose should be to make the best of this requirement, to try and make a positive opportunity of it.

Toward that end, this paper reviews Alaska's only constitutional convention and the means it established to update the document, examines constitutional changes that have been suggested, and delves into possible ways of dealing with the gamut of questions entailed in accomplishing desirable revisions and judging whether or not to call a new constitutional convention.

1955-56 Constitutional Convention

Political scientists and constitutional experts consider Alaska's constitution the best in all the states, a true model. In discussing the results of the 1955-56 Alaska constitution writing process, the nation's top specialist on state constitution, John Bebout, stated:

> The convention produced a document that was a rare blend of the classic principles embodied first and best in th U.S. constitution and of modern or innovative features altogether compatible with those principles which made the Alaska constitution more distinctly appropriate to its time and place then any other state constitution.

A number of factors helped determine the character and quality of the Alaska constitution. It was written as part of and in furtherance of statehood, and the idealism inherent in the statehood movement served to inspire convention delegates and Alaska's people. Statehood was the cause and goal of the constitutional convention, and those planning the document saw the necessity to draft a constitution that would clearly demonstrate to the nation and to the Congress that Alaska was politically mature and ready to assume the responsibilities of managing a state.

Once delegates met in convention, statehood was no longer their principal aim, although it provided the context for their work. Rather, creating the best possible foundation for the future state became the overpowering and all-encompassing purpose. The enthusiasm, dedication, and idealism aroused by the statehood issue were thus turned toward drafting a constitution that would serve Alask'a future.

Another aspect of the Alaska convention that contributed to the success of its product was the fact that it took place before statehood was achieved. It functioned outside the realm of conventional political pressures and realities. The convention was future oriented and had little to do with current territorial affairs: it did not directly affect jobs, business, or allocation of power. Delegates were viewed as a group of idealists working for great cause and dealing with isuses that generated, with few exceptions, no pressures from those lobbies and special interests that regularly pursue their particular objectives at legislative sessions. This kind of detachment could have been dangerous, but since it was carried out by men and women who were realists as well as idealists, it provided a milieu that engendered freedom and creativity.

Out of this enviornment emerged a stated intent that the constitution be a document of fundamental principles of basic government and contain only the framework for state government. Drafting the constitution was largely predicated on making each branch of state government effective and strong in its own right. The underlying purpose was to achieve not just an adequate system of checks and balances in the traditional sense, but also to bring about the establishment of executive, legislative, and judicial branches that each function effectively and adequately serve the needs of the state and its citizens. At the same time, personal rights and the individual liberties of the people were to be assured through a strong and liberal bill or rights. I believe these objectives were achieved quite successfully.

Amendment and Revision

Despite high-minded aims and the resultant well-regarded document, convention delegates never considered that the constitution they created was at all sacrosanct. Throughout, delegates strove to deal with general concepts, allowing for future flexibility and adjustment. The constitution itself was designed not to be static. Its vitality was to be achieved by designing a general structure of state

government adapatable to changing needs and conditions. And, in case these measures proved inadequate, they provided for an amendment and revision process to make possible changes in the constitution itself.

Amendments to the constitution are made by two-thirds vote of each house of the legislature and voter approval by majority vote. Since statehood, sixteen amendments have been so recommended by the legislature and ratified by Alaska voters. These amendments dealt with such basic issues as the right of privacy, non-discrimination on account of sex, voter qualifications, limited entry in fisheries, and establishment of the Alaska Permanent Fund. These and other changes demonstrate that updating of the constitution and meeting current needs can take place through the amendment process.

Individual amendments are, however, but one method of changing the constitution: it can also be revised by calling a constitutional convention. There are two ways of obtaining a state constitutional convention. The legislature may call a convention at any time by simple majority vote. Alternatively, Alaska voters can decide to hold a convention. If during any ten year period a convention has not been held, the question: "Shall there be a Constitutional Convention?" is placed on the ballot at the next general election. A majority "yes" vote results in a convention. On the other hand, if a majority votes in the negative, the question is not placed on the ballot again until the end of the next ten year period.

The provision for convention call by referendum was principally in response to problems that generally don't exist anymore. When the constitution was written in 1955-56, most state legislatures were extremely malapportioned, with urban areas highly underrepresented. As a result, legislatures avoided constitutional conventions and did not modernize their constitutions in fear that revision could result in reapportionment and loss of legislators' seats. Alaska convention delegates wanted to assure that the constitution would be responsive to the needs and the will of the people even if the legislature were unresponsive to them. Since the constitution was written, however, the U.S. Supreme Court, in *Baker vs. Carr*,established the one-man one-vote rule, requiring state legislatures to be apportioned strictly in accordance with population. In theory, at least, the legislature is fully representative of the people and will represent them both in enacting legislation and, as necessary, amending the constitution.

Even though we are now only in our twentieth year of statehood, Alaskans have already twice voted on the question of calling a constitutional convention. The first decennial referendum on the issue was held in 1970. The trouble then was that the question "as required by the Constitution of the State of Alaska", Article III, Section 3 was posed thus: "Shall there be a constitutional convention?" The convention call was narrowly approved by the voters. Upon a challenge, the Supreme Court held that by adding "As required by the Constitution..." to the constitutionally required language, the phrasing of the proposition was sufficiently biased to justify nullifying the referendum. When voters once more balloted on the question in November, 1972, the convention call was rejected.

Alaskans are once more faced with the decision of whether or not to call a convention. In November 1982, unless the legislature initiates a convention in the interim, the ten-year question will be on the ballot at the general election: "Shall there be a Constitutional Convention?" The rest of this paper is devoted to considerations that should go into possible responses to this question.

Potential Subjects of Constitution Change

Alaska has so far utilized only the amendment process to make changes in the constitution; we have not yet had the experience of constitutional revision via the amendment process.

The difference between changing the constitution by amendment as against convention is great indeed. When the legislature recommends an amendment it deals with a specific item, such as the manner of selecting the chief justice of the Supreme Court. While the subject matter may be broader than that, it is certain to be confined to a specific topic.

A constitutional convention, on the other hand, has plenary powers, subject only to ratification by the people. This means that a convention, whether called by referendum or by the legislature, can amend or revise any and all parts of the constitution. In other words,

once called, a convention can rewrite every section and article and can add any new matter it desires, subject of course to ratification by the electorate.

In view of the tremendous power that a convention possesses, it is important to distinguish between the types of changes that may call for a convention as against those that can be effected through amendment. Concurrently, it vital to have a clear understanding of the difference between constitutional and legislative matter, for the latter is, by definition, something that should be handled through legislation and not changing the constitution. (This distinction, by the way, was ever-present concern of the 1955 convention as it tried to restrict the constitution to fundamental law, excluding trivia and special interest provisions.)

Revision by Convention

The rationale for a convention needs to rest on a significant purpose beyond amendments that can be routinely handled by the legislative amendment route. Such a purpose can be (1) making changes that the legislature cannot or is not likely to accomplish, (2) dealing with major issues of philosophy and policy undergirding the fabric of state government, and (3) accommodating or defusing public pressures that are not being satisfied by the legislature. While from a constitutionalist or political science viewpoint only the first two reasons might be considered legitimate, popular pressure may be at least as important a factor as the other two in bringing about a convention.

There are few changes that the legislature cannot be expected to deal with through the amendment process other than those that affect the legislature itself and those that are too big or too complex to be dealt with as part of the legislative process. The prime example fo the first category is the proposal to change the legislative structure from a two-house to a unicameral system. This suggested change has been repeatedly approved by the state house of representatives, but it has yet to see positive action by the senate. Even after voters approved of the concept in a statewide advisory referendum, the legislature has refused to act. And, it is highly unlikely that it will approve this basic change in the structure of the legislature, if for no other reason than the fact that it would lead to a reallocation of legislative power and more than a few legislators would be jeopardized.

Other structural changes might be similarly difficult to obtain via legislative initiative, especially if they limit the powers of the legislature or restrict its ability to exercise its will. Among these is the oft-repeated proposal to limit the length of legislative sessions, another idea that has seen wide approval by the electorate. Yet, this generality needs to be approached with caution, for in 1976 the legislature did approve a constitutional amendment to establish the permanent fund. The effect of this action was to put a substantial protion of petroleum revenues beyond direct reach and disposal by the legislature. This proves that lawmakers can move to limit their own prerogatives when either purpose or popular will so require.

A more difficult area to define as a basis for potential constitutional revision is possible desire or need to change the fundamental philosophy or grounding of the constitution. Nothing of this sort has as yet clearly emerged, though one could speculate about attitudes that could lead to efforts for basic changes in the constitution. Ideas in that direction were initiated several years ago when proposals were made to revise the natural resources article to eliminate the existing pro-development bias and substitute therefor a policy of environmental protection. Another type of pressure may emerge as a result of increasing sentiment, in Alaska and the nation, against government in general and against taxes and government expenditures in particular. These examples deal with subject matter already in the constitution. Potential new areas of basic constitutional concern could be the preservation of Alaska lifestyles, Native culture, and the subsistence way of making a living off the land; or Alaskans may decide to try restructuring their concept of government and the state's relationship to the United States.

Whatever such fundamental issues might be they are obviously not suited to resolution as part of the routine legislative process. This is not due to lawmaker's lack of concern for major policy. Rather, the hundreds of bills and financial management responsibilities are more than enough to occupy legislators' time both diring sessions and during their interim. Therefore, if pressures for fundamental changes do arise, their resolution will almost certainly lie within a constitutional convention or some other vehicle established to deal with them.

These two categories — matters that affect the legislature and issues of underlying philosophy — are logical bases for calling a constitutional convention. However, given the fact that a convention opens the constitution to massive revision, routine and other changes are best handled through the legislative amendment process.

Constitutional Amendments

A plethora of amendments has been proposed to change specific parts of the state's constitution. A very few, such as unicameralism of limiting legislative sessions, may require a convention to resolve. Most others appropriately stand or fall through action or inaction by the legislature and confirmation or rejection by Alaska's voters. (Should a convention be held, such changes could, of course, be considered as part of comprehensive constitutional revision.)

A survey of specific amendments that have been proposed or might be considered is being undertaken as part of an analysis sponsored by the legislature's Interim Committee on the Constitutional Convention. The items are truly too numerous to enumerate here. Changes have been proposed, either formally in the legislature or informally in other media, to every article of the constitution. Some can be justified, but certainly not all.

Here is a small sampling. Suggestions have been made that the grand jury, provided for in Article I, is obsolete and should be superseded by methods that are more expeditious and fairer to defendants. But, while the change could be made by amending the constitution, it could far more simply be put into practice through a rule promulgated by the State Supreme Court.

Article II covers the legislature and has seen a number of proposals that might, as already mentioned, be difficult to get through the legislature, assuming they were worthy pursuit. These deal not only with a one-house legislature and time limit on annual sessions, but also with such matters as legislative pay, qualification of members, and the like.

The executive article covers such controversial proposal as election of the state attorney general and district attorneys/prosecutors, and establishing a single, six-year term for the governor. Suggestions have also been made to elect judges and change the composition of the judicial council. There are those who want to authorize state funding of students in private schools. Changes in resources policy have been proposed. Suggested revisions of the finance and taxation article include establishment of tax and expenditure limits, extension of the permanent fund to cover more state revenues, and creation of a more responsible general obligation binding process. Other proposed amendments include allowing use of the initiative process to amend the consitutition.

Any of these and other suggested amendments can be routinely handled by the legislature whenever sufficient justification exists for a specific proposal. The fact that many oft-suggested changes, such as selecting members of the judiciary, have not made it through the legislature is due exclusively to lack of support for the idea.

Special Issues

Since lawmakers do not necessarily endorse and act on all issues that come before them, many groups are dissatisfied with the legislative process and its responsiveness to their desires. A constitutional convention can potentially provide a medium through which such groups can try to achieve their objectives. And, in these days of single-issue politics, massive pressures can be marshalled. In Alaska, the lands issue provides a good example; nationally it is the support of environmental causes.

Principal Alaskan causes of the day include moving the state capital, outlawing abortions, repealing the income tax, and distributing state lands, though the latter issue appears dormant at this time. Frustrated by lack or inadequacy of legislative response, proponents of such cause might well try to obtain instant remedy and satisfaction by writing their cause into the constitution. Thus, those who have been trying for years to get the capital moved could mandate the change by a specific clause in the constitution. The same aims might be pursued by "right-to-life" proponents and advocates of other causes.

There are two prospective problems that could result from this situation. First, the subjects these interest groups are pursuing are

not bona fide constitutional matter, though they could make it such by marshalling sufficient votes. Second, and by far more serious, single-issue groups and candidates could well beget a consititutional convention that cared only about satisfying their specific wants and paid little attention to the fundamental purposes and concepts of the constitution itself. A convention dominated by narrow special interest is scary to contemplate, for the basic fabric and institutions of the state could thus be endangered and undermined. But the potentials for the happening do exist, and one needs to examine ways of approaching constitutional revision in a constructive and positive manner, particularly since the 1982 referendum looms not far away.

Alternative Approaches to Constitutional Revision

A review of Alaska's experience under the consitution and its adequacy to serve the state in the future was conducted in 1976, twenty years after the document was written and ratified. The review was sponsored by delegates to the 1955-56 convention. But the examination of the constitutional experience was carried out by individuals who had worked under it or observed it closely: legislators, state and local government officials, judges, newspaper editors, rural representatives, businessmen, and the like. With some exceptions, the general opinion was that the constitution had served the new state well and that no overall revisions were necessary for it to remain a viable document.

Today, people who have taken positions on the matter hold strong opinions on the need for a new constitutional convention, and they fall on both sides of the issue. Convention proponents generally base their stand on specific areas of change, such as establishment of a unicameral legislature, provisions for rural Alaska and subsistence, or changes in the finance article; a few want the whole consitutional structure of Alaska to be reviewed. The opposition to a convention is satisfied with the present state constitution and fears that a convention, with its plenary powers, could end up making extensive, unnecessary, undesirable and damaging revisions.

It is fair to assume that the vast majority of Alaskans is unaware of and unconcerned with the convention issue. That is the way it was in 1970, when the first convention referendum was voted on. With the exception of information from League of Women Voters and some newspaper editorials, the general public had little basis for voting on the convention call. That was not a healthy state of affairs then. But lack of public understanding of the issues would be much more serious today in view of the general tenor of the times and the shrillness of recent single-issue campaigns.

Public education, information, and knowledge are keys to successful democratic governance. These factors together with the overriding statehood purpose provided the foundation for a successful convention twenty-five years ago. And they can do so again.

Striving for a knowledgeable electorate should be the goal of those convention proponents and opponents who are serious in their striving for a good constitution for the state. That is the surest way, in fact the only way, to insure that special interest groups will now sway the public and control a convention if called. Providing the basis for an intelligent response to the whole subject of constitutional revision is, of course, a principal purpose of the legislature's Interim Committee on the Constitutional Convention.

An essential ingredient in preparing the voting public as well as laying the groundwork for a convention is the establishment of an appropriate preparatory commission. In 1955, the Alaska Statehood Commission performed that task. In the future, a special constitutional convention commission could provide the vehicle for these purposes. Most states have used such commissions as an initial stage preceding a convention or even a decision on holding a convention. Commissions of this sort are usually composed either of a mixture of public officials and citizens appointees or appointed citizens only. Generally, their task is establishing two-way communication with the electorate and doing preparatory research for the contemplated convention.

A newly emerging device used by a number of states is the constitutional revision commission, which is charged with actually proposing changes to be made in the state consitutuion. This instrumentality has evolved since Alaska's constitution was written, but it may have applicability in Alaska. A commission of this sort undertakes a study of possible constitutional changes and proposes amendments or packages of revisions to the legislature, which can, in turn, recommend them for voter approval. In effect,

this method constitutes a process of comprehensive revision utilizing the regular amendment process without recourse to a consitutional convention. A disadvantage of this approach is that it does not in the first instance involve delegates elected by the people. However, proposed changes do go through the scrutiny of elected lawmakers, and recommended revisions are eventually voted on by the people of the state. The approach represents a compromise between holding a constitutional convention, which can propose wholesale revisions, and the legislative amendment process, which, as mentioned, does not lend itself well to major constitutional policy analyses and revisions.

The decision of how to initially approach constitutional revision is up to the state legislature. A preparatory commission would have to be established by law. So would a constitutional revision body. Also, the legislature can use the regular amendment process and it can initiate a constitutional convention of its own volition.

It is quite possible that the most practical course would be for the legislature to determine what changes are needed in the constitution, (possibly using a constitutional study commission), recommend a package of amendments to the people, and thus eliminate possible justifications for a convention. The legislature may still have to face head-on the special interest pressures that might develop for a convention, but these could be defused by legislative action, public information, or a combination of these.

Another alternative available under the constitution is for the legislature itself to issue a convention call. This course might be taken if either the case for a convention became extremely strong or public approval of a referendum appeared inevitable, or both. Under such circumstances, a legislative call might simply eliminate the need for a potentially devisive referendum campaign and help set a higher tone of unity for the constitutional convention than might otherwise be achieved. At the same time, such a course might cause a convention to be held when none might be called by vote of the people, had they a chance to express themselves on the matter.

At this juncture, the wisest course to pursue might just be to wait another year or two before taking firm steps in any of the above directions. Continuing exploratory work would be appropriate, together with a broadening program of public information and involvement. And then, as the 1982 referendum time approached, the public and the legislature will be in a better situation for setting a constitutional revision course than we are today.

A Personal Postscript

Several months of looking at the constituional revision question have not helped me decide what position to take about a new constitutional convention. The constitution is essentially sound; no critical changes appear necessary. At the same time, some issues will not be resolved without a convention being held, the unicameral legislative structure being a prime example. But, while issues such as that remain undecided, Alaska can certainly continue on its present course without great suffering. From this standpoint, again, constitutional revision is not vital to Alaska's welfare.

Yet a constitutional convention — including both the process leading to it and the actual proceedings — have the potential of providing the kind of uplifting experience and unity that Alaska so badly needs. Although there is a danger that special, single-issue interest might capture and derail a convention, I am not really afraid of that. First, voters generally do exercise good judgment in the people they elect. Second, I have time and again seen people, when challenged, rise to heights far greater than one might have expected. Thus, my intrinsic belief in democracy, together with an innate optimism, makes me unafraid of what a convention, even under the worst of circumstances, might do to Alaska's constitutions, the best in the nation.

And so, at least for the time being, I straddle the fence.

Biographical Sketch

Victor Fischer was a delegate to the 1956 Alaska Constitutional Convention and has written a book on the state constitution. Fischer was the director of the Institute of Social and Economic Research (ISER) for many years and is now a private consultant, currently working with several legislative committees.

HOLISTIC ALASKA

By Glenn A. Olds, President
Alaska Pacific University

Cheshire Puss," she began, rather timidly . . .
"Would you tell me, please, which way ought I go to from here?"
"That depends a good deal on where you want to get to," said the cat.
"I don't much care where —" said Alice.
"Then, it doesn't much matter which way you go," said the cat.
Lewis Carroll — *Alice's Adventures in Wonderland*

"If the human race is to survive, it will have to change its ways of thinking more in the next 25 years than in the last 25,000."
Kenneth Boulding

"I can't believe God plays dice with the cosmos."
Albert Einstein

"It shall be required of this generation."
Luke 11:50-51

Historical Perspective

Alaska, "the great land" stands as a fascinating and unique link in human history. Anchored as it is in a past and a culture that were historically holistic, integrated and whole, it has escaped much of that sweeping, scientific specialization of the modern day that has left our world fragmented and narrowly professionalized. Alaska, as a bridge between East and West, absorbs the best of both continents without adopting the extremes of either.[1]

As technology continues to shrink our world, Alaska has the unique prospect of averting the dangerous dicotomies and narrow specializations that haunt and divide our time. Because of Alaska's holistic past not yet suberted, we can pursue a more vital holistic culture and development for the future.

Alaska's future may well celebrate T.S. Elliot's classic line, "And we may return to the beginning, and know it for the first time." This means that the remarkable holistic outlook and life style of the original Alaskan native may become the saving form and function against an overly specialized, segregated world.

Back in 1851 Seattle, Chief of the Suquamish and other tribes of the Northwest, wrote to the President of the United States. In beautiful simplicity, he expressed the holistic sense of the relationship of nature, human nature, and the Divine, the connectedness of all things, and the insight of his native culture containing 40 000 years of wisdom. He painted a picture[2] which mirrored in miniature in Alaska, reaches for a new unity.

The fact and graphic necessity of this whole new view was brought home to me on that eventful day, July 20, 1969, when our first astronaut landed on the moon. I was in the chair as Ambassador to the United Nations Economic and Social Council in Geneva representing the United States and was asked to say a word appropriate to that occasion. It seemed so obvious, and yet so prophetic, to acknowledge man was now able, for the first time to see the whole earth from beyond itself, from the moon; and know it for what it is, in its precious, precarious, finite wholeness to see it as our radically interdependent, *integrative, holistic* home.

The bankruptcy of our recent scientific legacy of specialization leads to dangerous dichotomies:

between	person	—	and	—	nature
between	mind	—	and	—	matter
between	subject	—	and	—	object
between	freedom	—	and	—	security
between	self	—	and	—	society
between	private	—	and	—	public
between	development	—	and	—	conservation
between	quality	—	and	—	quantity

Current Status

Much of the malaise of our time roots in the disruptive dualisms generated in a culture which has lost the "holistic" sense of the interconection of all things. There is no time or place in so swift a sketch for review of this trend over the past four hundred years; how a limited scientific method, designed for measuring and mastering objects in space and time, becomes a misplaced Messiah when applied to persons, values and the cosmic setting and meaning for human existence. It is sufficient to note the successive forms of alienation and violence, ravaging of resources and limits of a fragile world such a perspective has left in its wake.[3] One might generalize to say, *the later the hour, the faster the time, the smaller the space, the more urgent the human problems to be solved.*

Alaska has an unparalleled opportunity to escape the perils of such perspectives and practices, and create new wholes for a healthy human culture. Alaska can properly address *and* integrate wholly —

(1) Native and Caucasian culture
(2) Eastern and Western cultures
(3) Traditional and modern cultures
(4) Natural and human environments
(5) Conservation and development of resources
(6) Specialization and integration of knowledge and professions
(7) Science and values
(8) Technology and humanity

Moreover, Alaska's unique situation mirrors in a marvelous way clues to that holistic world aborning, and may be replicated round the world.

(1) *Geographically* it does link Asia and America, anchors the Pacific Rim around whose circumference clusters 2/3 of the population of the world, and heralds the dawning significance of the Pacific for the 21st Century.

(2) *Culturally* it does mirror the meeting of the four major powers who will shape decisively the coming century; — the U.S.S.R., the People's Republic of China, Japan, and the U.S. It embodies the holistic culture of native Alaskans with their life styles, their partnership with nature and neighbor as innovators of appropriate technology and as heroes of adversity. Alaska is producing a new native, full of competency and scientific sophistication. He is bent on joining the old in creation of a newer holistic world.

(3) *Economically*, Alaska represents an incomparable "whole" array of resources essential to the modern world's survival and enhancement.

a. *Natural Resources*

.Just two of Alaska's 20 oil fields contain 25% of America's oil reserves.[4] The Alyeska pipeline at 8+ billion dollars represents private enterprise's most expensive undertaking in the world.

.60% of the coal reserves of the U.S. are in Alaska.

.30 of the 33 minerals essential to U.S. industry are found there.

.Devil's Canyon, alone, on the Susitna River, as now contemplated will be the largest hydro-electric dam system in the country; and other untapped river systems illustrate this powerful water resource.

.With a longer shoreline than continental United States, Alaska boasts fisheries that are a feeding ground of the whole North Pacific, and scientifically farmed, present a clue to the feeding of a hungry world.

.The timber resources of Southeastern Alaska, which first attracted Russian settlements and ship building, defy definition. Annual timber production is only ¼ of 1% of the real farmable and renewable potential.

.With 20,000,000 acres of potentially farmable land, and a growing season North of the Arctic Circle in sunlight hours longer than Iowa's, and currently farming only 17,800 acres, this untapped resource of food sources for a hungry world and a self-supportive Alaska staggers the mind.

.The new capital, innovative potential, and renewable resources of the native corporations, with land and money, has already impacted dramatically and favorably on the new Alaska. Investments in tourist accomodations, banks, fisheries

and new technologies herald a hopeful and holistic development in this area.

A skilled labor force, growing population, economic diversity, and reversal of State deficit spending, add to an incomparable picture of promise.

Other Perspectives

The critical and comprehensive analysis of the Club of Rome's "Limits of Growth", has been sharply modified by subsequent factual and logical analysis. By retaining a linear, sequential form of projection trend, it ignored the renewable feature of the inventive human mind, the capacity to "do more with less" the recycled form of finite resources and the powerful impact of informed knowledge and plans. We now may take these ignored features into account. Ervin Laszlo, concentrating on the human and value dimensions of the future, in his second report points toward corrective holistic features of an emerging planetary perspective. And, the latest report about to be released is purported to exemplify this trend toward a systematic, restrained and retrained holistic understanding of controlled growth and integrative development.

R. Buckminster Fuller, who will be addressing this conference, has brought a refreshing optimism to his human assessment of perspectives on the future. His books[6], his speeches and his writing testify to the possibility and advisability of the world's optimal functioning in this holistic model. His World Game strategies to show how in energy, food, education and global design, the world can work to larger fulfillment of all human needs are contemporary confirmation of Alaska's promise. Alaska is on Main Street!

The promising perspective is reinforced by Dr. Arthur Shaw's *Copionics* and computer confirmation that a new form of global barter, exchanging goods and services in a free economy, computerized in exchange as a global bank is in the works.

Futurists of as widely differing perspectives as Herman Kahn and Hazel Henderson, of the Princeton Center on the Future, Jean Houston and Jonas Salk provide still further embellishment of Alaska's holistic promise.

Key concepts from all these alternatives can guide Alaska's evolving strategies.

(1) ***Relativity*** — It is absolutely dependable to rely on the ***invariance*** of ***interdependence*** of every aspect of nature, human nature and earthly or cosmic development.

(2) *Synergy* — The whole is always more than the sum of its parts, unpredictable from the analysis of any of its parts; and meaning descends in planning, direction or life from the whole to part.

(3) *Symbiosis* — Interdependence is reciprocal and becomes responsive and responsible when lifted to the level of conscious intention and choice. It is the clue to trade, a sharing society, and the integrity of a barter economy at the root of self-reliant and self-directed units of any whole.

(4) *Syndetic* — Connecting structures that give order, strength and permanence to relationships that carry the health of any organism or society are essential. They mirror the essential infrastructure and institutional life adequate to carry a healthy circulation and strength of holistic development.

(5) *Entropic reversal* — Introduces the principle of conscious renewal and redirection of natural systems otherwise entropic, that is, running down. T.H. Huxley was right when he remarked "With the coming of consciousness, natural evolution is reversable." This is the inwardly decisive resource of renewal to be discovered, nurtured and liberated at all cost; conscious choice to change trends and events.

(6) *Presence* — This quasi-mystical, yet everywhere evident feature of omnipresent fullness of consciousness, totally integrated, holistic, presentment is not only a feature of personal life at its best, but social dynamism where vacuous and dangerous degrees of emptiness are missing. This is the full life, new life and whole life toward which Alaskan life styles bent on authenticity, spontaneity and newness are heading.

Directions

What prescriptions if not predictions can be drawn from all this. There is but space for the most sketchy of suggestions.

(1) Alaska should consciously lift to a state of comprehensive planning its unique role as holistic model for a deeply divided world. It should seize its delayed maturity as a grace and virtue, to escape earlier and debilitating dichotomies. New and novel approaches should be expected and demanded to escape the tired shiboleths of our so-called "older societies."

(2) Alaska should borrow a more apt metaphor for such planning and expectation than the conventional linear types. The metaphor of transformation of a caterpillar to a butterfly is more apt for surprises and expectations of the future.

(3) In the field of energy, fossil fuel development, so critical to the nation, should be advanced and accelerated with income generated partially committed to come up with innovative research in alternative energy sources. Institutes or contracted research should be fostered in:

a. *Coal* gasification and slurry; link holistically coal, oil and water.

B. *Geothermal* research linked holistically with hydroponic farming and fisheries, and environmental modification of heat transfer systems yielded by the rhythmic renewal of geothermal energy.

c. *Tidal* harnessing the Cook Inlet tide and one of nature's largest non-polluting sources of energy — the gravitational pull of the moon on the surface of the sea.

D. *Wind* research in the incomparable wind vectors of the Matanuska Valley, and virtually every valley-mountain axis in Alaska.

e. *Hydro-electric and solar-powered* domestic mini-systems essential to modest personal or village needs.

(4) Institutes or contracted services for holistic innovation in:

a. *Agriculture* — using the long Arctic day through summer, alternating with dark frozen winter to generate disease-free, new strains of Arctic-enduring grains and vegetables — holistically linked with new forms of earth-related housing and storage.

b. *Housing* — Using Buckey Fuller's Dymaxian Geodesic dome model for Alaskan construction and export, where "more is done with less" and optimal strength achieved with minimal materials and cost.

c. *Fishery* development in seasonal holistic rhythm between ship building (winter) and ship sailing and fishing in summer to enhance this promising field; fish farming, fresh and salt, with geothermal heated shrimp ponds and other adaptations to a total development.

d. *Satellite* — the maximizing of telecommunications systems for two-way educational delivery systems, full participatory democracy in government and development of Third World program models on audio-visual cassette for sharing, export and sale.

e. *Educational* innovation, using permanent funds, and excess income over taxes to develop Silber's Tuition Advance Plan (and/or other forms of student choice, public or private), for strengthening Alaskan options of high quality, low cost and fully funded education.

f. *Monetary*. Experimentation in developing a new monetary system substituting for gold or sterling, goods and services, real or potential as a basis for a new global economy.

g. *Institutes*. Develop new supernational institutes for intercultural exchange and cooperation — U.S. — U.S.S.R., U.S. — Peoples Republic of China with historic and thematic pursuit of new frontiers — sea, space and the self.

h. *Develop* an Alaskan modelled Battelle Institute, a profit-making non-profit corporation to nurture and support inventive human genius, pure and applied, whose ingenuity might be expected to release new insight, technologies or practices into a *holistic* life authentically Alaskan and thereby, in promise, planetary.

i. *Devise* new work and manpower models that maximize Alaska's unique climate, geography and economy; i.e. rhythmic, seasonal, rural-urban, and Pacific, which holistically and synergetically interface with Hawaii, Japan and the Pacific Rim; and invite new training programs linked to these models.

j. *Support*, liberate, and encourage the private sector in friendly competition, serving priority personal and social ends, with productivity economy and quality to swiftly balance the present heavily-governmentally dependent culture and economy.

k. *Transform* preoccupation with GNP — from Gross National Product to *Growing New People* who are whole, healthy, hopeful and helping.

Then, truly, our State will vindicate its name — and destiny Alyeska — *THE GREAT LAND*.

Addendum:

CRITICAL ISSUES OR QUESTIONS FOR DISCUSSION:

1. What investment from the permanent fund or current budget is committed to tend the most precarious and productive resource of the State, its creative, productive, inventive people? (note: the heavy investment in the non-productive — the investment in every residential youth offender is five times the real cost of any Alaska Pacific University student, for whom no direct support is given by the State.)

2. What provision is being made to direct pure and applied research, public and private toward the priorities and State goals explicity required for our future?

3. What mechanisms are provided for holistic linkages in the State, communicative transportative, social and political? What should be provided?

4. What tax incentives or advantages are provided the private sector to contribute innovate leadership to the unresolved and promising directions for the future? What should be?

5. What linkages are being forged with the Pacific region, the world, to insure holistic integration of resources, people and programs essential for the future?

6. What policy and provision is being made to encourage the private sector in education to address the dramatic outmigration of Alaska's most valuable resource, its *own* bright young people?

7. What provision is being made to insure the permanent fund will be used to reinforce *renewable* resources, natural and human?

8. What initiative is the State prepared to take to provide swift and sustaining continuing education to upgrade its leadership, political and professional for the weighty 80's?

9. What prospect is there for an Alaskan "Fulbright or Truman" program of fellowships for outstanding leaders from other nations to study/contribute through public and private higher education in the State (100 well chosen top scholars annually, fully subsidized in the school or research institute of their choice, would revolutionize the Pacific Rim and the place of Alaska in it in a decade).

10. What prospect is there for a holistic, socio-political synergy linking cooperatively the now divisive fractionalism of the State? A new and imaginative "capital sharing" resolution of the problem of a move; securing and disposition of State lands, and an integrated comprehensive educational system, public and private, would greatly enhance the prospect.

Footnotes

[1]See Northrop's brilliant analysis, *The Meeting of East and West*.
[2]See His Letter as appended.
[3]See Bibliography
[4]These and other figures represent estimates from a variety of public and private sources. See the valuable paper by Doug Millar "The Future: Alaska"
[5]See Millar's graphic portrayal of this potential.
[6]See Bibliography

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NOTES

AN APPROACH TOWARD CONCEPTUALIZING "THE KIND OF ALASKA WE WANT TO SEE . . ."

by
Dr. Charles Konigsberg

This paper was delivered at
The 27th Alaska Science Conference
University of Alaska
August, 1976

It Is Assumed:

That fulfillment of the functional responsibilities of the Alaska state government — which in our time includes the formulation of policy on growth, on cultural and environmental integrity and diversity, and the development of a rational and coherent land-use planning capability — requires the articulation of an explicit, comprehensive concept of the "whole" for which we plan; that is, of "The Kind of Alaska We Want to See".

That all such ultimates, or fundamental issues — and our inquiries thereinto — are, of course, "too broad and too complex", but that, nevertheless, the way to adequate understanding and appropriate articulation necessitates our learning to grasp and deal with the broad complexity, with the whole of it.

That this cannot be "simplified", for to simplify the complex, or to reduce the whole, is to distort it, thereby fundamentally changing the reality of the whole which we are trying to grasp and with which we must deal . . . Nor can the problem of the whole be evaded since it will come into being, it will "happen" — it is always there — in consequence of the incremental aggregation of seemingly unrelated policy decisions and actions. and the aggregated, rather the synergistic, result of which being, in all likelihood, far less than — certainly much different than — what is otherwise desired, or, to be desired.

That this is also another way of saying we always plan and act for the "long-run". No longer can escape from the responsibility inherent therein be sought in the supposed distinction between short- and long-run. This must now be recognized as a false and highly misleading dichotomy: There is no short-, no long-run without the other; each is inherent in the other; the two are one and the same.

That the implications of this point are mo· ·ofound and compelling:

> "The future is not a result of choices among alternative paths offered by the present, but a place that is created — created first in mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths to it are not found but made, and the activity of making them changes both the maker and the destination."
>
> John Schaar

Therefore,

That in all — and granting whatever else may be said about the difficulty — such an effort as is being suggested here can no longer be evaded, however "human" to try to put it off. Let us not be like "the psychiatric patient who knows he must do something to help himself but can't or won't bring himself to act because he can't see how to solve the whole problem at once".

As in the psychiatric example so in the present case — as also in the proverbial journey of a thousand miles, or in the modern search for the way to the "end of the tunnel" — the appropriate course of action is to begin with the first step: to conceptualize and articulate the whole of it. This means, for our pressing purpose, an explicity articulated vision of the Alaska we want to see.

In one sense, indeed, our concern and our task are really nothing new in the history of human affairs (though perhaps more compelling today than ever before). In all explicity, deliverately patterned societies — and in many lesser groupings of people organized for even more restricted purposes — their "constitutions" or charters constitute their "first step" toward achieving a grasp of and way of dealing with the whole: that is, politically, the "social contract" (or compact) which seeks to express the "general will" on behalf of the "common good".

Tacitly implied, therefore, is a vision of the cultrual whole, of a way or ways of life desired. Constitutions, thus, are attempts are articulated conceptualizations of the whole.

To speak, then, of "the Alaska we want to see" is to ask that we build on the first step already taken, the Constitution of the State of Alaska . . . to ask that (in a socio-evolutionary sense) we take the next step, that of making explicit the tacitly implied concept of the cultrual whole appropriate to life and place.

2

Perspective on the past strongly suggests that societal (Political) constitutions have heretofore been fashioned with a one-sided focus on people-to-people relationships, to the virtual exclusion of other relations and their interactions. Given, moreover, the history of the Twentieth Century, and the experiences of our own times in particular, it is now clear that human interrelationships and the societal systems which express or attempt to institutionalize them inescapably involve and impact all life forms and their common habitat, the biosphere, which sustains all. A change in, and expansion of the focus of, traditional constitutions is therefore needed to include the heretofore neglected elements.

It is in this perspective that at least the shape of a concept of a cultural whole appropriate to the Alaskan situation can be perceived, and a constitution to express it can be fashioned. Since earlier constitutions did not account for the all-encompassing web of interacting relationships — which may be viewed as the "ecological imperative" — and given our need to develop improved ways to decide policy, to plan and to act, it seems clear and urgent that we must build upon, add to, or revise our political constitutions with a "Consititution of Culture": hence, "The Kind of Alaska We Want to See".

It does seem especially appropriate that Alaska be the place to undertake the effort. It has taken us some time, but we have finally begun to understand that the ecological crisis of our times is the human dilemma raised to the species level:

> ". . . it means we have arrived, after long journeying, at an historical vantage point from which we can at least see where the wasteland ends and where a culture of human wholeness and fulfillment begins. We can now recognize that the fate of the soul is the fate of the social order; that if the spirit within us withers, so will all the world we build about us. Literally so. What, after all, is the ecological crisis but the inevitable extroversion of a blighted psyche? Like inside, like outside. In the eleventh hour, the very physical environment suddenly looms up before us as the outward mirror of our inner condition, for many the first discernible symptom of advance disease within."
>
> Theodore Roszak

Here in Alaska, we are yet in a position, despite the pressures of recent events, to act on the understanding reflected above. This is our last chance as Americans to "civilize" a great natural region without disrupting its ecological integrity and without falling victim to the technological (urban-industrial) Leviathan in the process. Indeed, Alaska can be the new model for societal development, a reassuring pattern of a society in dynamic harmony with its natural environment, with all life and with our nature as the human species.

It seems clear that the best in Alaska's future derives from, or will be the extension of the best in the Alaskan past. Nature, we may say, has developed her own plan for Alaska: we would be wise to respect and learn from it.



The relationship between environmental integrity and the character of our lives is now understood to be direct and controlling one . . . Like outside, like inside . . . Disrespect for and abuse of the biosphere fashions a society disrespectful and destructive of itself. Indeed, it may be seen that concern for our environment is the tie that may finally bind us all together; and that, if, as in the past of human history, our common humanity was not enough to bring us all together as members of the family of man, perhaps the felt recognition of our inseparable relationship within the ecological community will help us to achieve that end: genuine respect for our environment being accompanied by increasing respect for each other, for all life.

There can be no more appropriate place than Alaska in which to begin. Indeed, in Alaska it should occasion no surprise to recognize, that an innoviation such as the Federal-State Land Use Planning Commission (F-S/LUPC) is itself an explicit reflection of the foregoing, and of the attendant point discussed earlier of our need to transcend or to evolve into something broader — more comprehensive, more holistic — than the essentially "political", confined within relatively narrow parameters. The F-S/LUPC, like the cooperative management systems approach it is coming to rely upon — and which has its counterparts in increasing instances around the nation — similarly reflects or constitutes a step toward fashioning a better grasp on at least a larger portion of the whole.

Is this not an institutional groping toward the more organic, that cultrual whole which, as this paper suggests, ought to be our central concern?

This is likewise true, and constitutes the underlying significance of, contemporary legislation epitomized by the National Environmental Policy Act (NEPA), coastal zone management and land-use planning generally (in all their varied manifestations).

All of which reflects belated recognition of the need to build upon our political constitutions in the manner earlier suggested, to embody the "ecological imperative", explicity recognizing the direct (shared) relationship of life to all life and their common habitat — the institutional and legislative acts noted above constituting elements in the evolution of a "Constitution of Culture", growing out of and building upon our experience with political and organizational constitutions.

3

What Kind of Alaska, then?

In my view, the following must be recognized as the touchstone values in all policy deliberations of Alaska state government:

***Alaska's potential as a model society-to-be is of far more significance to its people and to the nation than as a "storehouse of energy and minerals" or anything else material . . .**

***Our focus must be on the protection and enhancement of Alaskan culture/lifestyles in all their diversities — which mandates maintenance of ecological integrity of the Great Land and relegates economic activity to its proper (instrumental, not dominant) role, as the basic elements necessary to achieving a life of quality for the Alaskan people.**

These touchstones further reflect the following considerations at least:

***That the human creature is so much more than producer-consumer; so much more than "economic man" . . . We have learned that for us "more" and "bigger" are no longer "better" and that the optimum is always less than the maximum.**

***That the human species shares this world with all the animate and the inanimate together in a system of mutual interdependence. As the "conscious" force in this system, the human role is therefore one of stewardship: responsible for the well-being of the other species as well as of our own and for the well-being of the common habitat which sustains us. We are responsible for the whole.**

***This responsibility applies equally to our varieties of human culture. The maintenance of their integrity (a dynamic process), assuring diversity, enriches us all, is consistent with the larger natural patterns, and strengthens the social fabric of our common species by providing demonstrable standards for mutual evaluation toward improvement.**

Much of this is my way of saying that: we must face the fact that as yet we do not know how to establish a society so that its social pruposes are properly served, its environment protected, or its human values preserved. Yet it emerges from the foregoing pages

of discussion that in our times the key consideration for the policymaker, public or private, is the maintenance of cultrual/environmental integrity:

> "A thing is right when it tends to preserve the integrity, the stability, and beauty of the biotic community. It is wrong when it tends otherwise."
>
> Aldo Leopold

Efforts which seek to pursue this fundamental insight should be strongly encouraged and supported. There is, for example, a Natural Systems Study of the F-S/LUPC which seeks to establish a foundation for "Land Planning and Policy in Alaska" through analysis and systematization of landform/biota/climatological characteristics, and offers, I believe, a most promising approach to the stated end. The study is persuasive in supporting the dictum that ecological characteristics must guide human activities (and not the other way around, as at present). Indeed, at least the possibility exists that, for example, we may be able to determine an optimum polulation/economic structure and technological activity/appropriate culture for each distinguishable landform/biota "province".

Other proposed programs of SocioEconomic Studies offer an equally promising approach toward restoring the balance, or creating an optimal relationship, between economic and other human aspirations and activities within the controlling parameters of ecological integrity and the perspective of the cultrual whole.

These studies are yet incomplete and, of course, inconclusive. Interim guidelines, or value judgments as guidelines, are needed for policy formulation. What may be suggested, then, on the basis of the general understanding of our situation reflected in this paper are the following:

1. **Focus on the Cultural Whole (holism)*; not on economic activity . . . under State-wide "Constitution of Culture".

2. **Land: "Bridge to Community"* — the tie that binds: Land use planning therefore a central function of contemporary socio-political system . . . toward protection of cultrual/environmental integrity and diversity as "most precious resource" . . .

3. ***Ruralization not Urbanization/Suburbanization:* Focus on renewable resources base, subsistence mode . . . preservation and maintenance of subsistence way of life for Native and non-Native, and for the semi-subsistence mode so vital to so many Alaskans . . .

4. **"Small is Beautiful"* — small-scale economic activity, not large-scale (note misleading notion of "economics of scale") . . . "Intermediate Technology" — not simply as to size and extent but as to character (and inclusive of transportation and communication, market/distribution and exchange systems as well as of "tools") . . .

5. **"Community" Prespective and Emphasis* (smaller population groupings) not Metropolis/Megalopolis . . . lesser centralization . . . importance of role of the elderly . . . diversity valued . . .

6. **Managing Growth* — Examples of Petulama case (and others) . . . including controlled rate of nonrenewable resources extraction . . . One major project at a time . . . Refocus from nonrenewable to renewable resource emphasis . . . More and bigger not better . . .

7. **The Still Natural Regions:* Our responsibility for their protection . . . need for beauty, silence, purity of air, water, land . . . Protection of wildlife/Habitat . . . their condition as "barometer" for human society . . . Stewardship: an end to the "tragedy of the commons", here and now, in Alaska . . . Natural systems as model for human society.

8. **Quality of Life (Social-Biospheric) Assessment Index* . . . by which to evaluate all relevant costs and to insure thereby that activities are approved only if proved beneficial in all major respects.

9. **Is there an "optimum population"?* . . . a question whose time has certainly come.

10. **The Role of Higher Education* . . . in the forefront of public questioning, exploring all dimensions, exposing hidden assumptions . . . source of future social and political leadership.

11. **The Role of Government* . . . government is a creative, integrating force . . . "politics is the architectonic science — the

(art and) science of the common good — and of mobilizing the community to achieve it."

4

These guidelines may be re-stated, perhaps, as follows:

Policy Focus on the Cultural Whole

On our ways of life and their quality . . . always asking how "Project X" or "Program Y" affects the kind of life we want to lead, the kind of Alaska we want to see . . .

And always in the awareness of the precious relationship between cultural and environmental integrity and diversity, which requires continued availability of the natural . . .

Emphasis on the value, the critical need for diversity in ways of life and lifestyles, with corresponding emphasis on countervailing pressures to the homogenizing influence of the dominant culture . . . importance of learning from other cultures and other species . . .

Policy on Governance of Growth and Population Size

Misconceived issue when posed in terms of "growth vs. no-growth / slow growth", "development vs. conservation / preservation", etc. Real question is: what kind of life do we want to lead? — and the relation thereto of growth and population size, of cultural and environmental integrity and diversity . . of the management of change.

Basic problem of character and rate of change, of significant, rapid and continual change, fueled by disruptive forces of speculation and inflation and their attendant, highly intensified psychology of expectation and ambition . . . requires carefully governed types and rate of economic activity, especially infrastructure availability, and suggests policy of one major project at a time . . . and deliberate dampening of the highly destabilizing speculation and inflation.

Re-direction from "gigantism" to "small is beautiful", including "intermediate technology" and technology assessment systems . . . with land-use planning (planning understood as "process") and biospheric protections, carefully governed rate of natural resources extraction and refocus on renewable resources, as primary determinants of economic activity, rather than "economic profitability".

Requiring, therefore, a

Socio-Biospheric Costs (Assessment) Index

By which to evaluate all relevant costs, quantifiable and non-quantifiable both . . . and to insure that major activities are approved only if proved beneficial on all counts, with burden of proof on the initiator.

Policy on Community and Regional Development

Policy focus on "community" not metropolitan . . . centralization, lesser concentrations of population . . . more respect for the aged, for tradition.

Minimizing settlement of still-natural regions . . . protection and encouragement of subsistence and semi-subsistence modes . . . decentralized settlement, ruralization not urbanization / suburbanization . . . protection and encouragement of agricultural / pastoral, and of the coastal-fisheries / lumbering communities.

Controlled infrastructure availability / non-availability . . . Special attention to evolving relationship between city and country.

Implied in the foregoing are, of course, more specifically delineated policies and plans with respect to:

Natural Resources and Energy
Land-Use Planning
Environmental Protection
Fish and Game
Social Services
Transportation and Communications Infrastructures
Public Taxation/Revenues
Others

All in the context of educational programs of genuine quality and government as an integrating, creative force — a role so especially crucial in time of rapid change — and requiring dynamic, creative leadership able and willing to seize the initiative, especially in

regard to the terms of discourse, as we discuss and create our future.

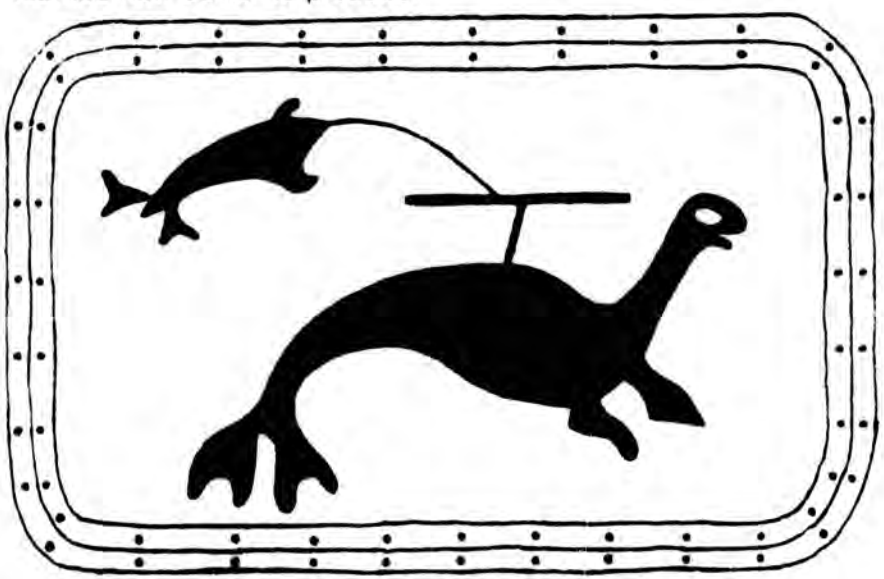
5

A Summation:

Taken together, these policy guidelines may be seen as elements in a Constitution of Culture — of the Alaska We Want to See — urged throughout this brief paper.

The "Preamble" to this Constitution would argue that Alaska's great promise to her own people and to others, lies in the establishment of the proper relationship of people to life to land . . . that socio-political policy development and planning, both public and private, must therefore focus on biospheric policy development and planning, of which some essential elements have been suggested in the form of reflections and guidelines.

There is obviously much yet to be elaborated . . . It seems critical, therefore, to keep in mind that since we do not yet have such a constitution, that we do not yet "know" — and since current approaches are less than adequate, when not destructive — that we must "hold the line" in most sectors of activity, until we can have learned how better to proceed.



Appendix of Supporting Papers

*"The Proposed Trans-Alaska Oil Pipeline" (1969)
"An Ecological Declaration" (1969-1970)
"Religion/Morality, Environment/Development" (1970)
"Social Implications of Population Growth" (1971)
*A Talk on Wilderness (1971)
"Land: Bridge to Community" (1971)
"An Ecological Overview of Economic Development" (1971)
"Eskimo Culture at the Crossroads" (1972)
"Attitudinal Change in Alaska" (1972)
"Alaska's Greatest Need: Time" (1972)
"Environmental Quality and the Concept of Growth & Progress" (1972)
"The Environmental Crisis in Global Perspective" (1972)
"Responsibility of the Forester in Our Times of Crisis" (1972)
"Responsibility of the Landscape Architect in Our Times of Crisis" (1973)
"The D-2 Lands in Perspective" (1973)
"The Mining Function in Unconventional Perspective" (1973)
"Resource Extraction on the OCS" (1973, 1974, 1975)
"Planning for Quality;; (1975)
"Ode to the Dinosaur: Observations on 'Competing Uses' of Wildlife" (1975)
"The F-SLUPC and the Effects of Divided Land Management" (1975)
"Oil Impact and Renewable Aquatic Resources" (1977)

(This appendix of papers by C. Konigsberg is included by way of an offer of availability to anyone interested in the evolution of the thought and biases reflected in part of this paper. An adequate approach to the subject of this paper must, of course, include papers from other analysts and the views of other Alaskans as expressed, for example, at the Brookings Conferences (1969) and on other such occasions).



REGIONAL GOVERNMENT IN ALASKA

Prepared by
Gillian Smythe

Historical Perspective

Before Statehood, government organization within Alaska was in its infancy. The powers of the territorial legislature were limited by federal law, as were those of local government. At Statehood, Alaska had only about 30 incorporated cities and 15 special districts (8 independent school districts, 1 incorporated school district and 6 public utility districts), with most of the territory being outside any local government jurisdiction.

Although the relative lack of local government organization prior to Statehood hindered the early development of Alaska communities, its absence proved advantageous to the framers of the Constitution since they inherited few of the organizational problems which beset most local governments elsewhere in the nation and could therefore apply new concepts with relatively little opposition from entrenched interests.

The State Constitutional Convention set the framework for Alaska's present system of local government. As outlined in *Article X of the State Constitution*, local government in Alaska was to be carried out by as few as possible local governments exercising as many powers as practicable. Any duplication of tax levying jurisdictions was expressly prohibited. To carry out this overall purpose, all local government powers in Alaska were required to be vested in boroughs and cities.

The borough concept was developed to accommodate Alaska's special needs arising from its large physical size and small population. Boroughs were seen as regional governments covering large geographic areas with common economic, social and political interests but with boundaries established at the State level to reflect Statewide considerations. These local government units were seen as providing all local services within their boundaries, including those on a service area basis where necessary, thus avoiding the problems of multiple taxing jurisdictions and overlapping independent districts. It was determined that the entire State should be divided into boroughs but that not all areas needed to be organized intitially. Areas not organized would be part of the unorganized borough which would have the State Legislature serving as its assembly. The Legislature was to have the authority to exercise any power or function in an unorganized borough which the assembly could exercise in an organized borough, including the establishment of service areas.

The basic local government concepts outlined in the State Constitution were incorporated into the *Borough Act of 1961*. Under this Act, all special service districts were to be integrated with organized boroughs (or, in the case of some public utility districts, with cities) by July 1, 1963. Organized boroughs were to be formed through local initiative (with appropriate State review) and, upon incorporation, were required to assume areawide responsibilities for property tax assessment and collection, education, and planning and zoning. The assumption of additional powers, whether on an areawide or service area basis, was not mandatory but could be undertaken through local initiative.



Only one borough (Bristol Bay) incorporated before the July 1, 1963 deadline. In response, the State Legislature passed the *Mandatory Borough Act of 1963* which required the incorporation of boroughs as of January 1, 1964 in eight areas containing public utility and independent school districts. These areas were given the option of initiating incorporation and proposing borough boundaries themselves before the January 1, 1964 deadline (as was done in the Ketchikan, Sitka, Juneau and Kodiak Island areas) or being mandatorily incorporated by the State (the case in the Anchorage, Fairbanks, Kenai Peninsula and Matanuska-Susitna areas). Except for Juneau, all of the boroughs chose second class status (i.e. the weakest form of borough government at that time).

Since January 1, 1964, only two additional boroughs have been formed. The Haines Borough incorporated in 1968 after a *"third class borough" amendment* which allowed Haines to bring its independent school district into conformity with the Constitution without assuming any other burdens of local government. The North Slope Borough incorporated voluntarily as a home rule regional government in 1972. In addition, one other area is currently active in investigating the feasibility of incorporating as a borough — a 53,000 square mile region centered around Fort Yukon which includes 11 villages and a section of the Trans Alaska Pipeline.

Although only two new boroughs have been incorporated since 1964, the status of several primarily urban boroughs changed following the *1967 State legislature's action to permit the merger of organized boroughs and all cities within them to form a single unit of home rule government*. Anchorage, Juneau and Sitka have since elected to become unified home rule municipalities.

Current Status

Of Alaska's 11 existing organized boroughs, 5 are centered around a major urban area (Anchorage, Fairbanks, Juneau, Ketchikan and Sitka) and 4 are regional units (Kodiak Island, Kenai Peninsula, Matanuska-Susitna and the North Slope Borough). The remaining 2 boroughs fit neither category. The Haines Borough is a semi-regional unit, while Bristol Bay Borough covers only a small physical area which includes three unincorporated villages and an Air Force base.

The 11 organized boroughs together cover an area of close to 150,000 square miles or about 25 percent of the State total. According to estimates provided by the Employment Security Division of the Alaska Department of Labor, the combined population of these organized boroughs in 1978 was 338,000 or slightly more than 80 percent of the State's total population. Thus, the unorganized borough accounts for about 75 percent of the State's area but only for around 20 percent of its resident population.

Although organized boroughs have their own problems, particularly where second class boroughs include home rule or first class cities, probably the most serious local government problem in Alaska today lies with the unorganized borough. Physically large but with a small and scattered population, a very large share of it being Alaska Natives residing in second class cities which have very limited sources of revenue or in unincorporated villages, the effective delivery of government programs and services in the unorganized borough has proven extremely difficult or simply impossible.

Other Perspectives

A number of legislative attempts have been made to solve the inequities of the existing regional government situation in Alaska. These inequities have generally been addressed either from the perspective of better delivery of government services or from that of the present absence of property taxation in the unorganized borough. The following major types of attempts have been unsuccessfully made:

1. Mandatory incorporation of the unorganized borough into organized borough units;
2. Creation of service areas in the unorganized borough;
3. Division of the unorganized borough into several unorganized borough units;
4. Imposition of a property tax in the unorganized borough.

A fifth type of legislative attempt was successful and resulted in the creation of what are essentially "semi-independent school districts" throughout the unorganized borough. As a result, delivery of education services in the unorganized borough has undergone a fundamental change.

Until recently, education services in the unorganized borough (except for home rule and first class cities) were provided by the Alaska State Operated School System and by the Bureau of Indian Affairs. However, provision of education services by a remote State and federal bureaucracy was not felt to be adequate for the needs of unorganized borough residents. With an absence of local government which could assume responsibility for education and because of a constitutional prohibition against independent school (and other special school) districts, a rural education system funded by the State (and the Bureau of Indian Affairs) but with local administrative and budgetary control was devised and passed as *Senate Bill 35* in 1975. A total of 21 Regional Educational Attendance Areas (REAA's) was established, each with its own elected school board. However, given the consitutional prohibition against the delegation of local government powers to any but cities and boroughs, the legal standing of REAA's is thought by many to be shaky. Furthermore, the establishment of similar types of single purpose entities to perform other services in the unorganized borough would be cumbersome and would probably be challenged in Court since the services would be provided without any local tax contribution.

In the absence of a regional government system, delivery of a range of federal programs in the unorganized borough is carried out by non-profit Native corporations. These include Native associations established before (and some after) passage of the Alaska Native Claims Settlement Act which primarily deliver programs in their regions or perform services with funds from the Bureau of Indian Affairs and the U.S. Department of Labor, as authorized by the federal Indian Self-Determination Act. Other specialized Native non-profit corporations have also been organized to deliver health care and to develop housing programs. This group of corporations, loosely referred to as the "non-profits" (as distinct from the regional and village corporations established under the Alaska Native Claims Settlement Act) has also been used by a number of State agencies for program delivery or for performance of specific projects in the unorganized borough.

Although the non-profit corporations perform a valuable service, it is very important to remember that they are not government entitites. Furthermore, their activities are not confined to the unorganized borough since a singificant share of their primary clients, i.e. Alaska Natives, live in urban areas of the State. Thus, the non-profits should not be regarded as providing an answer to the lack of a delivery system for government programs in the unorganized borough.

Directions

Clearly, something needs to be done to carry out the concepts outlined in Article X of the State Constitution and to better serve the local government needs of a large physical area of Alaska. This writer proposes that future consideration be given to organizing the unorganized borough and, at the same time, making adjustments to the boundaries of some of the organized boroughs through the following actions:

1. Develop and refine a detailed map of the entire State divided into future organized borough units. Factors to be considered in addition to those specified in the Constitution and existing State law should include Native Corporation regional and subregional boundaries, existing organized borough boundaries, and others as appropriate. (However, where existing borough boundaries do not encompass areas which should logically be within their respective regions, as is clearly the case with the Haines and Bristol Bay Boroughs for example, existing boundaries should not be regarded as inviolate).
2. Request the State Assessor's office to assess the value of property in each of the proposed boroughs. This assessment should *not* include unused Native lands since they will not be subject to taxation until 1991 and possibly even later. Using population estimates developed by the Employment Security Division of the Alaska Department of Labor (or other appropriate measures), per capita property valuations should then be developed (as is presently done by the State Assessor each year for organized boroughs and for independent home rule and first class cities).
3. Concurrently, the Department of Community and Regional Affairs should also be requested to undertake an analysis of other potential sources of revenue available to these proposed borough units and to compare estimated total revenues available at different rates of taxation with probable needed levels of expenditure to provide the three mandatory areawide borough powers of assessment and collection of taxes, educa-

tion, and planning and zoning. This analysis should include a review of anticipated administrative costs since these would necessarily be high in large regions where villages are connected only by air. It should also analyze probable intitial capital improvement-related costs.

4. Develop a formula by which the State could financially assist in the operation of the poorest of the proposed borough units. Even without detailed analysis, it is obvious that several proposed borough units would lack an adequate tax base to support the provision of minimum levels of service to their residents. Because of this, the contribution of State funds to the operation of several proposed boroughs, especially those in Western Alaska and parts of the Interior, would be necessary. There are several means by which this could be done. However, the most equitable would require some local property taxation (or other locally generated revenue) effort, with the level of State support related to the extent of local effort and total demonstrated need.

   The relationship between property valuation and population provides a reasonably accurate measure of the financial ability of local government units. Thus, *a formula which related per capital valuation and local tax effort to determine the level of State support would seem to be equitable*. For example, if a proposed borough had only a $5,000 per capita valuation and did not feel it could levy a property tax of more than 10 mills, the State could contribute funds to increase the effective per capita valuation to a more workable figure. Only in extraordinary cases, however, should State assistance exceed the level of local effort.
5. Once an equitable formula for determining State assistance has been developed, organization of the unorganized borough could be enacted by the State Legislature. Such legislation sould probably have to mandate incorporation, similar to the Mandatory Borough Act of 1963. New boroughs should be at least second class government units as third class boroughs have little flexibility. In addition, all REAA's should be abolished and their functions assumed by borough school districts.

It may appear that the costs associated with organizing the unorganized borough are high and they certainly would be. However, the cost of the unorganized borough to the State is already very high when the hidden costs of ineffective delivery of local government programs and the waste which accompanies this are considered. Furthermore, residents of what is now the unorganized borough would be making some local contribution toward basic school support whereas this cost is presently assumed entirely by the State. For their part, unorganized borough residents would be given a stronger voice in the delivery of programs in their regions and in the formulation of State programs. The State would be provided with a single Statewide system of local government as provided for in its Constitution.

It should be noted that State "subsidies" to newly organized units in what is now the unorganized borough are not necessarily a perpetual cost. Rather, they should be viewed as assistance until such time as the economic climate in these areas improves sufficiently to provide a tax base which is adequate to support needed local government services.

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Biographical Sketch

Gillian Smythe completed her formal education in Canada and New Zealand. Since 1965, she has worked on an extensive series of comprehensive plans for urban and rural Alaskan communities while employed with ASHA, as senior planner for the Alaska Department of Community and Regional Affairs and as a principal of Alaska Consultants, Anchorage.

FUTURE FRONTIERS

Local Government in Alaska
by
Ginny Chitwood

Historical Perspective

The first non-native local control in Alaska was enforced by the Russian-American Company, chartered by the Russian government for fur trading. The Company had virtually limitless authority over the people within its jurisdiction.

After the United States purchased Alaska in 1867, there still was no legal authority to organize local government until 1900. In the meantime, the little law and order that existed was maintained by the military.

Two different times Sitka tried unsuccessfully to establish local control. Both governments were largely ignored and basically ineffective because there was no legal authority to back up the efforts at governing.

Although it didn't authorize the formation of local government, Congress did recognize the need to provide some governmental structure in the area by enacting the Organic Act of 1884. This Act extended Oregon laws and U.S. mining laws to Alaska.

Miners law, with miners meeting organizations, provided some limited local government to Alaska, especially after being sanctioned by the Organic Act of 1884, but it wasn't until 1900 that Congress passed an act authorizing the formation of cities. The Act of 1900 allowed area of 300 or more residents to petition for incorporation as first class cities, with a weak mayor form of government.

The Organic Act of 1912 granted territorial status to Alaska and authorized the creation of a territorial legislature. The legislature could enact laws relating to local government, but within a very restrictive framework established by Congress. The legislature established second class cities, and later, third and fourth class cities. Counties, however, were not permitted unless approved by Congress, and it wasn't until 1943 that the city manager form of government was authorized.

In addition to cities, there were two other forms of local organization prior to statehood - school districts and public utility districts. Some of the school district boundaries coincided with city boundaries; others included suburban and rural areas as well.

With the adoption of the Alaska Constitution and statehood in 1959, the local government role expanded. Section 1 of Article X states, "The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units."



Delegates attempted to avoid the problems of counties in the lower 48 by creating a new form of regional government which they called the "borough". Service areas within boroughs were authorized but they were to be controlled by the borough assembly.

Prior to statehood, what little power cities had was a direct grant from the legislature. With the adoption of the constitution came "home rule", which authorized cities and boroughs to adopt home rule charters, assuming all local government powers not prohibited by law or charter. In theory, this procedure allows local residents to devise the kind of government best suited for their area, within the broad guidelines set out by the Constitution and the legislature.

Over the years the courts have alternated between interpreting home rule powers broadly and narrowly. This inconsistency makes it difficult for local governments to evaluate their authority. The legislature further restricts home rule power each year by adding more sections to the law applying to home rule governments.

In 1961, the legislature started the process of implementing the regional government provisions of the Constitution by passing the Borough Act. Two years later after only one area, Bristol Bay, had incorporated, the Legislature adopted the Mandatory Borough Act, which set out eight areas for incorporation: Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Matanuska-Susitna, and Sitka. Since that time, Haines and the North Slope have also formed boroughs.

A further refinement of the local government scene occurred in 1967 when the legislature authorized unification of a borough and any cities within it into a single unit of home rule local government. In 1970 the voters of the Juneau area adopted a charter consolidating the Greater Juneau Borough, the City of Juneau, and the City of Douglas into one municipality. Sitka unified next, followed by Anchorage.

Current Status

There presently are three unified municipalities, one home rule borough, six second class boroughs, one third class borough, eleven home rule cities, twenty-one first class cities, and one hundred and seven second class cities. In addition there is one federal law town, Metlakatla, a native community on Annette Island. There are also many villages that are recognized by the federal government for purposes of implementing the Alaska Native Claims Settlement Act, but have no legal standing in the State system.

Any first class city or borough may achieve home rule status with approval of a charter by its voters. The original first, second, and third class city designations have been combined as first class; the fourth class designation has been modified and is now labelled second class.

Over 80% of the State's population lives within an organized regional government (borough or unified municipality), yet the vast majority of the land mass is unorganized except for small pockets of city incorporations.

In the organized areas there are the traditional jurisdictional disputes: city vs borough, municipality vs school district, service area board vs assembly, etc. The major problem, however, facing municipalities appears to be an economic one - how to stimulate the economy to generate a tax base sufficient to support the services demanded by the residents.

In the unorganized areas, not only do the people have the economic problem, but they also have the problem of no infrastructure with which to plan for and deliver services.

Other Perspectives

The Alaska Municipal League is an organization that works on a continuing basis to improve local government in the State. Originally created in 1950 as the League of Alaska Cities, the League amended this constitution in 1962 to offer full rights and privileges of membership to boroughs and changed its name to its present one.

The League provides a forum whereby municipal officials may interchange ideas, experiences, and obtain expert advice. It also offers educational and training programs to its members throughout the year.

In addition, the League works to secure legislation that will be

beneficial to municipalities. For example, AML worked hard for legislation changing the Local Affairs Agency to the Department of Community and Regional Affairs, for the enactment of revenue sharing, and for the major rewrite of the municipal code that completely revised the mishmash of local government law that had been accumulating since 1900.

As an ongoing process, League members work with each other and the legislature to develop s .utions to local government problems.

A one time only event, the "Conference of the Future of Alaska", sponsored by the Legislative Council in association with the Brookings Institution, examined many issues facing the state. This series of seminars was held after the state had received 900 million dollars from Prudhoe Bay and specifically addressed the question of what to do with that money.

Although local government was not a subject that was studied extensively, there was a general endorsement of the concept of revenue sharing to enable local governments to increase levels of local service, to fund a major portion of education costs and to relieve municipalities from present and new school construction debt.

The conference participants also agreed that whatever revenue sharing formula was used should ensure maximum local control on how the money was used. There was positive recognition of the need for people to be able to choose their own goals.

The conference also recognized the need for some kind of government structure in the unorganized borough in order to increase local determination in the rural areas. It recommended that the legislature devise some form of intermediate regional government with financing sufficient to make local control feasible.

A major force in the municipal arena is the Joint Senate and House Community and Regional Affairs Committee's Local Government Study, initiated earlier this year. The Joint Committee is co-chaired by Senator Arliss Sturgulewski and Representative Bill Parker. Legislators, the Department of Community and Regional Affairs, and the Alaska Municipal League all have recognized the need for an in depth study of municipal problems, municipal/state relationships, and the lack of local governmental structure in the unorganized borough.

Because of severe constraints dictated by the limited time between sessions, the committee decided to focus on the unorganized borough, asking the Municipal League to identify the concerns of the organized areas.

As a first step in developing legislative solutions to problems in the unorganized borough, the committee sponsored an intensive, two-day Local Government Symposium in Anchorage. In attendance were knowledgeable people from diverse backgrounds, such as native leaders, state administrators, municipal representatives, planning consultants, lawyers, legislators, and researchers from the university.

The second step of the committee's solution-oriented process was a series of public hearings in rural regional centers and associated villages. These hearings were recently completed, and preliminary recommendations may be available by the time Future Frontiers convenes.

Directions

According to a recent national survey of public attitudes on government and taxes conducted by the Advisory Commission on Intergovernmental Relations (ACIR), people now believe they get more for their money from local government than from either the state or federal government. This is the first time since 1972, when ACIR began its annual poll, that local government has topped the list and indicates a trend toward a growing confidence in the level of government that is closest to them.

People now realize that the old saying, "You can't beat City Hall" is not true. With some effort it is possible to make a point on the city council or borough assembly level, but it is difficult to have an impact on Congress or even the State Legislature. This is not to say that federal or state legislators individually are unresponsive, but simply their large constituency and arena or responsibility precludes the individualized attention possible on the local level.

The increasing responsiveness of cities and boroughs to the needs of their residents unfortunately is not matched by an increasing ability to fund the services that are demanded. Local governments, for the most part, rely on the two most regressive taxes that there are - property and sales. Additionally, the state and federal monies that are necessary for survival frequently have so many strings attached that municipal officials are unable to use the funds to the best advantage of their constituents.

Substantially increasing state revenue sharing is one way to ease the problems facing municipalities and at the same time to allow an equitable distribution of the wealth generated by non-renewable resource development in Alaska. For the most part, the present structure of organized local government is adequate to deliver demanded services and respond to stated needs as long as funding is available and as long as traditional municipal powers are not eroded by the Legislature. (For example, platting powers that were diluted by the Legislature last session when dealing with the lands situation, should be fully restored to local government.)

Another way to ease the burden of the local tax payer is to provide a state income tax credit based on the amount of local taxes paid for school support. This credit would have the added benefit of balancing the cost of education between those who live in organized areas and those who do not.

What to do in the unorganized areas is less obvious. There is a growing demand for self determination but the economic viability of traditional local government in the unorganized borough is questionable. Hopefully from the results of the Joint Senate and House C&RA Committee's Local Government Study and from thoughts of Future Frontiers participants more knowledgeable than I on this subject will come ideas to form the basis of solutions to these complicated problems.

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Biography

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ALASKAN EDUCATION

by the
Alaska Department of Education
Marshall L. Lind
Commissioner
and
Marilou Madden

Historical Perspective: Rather than outline the entire historical development of education in Alaska, this paper will focus on developments since the Conference on the Future of Alaska, held in 1969. As can be seen in the reports of the four seminars held as part of that conference, education emerged as one of the top, if not the top, priority concerns, and each of the four groups (Alpha, Beta, Gamma and Delta) urged greater state effort and expenditure in this area.

To understand some of the recommendations of the previous conference, it is necessary to briefly describe the organization, financing and scope of education in Alaska at the end of the last decade.

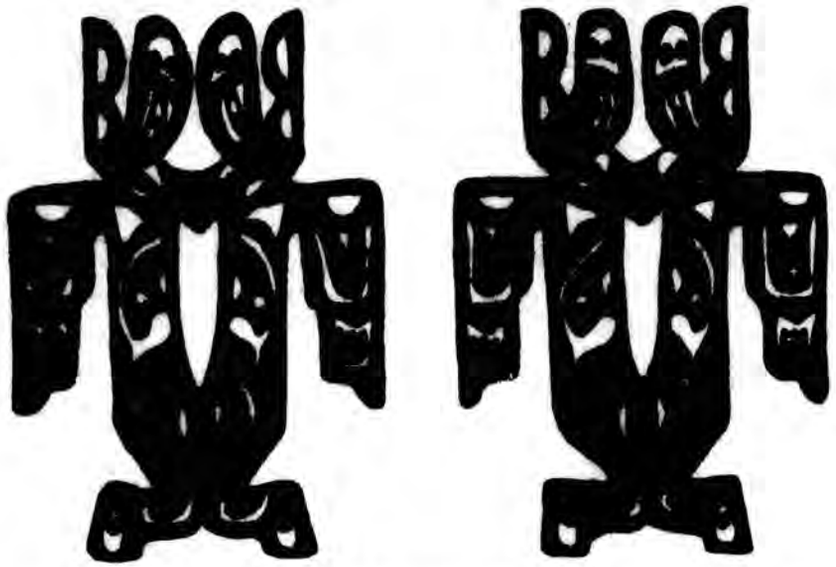
Organization: In the 1969-70 school year, Alaska's 85,500 school-aged children were educated by four distinct systems: the city/borough school districts, which accounted for about 70 percent of the students; the State Operated School System, which enrolled about 19 percent or most of the rural students, as well as on-base students; private schools, which accounted for about 2 percent of the total student population and the Bureau of Indian Affairs federal system which enrolled approximately 9 percent of the predominantly rural students.[1] City and borough school districts, as at present, were governed by boards of locally elected citizens. Neither the State Operated School System not the Bureau of Indian Affairs system had access to local governing boards, although in some areas, local advisory boards were formed. The questions of multiple public systems and unequal local representation between urban and rural systems was highlighted by three of the four groups during the 1969 conference. Alpha group recommended, in its first priority, that "Rural education be restructured in order that Native Alaskans as well as non-Natives may be equipped to choose the life-style of their own seeking, a situation which does not now exist."[2]

Beta group urged that "In formulating educational programs, maximum local participation coupled with responsive and innovative methods . . . " be sought. Beta group further urged the ". . . transfer of all BIA schools to the state as soon as it is feasible."[3]

Delta group, also under one of its highest priorities, stated that "Public school systems should be administered under local direction, thereby maintaining a culturally relevant curriculum in keeping with regional difference."[4]

Financing: Financing of public education during the period under discussion was as varied as the systems themselves. Although both city/borough school districts and the State Operated School System received state support, the methods for distribution and the percentage of total costs assumed by the state varied widely. For city/borough school districts, state support was distributed through a fairly complex formula which calculated allowable numbers of teachers, administrators, custodial and support staff. Some consideration was given to higher costs by adjusting funding for each of four areas of the state: Central, Northwest, Southcentral and Southeastern. Districts' total budgets were approved by the Department, and allowable costs calculated. Statewide, the city/borough districts received about 69 percent of their total operating costs from the state, the remainder being raised from local and federal sources, with the primary source local property taxes. The total budget for the State Operated School System appeared as a separate line item in the Department of Education's budget. Budget requests were made to the legislature on the basis of historical expenditure information rather than calculated by any formula. Revenues came entirely from the state, with the exception of limited federal program funds. In contrast, the BIA system, as is still the case, was funded entirely by Congressional appropriation. Again, appropriation requests appear to have been made on the basis of historical expenditures rather than on a formula. Private schools, obviously, were and continue to be funded by tuition and private contributions.

Captial construction costs were also handled in diverse ways. City/borough school districts built on the basis of locally generated



revenue; SOS schools were fully financed by the state; BIA construction funds came as a direct Congressional appropriation.

Participants at the previous conference had several recommendations concerning public school financing; both for operation and capital construction. Beta group "urge(d) the legislature to increase substantially its financial aid to school districts, specifically considering the relief of local government from its present school construction debt and the cost of new school construction on a basis which is equitable between local governments."[5] Delta group recommended that ". . . the state . . . immediately assume responsibility for setting uniform minimal educational standards and assume full responsibility for the attainment of those standards."[6] Although the recommendation does not specifically refer to finances, the call to the state to assume full responsibility can be interpreted to imply full fiscal responsibility. Alpha group recommended that the ". . . state . . . fund a major portion of educational costs through revenue sharing while leaving school control in local hands."[7]

Scope: In the context of this paper, scope of the educational system refers both to level (e.g., elementary, secondary, postsecondary, adult) and to special services (e.g., bicultural, vocational, special education).

As is the case with both organization and financing, difference in scope existed between city/borough school districts in the more urban areas and the SOS/BIA systems in rural Alaska. By the 1969-70 school year, all city/borough districts in the state offered elementary and secondary programs; many offered kindergarten as well. By contrast, SOS operated few high school programs in the whole of the Unorganized Borough and BIA offered one in-state program at Mt. Edgecumbe. Almost without exception, rural students left their villages to attend high school, many traveling to BIA high schools in the "Lower 48." Although most of these students attended large boarding schools, some were beginning to be placed in boarding homes, particularly in Anchorage, under the State's Boarding Home program. Although the 1962 Community College Act had extended postsecondary opportunities to adult citizens in the urban centers of the state, at the end of the last decade access to adult basic education or continuind education services was limited, particularly in the rural areas.

The previous conference participants had much to recommend concerning the extension of education, at all levels, to all citizens of the state. Of special concern to the Alpha group was ". . . no kindergarten and an inadequate secondary school system for rural Alaska."[8] It recommended two remedies: First, "There should be regional schools with boarding facilities so that Native children (and others in remote areas) need not be sent outside the state for schooling. Opportunity should remain for rural children to attend urban schools through a program like the present Foster Home arrangements."[9] Second, Alpha group recommended that ". . . there should be preschool training in all urban and rural schools."[10]

Beta group urged the state ". . . to upgrade the value of Alaska's educational system and broaden its influence, particularly in rural Alaska."[11] In its final recommendations, the group recommended that "Secondary education, particularly for Native Alaskans, should be responsive to their needs, easy to assimilate and adaptable to technological demands."[12] This group also gave a high priority for legislative funding to the "state community college complex and extension program."[13]

Gamma group suggested that ". . . schools near Natives' homes (are) important, at least through high school, when family relationships are important."[14] This group also, in its strongest statement on education, called for the state to provide ". . . a tuition and fee-free opportunity for each resident of Alaska to attend pre-school, elementary and secondary schools — including vocational and technical training — as well as institutions of higher learning through the B.A. degree. This also includes funding for transportation and subsistence, where necessary."[15]

Delta group made the most extensive recommendations concerning the expanded scope of Alaska's public school system. It called for: 1) ". . . developmental education of the highest quality . . . available during the early years of all Alaskan children using state funds where or when necessary; 2) free schooling through two years of post-high school education within Alaska; 3) liberal availability of subsidies for those students who have demonstrated competence to continue purposeful education at higher levels; and 4) a vigorous policy of continuing adult education in a broad spectrum of fields which encompass academic and non-academic interests."[16]

As mentioned above, scope of the educational program can also refer to the richness or diversity of content area and to ways in which programs accommodate special student needs. By 1969, the state had enacted legislation concerning the provision of vocational secondary education and special education for students with various handicapping conditions. Again, provision of such programs and services varied widely between urban and rural Alaska. For the 1969-70 school years, the state expended about $3,000,000 on vocational educational programs. Although comparable figures are not available, because of the limited secondary education opportunities available in rural Alaska, it can be assumed that vocational education opportunities were severely limited if not non-existent. Rural residents who attended school at Mt. Edgecumbe, outside BIA boarding schools, or Anchorage high schools through the Boarding Home program did have access to vocational education, but hard data on costs or numbers of students so served are not available. It is probably accurate to suggest that vocational education opprotunities at the secondary level were limited to students of major urban areas and that much of the support for such programs came from local sources or through the federal Vocational Education Act. The Community College Act of 1962 did make provisions for the offering of non-degree adult vocational education classes, in conjunction with the local school district, and for offering degree adult vocational education, in conjunction with the University; however, the extent to which such courses were being offered is unknown since no uniform data collection system was in place.

By the end of the 1960's special educational programs for handicapped students were being offered, to some degree at least, in most of the city/borough school districts. During the 1969-70 school years, such districts served 1,232 students; by contrast, the SOS system reported only 80 students served. Again, accurate data is not available concerning the extent to which such services were provided by BIA. However, as late as this current school year (1979-80), BIA schools in the state are providing limited special education programs, despite a massive national effort to expand such programs, so one may assume that programs were either extremely limited or non-existent ten years ago.

Participants at the previous conference recognized the limitations of the then existing programs in vocational and special education and made the following recommendations. Gamma group emphasized the need for vocational education, particularly in the areas of fisheries and oceanography. Alpha group called for expanded state support of vocational education, with special reference to training for Alaskan industries. Alpha group also called for expanded special education services and recommended state support for "special education problem centers, particularly for rural Alaskans."[17]

Beta group focused its attention primarily on postsecondary technical training and urged that all citizens have access to free postsecondary education, at least for two years. Gamma group also addressed vocational-technical education needs by calling for free postsecondary education, both vocational and degree oriented.

Although only one group (Alpha) spoke to the needs of handicapped students, several groups (Alpha, Beta and Delta) spoke to the need for culturally relevant curricula and materials and for programs to accommodate students with problems in English proficiency. Since at the time of the conference the state did not legislate bil-

ingual/bicultural programs, the extent to which such were offered in any of the school systems is unknown. Again, however, data collected for later years shows little activity except through SOS, so that one may assume that such programs were virtually non-existent at the time of the conference report.

Other conditions: Several other conditions existed in Alaska and nationwide ten years ago which impacted the scope and quality of education programs and which have changed considerably during the past ten years. First is the role played by the federal government in the funding and policy direction of educational programs, both nationally and in Alaska. In 1969, this role was a relatively minor one, as federal attention and intervention focused primarily on expanding educational services to low-income children, with some minor attention to the improvement of school libraries and to development of innovative educational projects. By the 1969-70 school year, all city/borough school districts as well as SOS received some federal aid although that federal aid amounted to only 8.8 percent of the total statewide expenditures for education.

Second, school districts were not required to negotiate with certificated personnel, the establishment of salary schedules bei ng left up to local boards, although statewide minimum salaries were set through statute for each of the four regional areas.



Third, staff turnover, both at the administrative and teacher levels, was extremely high in all areas of the state. Although no accurate figures are available, it is estimated that between the 1968-69 and 1969-70 school years over 30 percent of urban staff had moved either out of state or to other districts within state and up to 60 percent of rural (SOS) teachers had left or taken new positions. Information is not available for BIA schools, but it seems likely that this system also experienced a large staff turnover either between BIA school sites or out of the system altogether. The adverse programmatic effects of large staff turnover, particularly the effects on program continuity and responsiveness to local needs, was addressed indirectly by Alpha group in the previous convention. This group recommended that the state: a) foster and support the use of local village residents as aides; b) increase the number of Native Alaskans in the teaching profession; and c) develop a teacher cross-cultural orientation program for all new urban as well as rural teachers.

Fourth, at the end of the last decade, the lack of adequate communication and transportation networks continued to be a major problem. Again, participants of the previous conference recognized this problem and called for the development of such networks, not only for economic development but to increase educational opportunity. Gamma group saw such development as "almost co-important and often intertwined with education."[18] Alpha group suggested that areas of importance for the future "include the use of teaching tools such as satellite television,"[19] while Beta group called for the "implementation of educational television."[20] Although in 1969 the state, particularly SOS, was planning experimental educational use of ATS-1, and audio-only communication satellite, educational uses of telecommunications and computer technology was non-existent.

Finally, the education system at the end of the last decade was feeling the effects of the general development of the state in terms of continued and steady growth in the student population. Between the 1967-68 and the 1968-69 school years, total enrollment in state public school (city/borough and SOS) climbed from 67,808 to 72,526, or an increase of about 7 percent. By the 1969-70 school year, the same population had grown to 76,000 for a total increase over the two-year period of over 12 percent. By contrast, enrollment in private school dropped from 2,242 in 1967-68 to 1,923 in 1968-69. It

dropped further in 1969-70 to 1,656, for a two-year decrease of over 28 percent. BIA enrollments for the same two-year period went from 6,449 to 7,697, or an increase of over 18 percent. With the relatively small numbers involved, drastic changes in percentage points can reflect the movement of only a few pupils; however, by 1969 a trend of increased public school enrollments and declining private school enrollments seems rather clear.

Current Status

With the above brief overview of educational conditions at the end of the last decade, we will move to a discussion of the current status of Alaskan education, using the same outline as above. In order to clarify some of the existing conditions, it will be necessary to refer at times to state or federal actions and activities which have taken place throughout the ensuing decade, and which account for the sometimes considerable differences between the present and ten years ago.

Organization: As mentioned above, education in Alaska in 1969 was reoganized into four separate systems, characterized by diverse methods of governance and finance. It should also be remembered that a major concern of the time was the lack of local decision-making and representation in rural education, as well as the continued existence of a federal system of education (BIA) in rural Alaska. These concerns came to a head in 1975, when the legislature mandated a massive reorganization of state supported rural education through the passage of an Act Related to Education in the Unorganized Borough. The act, which became effective on July 1, 1976, created 21 new school districts, or Regional Educatinal Attendance Areas, in the Unorganized Borough, replacing the former SOS system. This act delegated to REAA school boards all rights and privileges of school boards of city/borough school districts and had the effect of placing most public elementary and secondary education in Alaska (with the exception of BIA) under one governance system. The act revived the turn over of BIA schools to state control, a trend which had begun in 1962 under an overall plan for rural education and which ceased in 1971. In the 1976-77 school year, nine former BIA schools came under REAA control. Several new turn overs have occurred in the past three school years and the number of children attending BIA schools in the state has decreased from 7,697 in 1969-70 school year to 2,999 in the 1978-79 school year (the last year for which statistics are available), representing a 61 percent decrease in enrollment. Put another way, in 1969-70, BIA enrollments accounted for about 9 percent of the total state student population; in 1978-79, they accounted for about 3 percent. Further turn overs will depend on the full implementation in Alaska of Native options under the federal Indian Self-Determination Act (P.L. 93-638) which allows Native groups a variety of governance options within the BIA educational system.

As mentioned above, in the 1969-70 school year, private schools accounted for about 2 percent of the total state student population. By 1971-72, private school enrollments had shrunk to 1,534 (or about 1 percent of the total); the lowest figures since the 1967-68 school year. During the 1972-73 school year, however, private school enrollments had begun to increase, peaking in 1977-78 when their 3,149 students accounted for more than 3 percent of the total and when private school enrollments, for the first time, exceeded those of BIA.

The 1978-79 school year showed a slight decrease (three-tenths of one percent) in private school enrollments, but with the establishment of several new private schools for the 1979-80 school year, enrollments are expected to increase again.

Currently, then, Alaska continues to have a dual system of public education: local districts, both city/borough and REAAs and the BIA. However, the numbers of students attending schools under the direction of a locally elected board have increased dramatically to the point that the earlier vision of a single system of public education for the state has been virtually accomplished.

Financing: Another major concern at the turn of the decade was the inadequacy and inequality of state support for public education. Two major events occurred in the 1970's to significantly alter, if not entirely erase, the problem. The first major event was the complete revision of the Public School Foundation Act in 1970. Although too complex to fully discuss here, the act had three major components. First, it described the state's fical responsibility in terms of basic need; that is, on a calculation of costs associated with the education of certain groups of students. In doing so, it attempted to tie

state support to program components as opposed to staffing patterns as had been done in the past. It also greatly simplified the calculation process while at the same time left maximum flexibility with the local school board in deciding how educational revenues would be spent. Second, it increased the state's share of total educational costs from the previous 69 percent level to about 78 percent. Third, it took into account the relative ability of districts to generate local funds by requiring a contribution to basic need from 10 percent to 0.1 percent or less, based on the local ability to pay.

In addition to these general components which affected all districts, the 1970 foundation act also recognized the added costs of special programs by providing additional state support to vocational and special education programs. Finally, it took into account the differing costs of doing business by allowing eight area differentials instead of the previous four.

In a related piece of legislation enacted in 1970, the state established a debt retirement system to provide partial state reimbursement to local districts for capital expenditures for education.

The second major event affecting school finance was the Act Related to Education in the Unorganized Borough, referred to above, which placed state financial support for rural education, for the first time in the state's history, on the same footing as city/borough districts. Since July 1, 1976, the REAAs have been financed under the same formulae as the cities/boroughs with the difference that the state picks up 100 percent of the basic need in recognition of the fact that there is no taxing authority for the Unorganized Borough. In addition, the state compensates for this lack of local revenue by distributing to each REAA an amount of state funds for each REAA student equal to the average per pupil local contribution of the city/borough districts. With these two exceptions, however, we have achieved, at this point in the state's history, the goal of consistent distribution of state educational support to both urban and rural students. Whether or not the current system is entirely equitable, however, is a question which is receiving much consideration at this point in time. Although the formulae for distribution are essentially the same for both city/borough and REAA districts, certain facets of the current foundation program disequalize rather than equalize state support. There appear to be three major concerns, although others are beginning to surface as studies of the current foundation program progress. The first is that many of the small city districts have a correspondingly small ability to raise local revenues. Although some compensation for limited ability to pay is allowed in the current formula, city/borough school districts can only approach, but never reach, 100 percent state funding of basic need. In addition, no city/borough school district receives the per pupil "in lieu of local tax" payments currently available to REAAs, although many districts cannot raise, through local sources, an amount per pupil anywhere near the current state average of $710. Thus, in absolute terms, less wealthy school districts can never achieve the amount of funds available to REAAs.

Second, no city/borough can achieve 100 percent state support of basic need. In addition, the calculation of basic need appears to have become less workable as a description of the normal operating costs of a district, in that it is not unusual, particularly in the larger districts, that the state share funds only between 60 percent to 80 percent of the total school budget; this, although the state's minimum share of basic need has increased from 90 percent in 1970 to 97 percent in 1977, is where it remains today.

Finally, although the foundation program does take into account a district's ability to pay from local resources, it does so over a very narrow percentage spread (i.e., 3 percent, the difference between 97 percent and 100 percent state funding of basic need). Such a small percentage spread does not begin to equalize the vast differences in local wealth among the organized cities and boroughs of the state.

The change in the foundation program, like the Act Relating to Education in the Unorganized Borough, affected only state controlled programs. It did not, of course, alter the financial support structure for the BIA schools. At the present time, such schools continue to be funded by a direct Congressional appropriation which takes little if any account of the similarities or differences between BIA per pupil expenditures and per pupil expenditures of REAA districts serving a like population. Although data is not available to allow for a comparison, it seems likely that there is a disparity between expenditures of BIA for elementary services and the expenditures of an REAA district for similar programs in a neighboring village. This statement is not meant to imply that the BIA necessarily spends less per pupil than the REAA, but only to indicate that there is no

current system to assure the BIA and REAA students have equal access to educational resources.

One final point needs to be made concerning the current status of public school financing in the state. As mentioned above, a state supported debt retirement program for city/borough school districts was initiated in 1970. At that time, a district could be reimbursed up to 50 percent of ". . . payments made by the borough or city during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred . . . to pay costs of school construction."[21] In 1978, the minimum percentage of state support for approved school construction was raised to 80 percent. On the other hand, school construction for the REAAs, as part of the Unorganized Borough, is financed entirely by the state, either through the sale of state voter-approved bonds, or, as in 1978, through a direct cash appropriation by the legislature. In any case, there currently exists a disparity between the state support for rural, REAA construction which is at 100 percent of costs, and that of state support for city/borough school construction which, at a maximum is supproted at 80 percent, and this only as a two-year delayed reimbursement of expenditures already made by the city/borough.

Scope: Several major changes occurred in the current decade to change the scope of public education in Alaska, in terms both of levels and of special programs.

As will be recalled from the earlier historical overview, a major concern in 1969 was the provision of secondary school programs for rural Alaskans. It will also be remembered that at least one group called for the establishment of regional high schools in the state to decrease the number of students, particularly Native Alaskans, who had to leave the state for secondary programs. And indeed, by 1970 the state had constructed three regional high schools; at Nome, Bethel and Kodiak. However, during that same period, a major effort was initiated to compel the state to provide secondary programs in each village which desired such. This effort came to a head in 1972 with the class action suit, *Molly Hootch, et al. vs. Marshall Lind it al.*, filed on behalf of rural secondary residents who did not have local access to secondary programs. Although the court did not rule that access to local secondary programs was a constitutional right of all citizens, a subsequent out-of-court settlement bound the state to construct facilities and finance the operation of partial or 4 year secondary school programs in any village which formally requested such a program. To date, the state has committed in excess of $90,000,000 for construction of high school facilities or modified elementary school facilities to allow secondary programs to be added in 77 villages.

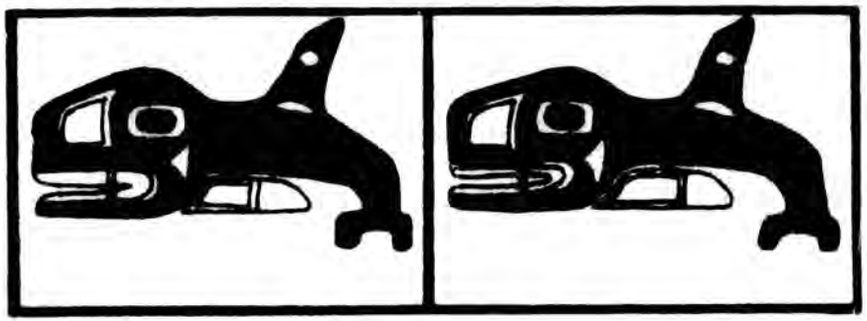
Also singled out for attention by the earlier convention was the need for expansion, both down to preelementary and upward, to adult programs. Again, several changes have taken place in the last decade. Almost all city/borough school districts and REAAs have established kindergarten programs; some REAAs also provide limited preschool, although, as in 1969, most public preschool programs in the state are run by RuRal CAP under the Head STart program. However, in 1974 the legislature amended the Education for Exceptional Children Act to extend state support for special education services to children ". . . who are at least three years of age and for whom the regular school facilities are inadequate or not available."[22] Currently, around 350 children between the ages of three and five are being served by 16 local school districts throughout the state.

The current status of adult programs, on the other hand, has changed significantly from the end of the last decade. Adults enrolled in Adult Basic Education courses, that is, those who did not complete a regular elementary program, jumped from 2,780 in FY '75 (the first year for which reliable data is available) to 5,500 in FY '79. Adults completing the General Educational Development program, which leads to the equivalent of a high school diploma, rose from 1,840 in FY '75 to 3,252 in FY '79. Although several major regions of the state still do not have access to ABE or GED programs, financial support of the programs, which is mainly state with some federal contribution, has gone from $680,000 in FY '75 to $1,172,000 in FY '79.

The earlier conference also spoke to the need to extend adult vocational and degree related educational opportunities. Although the growth of postsecondary education through the university system is beyond the scope of this paper, it should be noted here that the community college system, through its several campuses and extension centers, offers both degree and non-degree programs in 21 communities of the state; such programs include both voca-

tional and academic courses.

Two other training and continuing educational resources are currently in place which were not available in 1969. In January, 1970, the Alaska Skill Center at Seward was established to provide high quality, non-degree vocational training to Alaskan citizens. Although initially started with federal Manpower Development and Training Act funds to service only the unemployed or underemployed of the state, in FY '78 the Skill Center opened its programs, on a tuition basis, to any citizen of the state, regardless of family or personal income. At the present time, approximately one-third of the Skill Center students pay their own educational costs. During the 1979 legislative session, funds were allocated to the Department of Education to establish a similar center in Anchorage. The Anchorage program has not yet begun, so it is too early to predict whether or not this extension program will succeed.



The second adult education resource was created in 1975 when the legislature passed the Community Schools Act. Although never fully funded, the act did provide some state support to local school districts for the purpose of providing continuing educational opportunities to local adult citizens through the extended use of public school facilities. Currently operating in about 180 school sites in 34 districts on a state appropriation of 1.2 million dollars, the Community Schools Act has succeeded in extending access to at least avocational education to a significant percentage of adults throughout the state. To date, community school funds have not been used to a great extent to provide vocational training, which, as will be recalled from the earlier historical overview, was felt to be a major educational need in 1969. For all practical purposes, locally available vocational training or upgrading programs for adults are still limited to those citizens with access to a local community college, extension center or the Alaska Skill Center.

One other recommendation of the earlier conference has been partially addressed in the ensuing decade; that of state support to individuals pursuing postsecondary education. As will be recalled, several of the groups called for tuition and fee-free public education for at least two years after high school. To date, nothing has been accomplished in this area, although it has continued to be suggested by individuals and groups at various times over the past ten years, the most recent being a bill introduced in the last legislative session which would have allowed, on a pilot basis, state support for grades 13 and 14 run by local districts.

While the state has not waived tuition and fee requirements for postsecondary education, it did establish, in 1971, a Student Loan program, which "... provided low cost educational loans to Alaskan students enrolled in undergraduate, graduate or career degree programs. These need-based loans offer the recipient a ten-year repayment period at an annual interest of 5 percent . . . An incentive, in the form of up to a 40% cancellation is offered to those individuals who work in Alaska after completion of their programs of study." Through the 1978 fiscal year, nearly twelve thousand loans were awarded to students, of who 4,396 attended programs in state and 7,460 attended out of state. In all, approximately $22,000,000 had been granted, up until FY '78, with an additional $5,000,000 and $8,150,000 appropriated for FY '79 and FY '80 respectively.

In the historical overview, we examined a second facet of "scope" — i.e., the provision of programs which are specialized either in content or by the particular needs of the target student population. We indicated that, in 1969, the two most widespread programs under this definition of scope were vocational education and special education, both of which were cited by the earlier convention participants as areas in need of expansion. These two programs received considerably more state support through the revised foundation program enacted in 1970. Such services were similarly extended to rural Alaska with the creation of the REAAs and the concommitant extension of state categorical funds, on a formula basis, to these new school districts. At present, all but two school districts in the state offer some vocational education at the secondary level at a cost, in the 1978-79 school year (the last year for

which data is available) in excess of 13 million dollars. While the quality and breadth of some of these programs may be limited by lack of facilities and of a sufficiently large student body, it is probably safe to say that most secondary students in the state have some access to occupational training and job preparation.

Similarly, all but one school district in the state offer special education programs, at least at the elementary level, for students who, because of handicapping conditions, cannot access the regular educational program without special services. Programs for special students at the secondary level are not as well developed, although considerable attention is now being given by districts to strengthening such programs. During the 1978-79 school year approximately 6,500 students were served, at a state cost of $22,000,000.

The relatively phenomenal growth in the numbers of special education students serviced from school year 1969-70 to school year 1978-79 can be attributed to several things; first, the continual strengthening of state legislation concerning education of exceptional children coupled with increased state support and the massive federal effort in the area, stemming from the passage by Congress in 1975 of P.L. 94-142, which stated the right of each handicapped child to a free, appropriate education.

In our historical overview, we mentioned the concern in 1969 over the state's responsibility to Alaskan Natives, particularly in the area of secondary school programs, but also for the provision of culturally relevant curricula and materials. During the middle years of the current decade, this concern became intensified in the state through the action of the federal Office for Civil Rights which insisted on the state's responsibility to provide equitable educational services to children who either did not speak English when entering school or who came from a family whose primary language was other than English. Negotiations with the Office for Civil Rights led to the expansion of the state's Bilingual-Bicultural Education Act.

First enacted in 1972 to serve non-English speaking students in the Unorganized Borough only, the act was extended in 1978 to both require and fund, through state sources, programs for non-English and limited English speaking students in all districts. Although originally conceived, by both the 1975 legislature and the Office for Civil Rights, as a program designed primarily to serve Alaskan Native students, the Bilingual-Bicultural education fund in FY '79 supported programs in 26 of the 51 districts, reaching students from 63 language backgrounds, of which only 14 were Alaskan Native languages or dialects.

One other special student population has been singled out for additional attention and funding in the ten years since 1969. In 1975 the Education of Exceptional Children Act was amended to included gifted and talented children and to extend state support for programs to serve them. Currently, 32 districts offer programs which affect a total of 2,200 students; efforts are now underway to establish such programs in all districts within the next several years.

Other Considerations: In the historical overview, five other conditions were listed which prevailed at the time of the first convention and which had direct or indirect impact on Alaskan education. The first was the essentially passive role of the federal government in both educational funding and policy direction. During the ensuing decade, we have witnessed an active and increasingly pervasive federal intervention into education, primarily as an advocate of and enforcer for the provision of equal educational opportunity for various individuals and minority groups. Although the state has not experienced federal intervention in the area of race desegregation — a major issue nationwide — as was mentioned above, the federal government either by direct legislation, as in the case of special education's P.L. 94-142 or through its civil rights enforcement are, as in the case of bilingual-bicultural education, has become an increasingly active partner (or adversary) in the realm of state and local policy decision making.

Without judging the desirability of this more active role, it is necessary to point out that through increased funding, monitoring or data reporting requirements, the federal government now much more directly controls and shapes the state's educational programs than was envisioned by the participants of the 1969 conference, or perhaps by anyone in the state at that time. Worthy of note is that federal influence has continued to grow, at the same time that federal funds to support educational programs has remained fairly limited. Funds flowing to school districts under the Elementary and Secondary Education Act of 1964, the federal government's major

contribution to education, amounted to $1,651,000 in FY 1970 as compared to $7,323,000 in FY 1979, or about 6 percent of current instructional program costs. Other sources of federal support show similar narrow impact.

A second condition which has undergone major change in the past decade is that of teacher/board relations. The Negotiation and Mediation Act, which requires each city/borough school board to " . . . negotiate with its certified employees in good faith on matters pertaining to their employment and the fulfillment of their professional duties" 24 was passed in 1970 and extended to REAA boards in 1975. Partly as a function of this act, although partly too as a function of inflation, teacher salaries have continued to rise from a statewide average of $10,560 in 1969-70 to $45,323 in 1978-79, an increase of 125 percent, while the salaries of all professional school personnel (teachers, principals, superintendents) rose 129 percent from $11,109 in 1969-70 to $25,456 in 1978-79.

Negotiations have brought about other changes since 1969 over and above salary increases. Certainly, the recent Anchorage teacher strike would have seemed unlikely if not unthinkable in 1969. Whether one considers the cumulative effects of mandated negotiations to be positive or negative, the impact on school district finances, operations and decision making is significant.

A third condition which was mentioned in the historical overview was the high rate of staff turnover in the state, particularly among teachers but also among other professional and administrative staff, with its concommitant adverse effects on program continuity and cultural responsiveness. Although statistics on teacher turnover for the 1978-79 school year indicate an 18.5 percent turnover statewide, conditions differ widely between larger urban districts and rural areas, whether REAAs or small city/borough districts. For the six largest urban areas, from 1977 to 1978, all but Anchorage had turnover rates well below 20 percent; between 1978-79, the same areas, with the exception of Anchorage (for which data is not available), experienced a turnover rate of around 10 percent. As with student population shifts, staff turnover percentages in the smaller districts are based on very small numbers, so that a change in one or two staff members can result in a high percentage increase; therefore, it is difficult to interpret with much accuracy the conditions in rural Alaska. With this in mind, however, figures show that turnover among all of the REAAs fell from 28 percent between 1977-78 to 24 percent in 1978-79. In only three cases did turnover rise significantly between these two school years; in most cases, the drop was significant. Given the continued housing problems in rural Alaska, in rural city/borough districts as well as REAAs, a turnover rate of around 25 percent a year is probably not unreasonable, particularly as most districts continue to need to recruit from outside local residents.

While it is still too soon to tell if turnover rates will continue to stabilize in rural Alaska, the trend in urban Alaska toward less turnover seems quite clear, and will no doubt continue as long as the job market for teachers outside as well as in urban Alaska remains glutted. The programmatic and fiscal implication of this will be discussed in the next section of this paper which deals with probably future development in education in the state.

A fourth condition discussed above was the lack of adequate communication and transportation networks, particularly in rural Alaska. Again, although the problem is a long way from being solved, considerable changes have taken place in the past decade, at least in the area of education. In 1969, very limited educational uses were being planned for ATS-1, a two-way audio-only communication satellite which linked Alaska, the "Lower 48" and several of the Pacific Rim countries. In 1975, Alaska became one of three major experimental sites for the ATS-6 satellite, a two-way video-audio satellite which covered the "Lower 48" and some parts of Alaska. Under a grant from the National Institute of Education, the state mounted three educational experiments: two dealt with the use of one-way live video transmission of classroom educational television and one dealt with an open-ended "teacher forum" utilizing both one-way video and two-way audio. Although the experiments had some positive impact, the greatest lessons were negative; i.e., about what *didn't* work or what was *not* cost-effective. Overall, the experiments seemed to indicate the following: 1) Live video transmission did not have a significant educational advantage over time-delayed transmission or video tapes, partly because the different time zones covered by the satellite footprint made it virtually impossible to deliver the classroom programming at times appropriate to all areas of the state. 2) Alaskan produced educational video programming appeared to have some educational advantage over programs produced outside, but the advantage was slight, par-

ticularly when the cost differences between producing and purchasing already produced materials was taken into account. 3) Many teachers were unable or unwilling to use ETV without additional training. 4) The use of two-way video, although not tried experimentally in an educational setting, was shown, through experiments in the medical field, to be prohibitively expensive and probably of limited educational value. 5) The more sophisticated the equipment, the more likely that breakdowns will occur which cannot be handled readily within the village. Throughout the experiment, repeated equipment failure was a significant deterrent from using the system. 6) The audio-only use of the system was severely limited, partly because of equipment failure, partly because of uneven quility of the transmission, and partly because the nature of the communication required a written rather than a verbal response. The ATS-6 experiment lasted less than one calendar year, after which the satellite was moved and further work became impossible.

All of the above rather negative findings were taken into account when, in 1977, the state received a major 3-year grant from the National Institute of Education to further experiment with the educational uses of telecommunication. For this grant period, activities were not tied to an experimental satellite so that the state could begin to look at educational uses of existing telecommunications networks, specifically long-line transmission. This decision limited experimentation to the areas of data transmission (including written messages as well as numerical data) and ruled out further experimentation with video transmission. However, as will be discussed later, other telecommunication systems were being developed by the state which could be and have been used for the transmission of instructional and educational television.

The NIE telecommunications project focuses on two major areas: 1) administrative uses of telecommunications, and 2) classroom applications of telecommunications technology. Activity in the first area has led to the development of a computer-based communications network which links each school district's administrative office with the Department of Education and with other districts. Now in full operation, the communication system has two current uses: 1) the Electronic Mail System which allows for almost instant transmission of written messages to any or all network participants, and 2) the Alaska Knowledge Base, which allows educational practitioners around the state to access a large information file which includes research findings, descriptions of successful programs in most content areas, names and resumes of Alaskan educational experts and descriptions of public and private agencies which provide assistance to local schools. Over the next year, the system will be expanded to allow the system to collect statistical information from districts about finances, student populations, facilities, etc. In addition to its data transmission capabilities, the equipment in each school district is also available for a variety of small computer operations, such as accounting and student recordkeeping, for the district's own internal use.

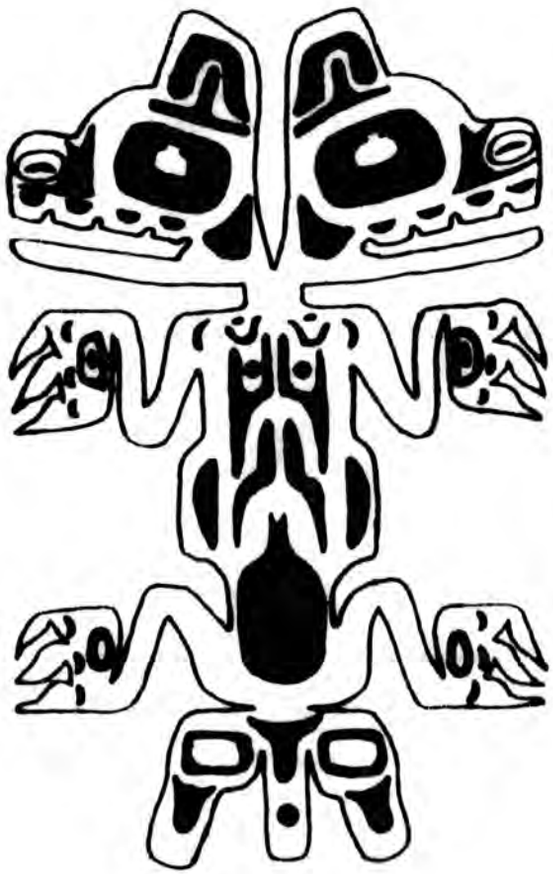
Although the EMS system has been fully on-line only since early fall of 1979, the number of messages transmitted since September exceeds 4,200. The short turn-around time between message and response has made it ideal for communications about grants, meetings, administrative problems, etc. As district personnel become more accustomed to using this alternative to the letter and telephone, use is expected to increase tremendously.

The second application under the NIE grant, that of instructional uses of telecommunication technology, is currently in the pilot test stage in seven districts. The educational content focuses on Alaskan History and ninth grade English at the secondary school level. The delivery system utilizes interactive computer time for programmed instruction, supporting written, audio and visual materials and a master teacher located in a centralized area. Although initial development costs-per-course are fairly high, the experiment will attempt to develop processes which will significantly decrease the developmental costs of subsequent courseware.

Of major importance and difference between the current instructional experimentation and that mounted over ATS-6 is that the current effort is individualized rather than group based; that it is time-independent in terms of transmission; and that it uses a variety of instructional techniques rather than relying only on video.

In the area of instructional television, significant changes have also occurred since 1969. Again, the current situation has developed with attention to the findings of the ATS-6 experiment. The current situation relies on the state-supported satellite network which currently serves 42 villages in rural Alaska with direct broadcast, delivering both prime time commercial television and about six hours per school day of instructional television. A major effort

has been made to identify and utilize already-produced instructional television series and programs which can be adapted to Alaska. Programs are selected by a panel of local teachers who also suggest content for the teacher's guide to using instructional TV in the classroom. Because of the ATS-6 findings that many teachers did not know how to use ITV effectively and were thus reluctant to do so, an intensive effort has been made to educate teachers in the use of this teaching tool. During the 1979-80 school years, 26 ITV series will be broadcast, reaching 78 villages by spring of 1980. Teacher and student evaluations of the programs have been enthusiastic.



A fifth condition was discussed in the historical overview — that of steadily increasing student population. In this respect, Alaska mirrored what was happening nationwide. However, during the past several years, schools throughout the United States have seen a slow but steady decline in student population, particularly in the primary grades. Demographic projections indicate that this decline will continue, due to decreasing birth rates.

In Alaska, the overall student population, grades K-12, has continued to increase, over the past ten years, with the exception of a slight (seven-tenths of one percent) decrease in the 1973-74 school year. However, in the past two years (school year 1977-78 to 1978-79, the last year for which analysis is available) this increase statewide has been slight, around one tenth of one percent. Although figures for the current school year are not available, recent news articles speak of a 2,000 student decrease in the Anchorage school population from last year, and a less drastic but significant decrease in the Fairbanks area. Thus, it seems likely to assume that we in Alaska are beginning to experience at least a leveling off of student population growth, if not an actual decline in enrollment. Although it is possible that this leveling off or decline could be halted by a major economic effort, such as a new pipeline, it should be noted that the construction of the Alyeska pipeline did not bring with it, except in Valdez, the kinds of student population growth which was anticipated. During the peak of the pipeline years, overall growth in student population hovered between two and three percent.

In addition to the twin causes of school population decline — lower birthrates and outmigration of families — a third cause for potentially diminished public school enrollments is the development of private schools in many areas of the state. Since the 1971-72 school year, enrollments in public schools have shown a steady increase, more than doubling from 1,534 in that year to 3,139 in 1978-79.

In the latter year, private school enrollment showed a slight (three tenths of one percent) decrease, but with the opening of several new denominational schools for the 1979-80 school year, total statewide private school enrollment is expected to once again show an increase. Public school population for the same eight-year period, 1971-72 through 1978-79, showed a ten percent increase as opposed to the private school increase of over one hundred per-

cent. Of course, with Alaska's small population very small numbers of students can lead to a large percentage of either increase or decrease, so that the apparent magnitude of the growth in private school student population translates in reality into quite few students. However, given the rise in costs of private school education, the corresponding trend of continued population increases seems significant.

Actual figures for private school enrollments may be higher than suggested above, since not all private schools report to the Department of Education. Although required by law to report, the Department has no way of monitoring the establishment of private schools; thus the data discussed is from the 38 private schools which are currently known to operate in Alaska. In 1978, the legislature amended the Compulsory Education law in a way which, while it has not yet been felt, could provide a significant impetus to the rise of private — particularly private, profit-making — schools in the state. In effect, the law removed private schools (not only private, non-profit schools) from the necessity of meeting any state requirements concerning staff certification, by allowing pupils attending such schools to meet attendance laws when "the average student proficiency (in the private school) is not less than the average proficiency found in the public school in the area as measured by national achievement tests."[25]

If the author's interpretation of this statute is correct, the law now allows any individual, group or organization to provide educational programs, at cost or for profit, on a performance — contract basis. As may be remembered, during the late 60's and early 70's, several major school systems in the "Lower 48" and in Anchorage made similar student achievement performance contracts with several large industries, Quality Education Development Corporation and Westinghouse, among others. Although several such programs did result in student achievement gains, the experiments were dropped for a variety of reasons, including public sentiment. However, the possibility currently exists in Alaska for any group or organization to develop — and attempt to market — a variety of innovative, non-traditional education approaches which will legally meet the state's requirements under the compulsory attendance.

As we have attempted to outline above, the current K-12 student population enrolled in public schools is remaining fairly steady in terms of numbers and may begin to decline, partly because of the alternatives available to parents and students through the growth of private schools. One other alternative should be considered. Although still a part of the public educational system, Centralized Correspondence Study, operated by the Department of Education, has provided alternative programming since 1977, when an amendment to its authorizing legislation opened CC/S to any student in the state. As is the case with the private schools, CC/S does draw some of its students from the populations of other school districts. Since 1976, the full-time equivalent of all students in Centralized Correspondence Study has risen from 348.7 to 497.7 in 1979. Most of this growth occurred at the secondary (grades 7-12) level, which jumped from 42.6 FTE in 1976 to 182.3 in 1979. Although some of this growth can be attributed to the strengthening of secondary school services to students who have no other access to public education, some of it may also be attributed to those students with daily access to school who have enrolled in Centralized Correspondence Study as an alternative to the regular secondary school program offered by their home district, as is allowed under the 1977 statute.[26]

Another condition which differs significantly today from 1969 is the spiraling costs of education, partly due to general inflation in the total economy but also attributable to the significant salary increases for all school staff which have occurred throughout the latter part of the 1970's. Personnel costs, in such a labor intensive enterprise as education, account for between 70 and 75 percent of the total operating budget; thus the salary increases of over 120 percent which have been experienced by all professional staff — administrators as well as teachers — have had a tremendous effect on educational costs. In addition, fuel and energy costs in the state have continued to rise at rates equaling or exceeding those of the rest of the nation, further escalating the price of doing educational business. In the ten years since 1969, average per-pupil costs from state and local sources have risen from $1,012 to $3,254 in school year 1978-79, or an increase of 222 percent although inflation in the total economy for the same period was about 105.6 percent.

Given a further rise in fuel costs during 1979, as well as negotiated agreements which tie salary increases to total inflation rates, the costs of providing education services will probably continue to rise in excess of 10 percent annually, if not considerably higher.

TRENDS FOR THE 80'S The format for the papers prepared for this conference suggested a discussion of "Other Perspectives," which would outline efforts by other public and private agencies to address the general issue being discussed. However, for the purposes of education, it seems more fruitful to attempt, from the above two sections on "Historical Perspective" and "Current Status," to identify trends which will carry on through the 1980's. In the final section, "Directions," ways will be discussed by which the state might accelerate or lessen the pace of these trends. As in the above two sections, we will deal with organization, financing, scope and other conditions affecting education.

Organization: During the 1980's, it is likely that Alaska will finally see the establishment of only one system of elementary and secondary public education in the state. This will happen in one of two ways. Either the remaining BIA schools will be turned over to state control through the surrounding REAA districts or local Native Alaskan governing bodies will exercise one of the several other options under P.L. 93-638; that is, to run their own BIA school under contract with the federal government or to subcontract out the operation of the BIA schools to a separate, non-profit entity. Under either contract option, the former BIA schools will become in effect private rather than public schools.

It is further possible that the 1980's will see changes in the structure of the Unorganized Borough, leading to the development of local municipal and borough governments in this area. If this is accomplished, the current differences between city/borough school districts and REAA districts will disappear, resulting in a truly uniform system of public education in the state.

One interesting organization or governance question is likely to occur in the 1980's, which, while not influencing the development of a uniform statewide system of public education, will affect the policy direction and operation of our larger school systems. Currently, the average citizen's access to representation on local school boards varies widely around the state. In Anchorage, for example, which has half the state's school population, the governing board is composed of 7 members; on the other hand, the Lower Kuskokwim REAA, with a student population of 1,617, has an eleven-member governing board. A review of the school board minutes of any large urban system in Alaska reveals that much of the board's time is spent dealing with the concerns of special interest groups who feel shut out of the decision-making process. The recent attempts of the Anchorage Board to close two neighborhood schools is a good case in point. It seems likely that the increasing demands of citizens for access to decision-making for education will lead to the establishment — either locally or through state mandate — of neighborhood school boards or committees similar to the Community School Committees which were originally mandated for the REAAs. The mandate was made optional in 1979 although it appears that all REAAs except for two single community REAAs thus far have elected to maintain CSCs as originally established.

Financing: The trend over the past decade for the state to assume a greater portion of educational costs will likely continue through the 80's with the state at some point in the near future funding 100 percent (rather than the current 97 percent) of basic need. In addition, it appears likely that the concept of "basic need" will be revised to more accurately reflect, and fund, the majority of educational costs at the local district, with the result that the state may eventually fund close to 100 percent of all educational costs for K-12 programs in organized as well as unorganized areas of the state.

If the state continues to mandate or allow local contributions to educational programs in city/borough districts, it seems likely that some adjustments will need to be made to better take into account local ability to pay; or, put another way, to better equalize local support across wealthy and less wealthy districts, particularly those small city districts with relatively limited abilities to pay.

The disparities among local tax bases between wealthy and less wealthy communities, together with the implications of these disparities on equal access to education, will continue to bring pressures on the state for a more equitable system of school construction. Within the coming decade, it seems likely that the state will move toward an increased support of city/borough capital school construction, approaching 100 percent reimbursement. In addition, the state will continue, at least in the next five years, to support considerable school construction in the Unorganized Borough. Estimates based on a recent survey by the Department of Transportation indicate that an additional $50,000,000 is necessary for priority school construction; that is, construction for currently

unhoused students and construction needed to assure the health and safety of currently housed students.

As was mentioned earlier, districts are at present under great pressure to expand or modify programs for students who need special services. Costs for such programs, particularly for students with severe mental or physical handicaps, have risen to rates which exceed even the extraordinary inflationary increases of the regular school program, primarily because of federal legislation which requires a variety of supportive, non-educational services. Again, it seems likely within the next several years that the state will increase significantly its support for such high-cost programs.

Finally, it appears that the state may need to continue support of regional or statewide programs or activities which are beyond the ability of local districts to fund; in particular, telecommunications networks, certain high-cost services for severely handicapped students, and some intensive, high-cost technical training programs.

Given the historical state commitment to education which has characterized Alaska since statehood, it seems likely that such support will continue to increase; however, it is also likely that questions of local district accountability for the dollars received will also increase. This will become an even more important issue as, was alluded to above, the student population remains fairly constant or even decreases at the same time that educational costs soar. Whether the accountability question results in statewide mandates concerning minimum competencies, district comprehensive plans or some other mechanism designed to assure quality control is unknown, but public school districts in the 80's can look toward increased local and state pressure to describe and improve student achievement.

Scope: The 1980's will undoubtedly see an expansion in the scope of public education, certainly at the adult level and probably reaching to younger children.

Although it seems likely that the need for Adult Basic Education (elementary) and General Education Development (secondary) programs will decrease as the next decade closes, primarily because of the extension of regular secondary programs in rural Alaska, the need for continuing education will probably grow as a result of several factors. First, changing economic conditions and related jobs will require continued and increasing access to programs for job skill upgrading and change. This need will be seen in all areas of the state's economy, the most visible, at present, being the need for a fairly massive fisheries education and reeducation program to allow Alaska fishermen to take advantage of expanding opportunities in the bottom fish industry. Similar skill building and upgrading educational opportunities are needed in the areas of forestry, oil technology, tourism, etc. In any job sector, including state and local government, employees and employers will be faced with the need to secure training to meet changing job conditions. In many cases, the state may find it in its best interests to underwrite at least a portion of these job-related training activities, through an expansion of the community college system, continued support of the community schools programs with a concommitant emphasis on vocational as well as avocational courses, or the development of other educational resources such as regional vocational/technical centers.

Second, the change in life style and values of Alaska's citizens which is already in evidence now will increase the demand for education opportunities directed at improving satisfaction with life and the use of leisure time. Nationwide, the trend in the past decade has been away from a lifetime commitment to a particular career toward greater attention to a life style in which work, social relations and avocational pursuits have equal importance. This trend requires continuing access to an educational system which increases the individual's ability not only to earn money but to lead a fuller life. While it may not be a state responsibility to provide its citizens with "education for life" as well as "education for work," it should be remembered that taxes to support a public education system ultimately come from citizens and that these same citizens are likely to demand immediate returns to themselves as well as on the investment in future human development. This will become even more true as the state's population begins to mirror population shifts in the rest of the nation; that is, as the number of adults, particularly older adults, increases and the number of the school-age children remains constant or decreases. With or without a conscious state policy, then, it seems likely that education opportunities for adult citizens will increase, either as a public respon-

sibility or as a function of marketplace economics where demand will generate supply.

The need for expanded preparatory — as opposed to continuing — education, which will continue to be felt as jobs require more advanced training, will no doubt lead to an increasing demand for free, public education beyond the current K-12 years. The earlier convention called for free education at least through grades 13 and 14, if not through a baccalaureate degree. It seems highly likely that extension through the grade 14 at public expense, either through the community colleges or the local school districts, will become a reality in the 1980's. It also seems likely that, as many of the smaller areas cannot support full, high cost technical training locally, the state will develop a system of regional, postsecondary technical centers, either through the community colleges, an extension of the current Alaska Skill Center or through yet another, unidentified organizational system. Again, these resources will need to be heavily subsidized by the State even if they are not tuition- and fee-free.

Extension of the school system to reach children younger than the current school starting age is more difficult to predict. At the turn of the current decade, forces within Alaska and nationwide were emphasizing the positive effects of early childhood education on later achievement and calling for public funding for such programs through the school systems. As was seen above, this pressure resulted, in 1974, in lowering the school age for exceptional children to three years of age. At that time, it was expected that the public would begin to demand similar services for all children; however, such demands have not been made to any great extent. On the other hand, this situation could change dramatically in the 1980's, although it is likely that demands to lower the school age may be based more on economic policy than on educational principles. The dramatic increase in employment of mothers of young children has severely strained the existing facilities and resources for child care in all areas of the state. Although the private sector has, in the larger areas, moved in to provide some of these services, the availability and quality of day care for young children varies widely throughout the state. Since the provision of day care services in the less populated areas of Alaska is not economically attractive to the private sector, the state may be faced with increasing pressures to provide such. Since the public school system has, in the past, been called upon to serve social as well as educational needs, it is not beyond reason to suggest that school systems may be delegated this responsibility in the coming years.

Changes in scope as it relates to the diversity of program content and methods of delivery are perhaps easier to predict and envision than those dealing with the extension in the levels of education. Certainly, the extension of equal educational opportunity to all individuals, particularly those of minority groups, will continue in the next decade. There is little, if any, evidence to support a prediction that less attention will be given to the educational needs of gifted, bilingual, female, low-income, handicapped or culturally different children. However, there is evidence that the current methods of treating the educational needs of such children may change significantly in the next decade, and further, that education will begin to focus on the individual needs of each child rather than on groups of special target groups. In other words, the current epidemic of pluralism in the state and nation will reach the point where alternative programs for groups of children are no longer effective, cost efficient or acceptable to parents. At such time, the schools will move away from alternative programs and into a delivery system where each student has his or her own educational program. This does not mean that education will become "individualized" as that is currently defined to mean a student working alone as opposed to in groups. What it does mean is that each student will have an educational plan for the 12 or more years of public education which will tailor his or her educational experiences to a total program designed to meet individual interests and needs. This is already happening in special education where each enrolled child has an Individual Education Plan (IEP), developed in conjunction with the student's parents, which outlines both short- and long-term educational objectives, details activities by which these objectives will be met, and cites evaluation procedures to assess student progress on a continual basis. although the paperwork burdens on local school personnel in developing and monitoring IEPs for exceptional children have been cumbersome, the system has begun to produce two favorable benefits: first, it has succeeded in making the individual child the focus of the education delivery system and second, it has allowed for meaningful inclusion of parents in the design and evaluation of their child's education.

It is this latter aspect which is likely to increase demands for similar programming for all children. Parents are beginning to ex-

press their concerns over the current quality and scope of the public school system in a variety of ways: by increasing pressure on local boards, the state and in the courts to provide more responsive services to children with different backgrounds and needs and by removing their children from the regular public school program and enrolling them either in private schools or the Centralized Correspondence Study program. The increased enrollments in these two alternatives over the past five years are significant, particularly when one considers the costs to the parents in terms either of tuition or of time commitments necessary to educate the child at home. In many cases, the parents' reasons for choosing these alternatives come from an objection to the moral or ethical tone of public schools, particularly at the secondary level. While schools can do much to lessen the harmful influences of drugs, alcohol and violence, it is doubtful if the public school system, even with totally individualized educational planning, can provide the moral and religious education required by some parents. For these, private denominational schools may continue to be the only alternative. For other parents, however, whose concerns are for the type and delivery of educational content, the IEP approach for each child may provide an acceptable solution.

The concept of individualized educational programming for all is attractive in one other way in that it can allow for greater flexibility and creativity in the development of educational experiences. Several programs currently exist in the state, particularly at the secondary level, which incorporate and rely heavily on out-of-school community resources to provide portions of a student's education. An excellent example is Kodiak High School's CE² program which structures a student's total education program — academic as well as vocational — around learning experiences utilizing community resources.

In other areas of the state, programs extend educational resources beyond the local community, to the region, state, nation or even outside the country. Student travel-cum-school programs have become commonplace in the state to the point that a significant portion of the child's educational career may be spent outside his or her home community. A major difficulty with such programs, at present, is that they are not always integrated into the student's regular educational program, thus minimizing their true educational value. This difficulty could be overcome, however, if such experiences were planned for and woven into a student's individual educational plan. Such is the case with a pilot project, PROJECT EMPLOY, conducted by several districts and REAAs. Under EMPLOY, a student, his parents and teachers develop an individualized vocational education plan which utilizes the resources of the local high school, large schools in the region and, depending upon student objectives, the Alaska Skill Center or the Kenai Community College. In effect, under this program, the state, rather than only the local community becomes the educational resource for the student. The increased usability of computer and communications technology to track student progress and simplify student scheduling may provide an added impetus to the development of individualized educational plans for each student, since the application of such technology should greatly simplify the recordkeeping burdens currently associated with such planning.

If public school systems do not move fairly rapidly in the area of individualized planning, public pressure and demand may well result in a proliferation of private educational programs, particularly private, profit-making programs. As we alluded to above, the advances in technology already make possible the delivery of individualized, self-paced programs using computers, support print, audio and visual materials and distant teachers. The rapid decrease in the costs of home computers, together with the explosion in instructional software programs, make it entirely feasible, within the next decade, that students can be adequately and effectively educated at home or in any other location. Our current statutes do not differentiate between private non-profit and private profit educational institutions in meeting compulsory attendance requirements. Further, a private program can operate in the absence of any state requirements if it can equal or exceed the average student achievement of the surrounding public schools. This legislation could certainly make it economically feasible for the private sector to begin to offer performance-contract education, utilizing existing technology, to citizens throughout the state.

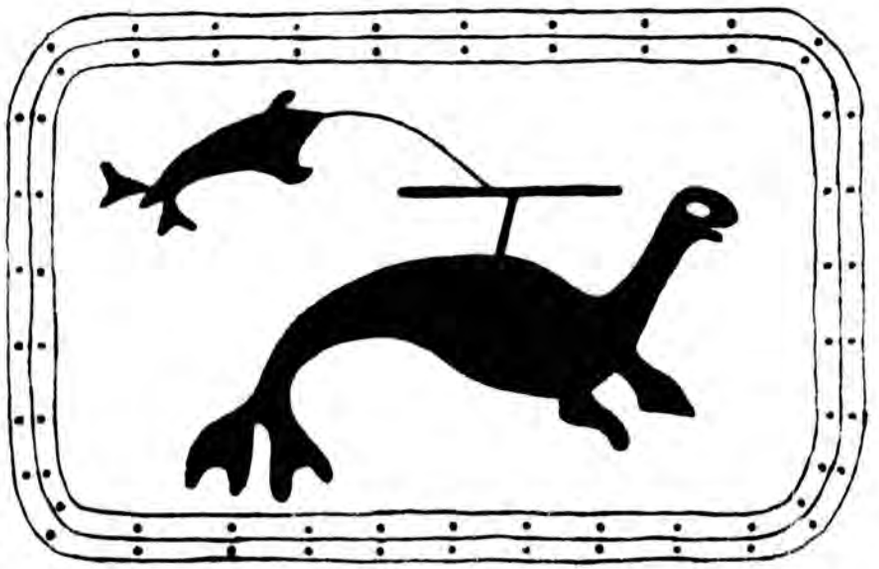
If such marketplace economics are fostered, it does not seem unlikely that in the future, although not necessarily within the next decade, the state will move toward a direct or indirect allocation, through grants, tax incentives or other means, to each citizen of funds to be used to purchase educational services, from any public or private source. Although such a concept may seem far fetched at

the present, one needs only to reflect on some of the massive changes that have taken place in the financing, organization and delivery of educational services that have occurred since 1969. And, indeed, such a scheme reflects somewhat the thinking behind current ideas about returning some of the state's resource development wealth to individual citizens. Again, although the fostering of private sector activity in education may seem strange at present, one should reflect on the dramatic increase in costs of delivering education through the public sector-costs which can only increase in the years to come, as we see further unionization of professional public education staff, increased costs of facility maintenance and operation and static or declining school enrollment. Although attractive on the surface, such a scheme could well result in the demise of public education as we know it and should be considered with extreme caution.

Other Conditions: Several of the conditions described in the first two sections — i.e., uses of technology for education, slowed or declining enrollments and increasing costs — have already been considered. However, three — i.e., the federal role in education, staff/board relations and teacher turnover — need further discussion as to possible future trends. As was mentioned earlier, the federal government has assumed an increasingly active and obtrusive role in education, both nationwide and in Alaska, and there is little evidence that such a trend will decrease. Quite the opposite is likely true, in fact, with the recent creation of a federal Department of Education and the almost inevitable concurrent rise in federal educational activity and bureaucracy. Since such increased activity will probably take the form of further federal insistence on equal educational opportunity and uniformity of educational programs, with a resulting increase in federal monitoring and data collection, the state in the next decade may be faced with a decision either to relinquish or lessen policy control over Alaska education or to refuse to accept federal educational funds. This latter course could cost the state and local districts around $11,500,000 annually in federal program funds which are currently available for special education, vocational education, bilingual education and, to lesser extent, regular education programs. Such a decision may require the state to assume these costs from its own resources.

A second area or condition which will continue to affect local school districts in the 80's is the increase in teacher unionization — at the community college as well as K-12 level — and the demands by unions not only for increased salaries and benefits but also for an increasing role in policy development and decision-making. Such increased demands could eventually lead to teacher representation on local school boards in much the same way as the United Auto Workers recently achieved representation on the Board of Directors for Chrysler Corporation. Whatever the final outcome, it will be interesting — and significant to future educational development — to see the effects of teacher demands on school governance and operation.

A final condition — that of teacher turnover — has less far reaching effects than most f the other areas discussed above, except that it will impact both the rising costs of education, (since teacher salaries are based, in part, on years of service in the districts) and the ability of schools to try out innovative and non-traditional education approaches with staffs trained in traditional methods. In addition, if staff turnover decreases significantly in rural Alaska, it will impede the inclusion of large numbers of local, particularly Native Alaska residents, in the professional staffs of rural schools.



Directions:

Several major areas were cited above which will require policy attention by the state in the coming decades. While no attempt will be made to determine the content of such policy, the following areas need to be considered.

1. The State needs to consider the continued existence of BIA educational activity in the state, although the final resolution of this historical problem may rest with the affected villages themselves.

2. The state needs to consider its level of support for both the operation of public education and the construction of school facilities.

3. The state will need to examine the current scope of public education in the state and to determine whether or not it is in the state's best interests to extend free public education to include younger children or to include postsecondary and adult job-related and "life" educational opportunities.

4.The state will need to consider whether or not it wishes or needs to control private profit and non-profit educational programs, and if so, to what degree.

5. The state will need to determine what demands it will make on local districts to account for the expenditure of and the results gained from state support.

6. The state will need to examine more closely the educational uses of technology and determine if it wishes to extend and foster the use of such tools by public education.

7. The state will need to consider the effects of the new federal Department of Education on the field of education and to decide whether or not the continued acceptance of federal funds, with the concommitant increase in federal direction and control, is in the state's best interest.

8. The state will need to examine ways in which the total educational enterprise — in policy development, planning, curriculum and delivery systems — can become more responsive to the needs and desires of students, parents and the community at large, especially in urban centers where citizen access to representation is limited.

FINALLY, the state will need to encourage the public school system — through policy direction, funding, or other mechanisms — to examine alternatives to present curricula and delivery systems in order that all students, urban as well as rural, majority as well as minority, are equipped to survive and succeed in a future quite different in opportunities, attitudes and values from today's world.

Whether these questions are consciously considered and a firm policy direction established for the state, it seems clear that the next ten years of education in Alaska will see changes of a similar or even greater magnitude as those occurring in the past decade. That change will come is clear; the challenge is in how to control that change to best meet the educational needs of Alaska's present and future populations.

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1. All figures used in this paper, unless stated otherwise, are taken from statistics gathered by the Alaska Department of Education from 1967 to present.

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3. Beta Group, ibid.

4. Delta Group, ibid.

5. Beta Group, "Use of Human Resources in Future Alaska," A Conference on the Future of Alaska, Legislative Council of the State of Alaska, 1969, no page numbers.

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8. Alpha Group, "The Financial Foundations for Future Alaska," A Conference on the Future of Alaska, Legislative Council of the State of Alaska, 1969, no page numbers.

9. Alpha Group, op. cit. Number 2.

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11. Beta Group, "The Financial Foundations for Future Alaska," A Conference on the Future of Alaska, Legislative Council of the State of Alaska, 1969, no page numbers.

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Biographical Sketch

The preceding paper was prepared for the Department of Education by Marilou Madden. Ms. Madden has been with the Department since 1972 and has served in a variety of capacities: Research Analyst, Special Assistant to the Commissioner and, at present, the Director of the Division of Education Program Support, a position she has held since 1975.

During her years with the Department, Ms. Madden has worked closely with such projects as the ATS-6 satellite experiment, the Governor's Pipeline Impact Committee, the reorganization of State Operated Schools, and the development of rural vocational, special, and secondary education programs.

NOTES

PUBLIC HIGHER EDUCATION IN ALASKA — THE 1980s

by
Patrick J. O'Rourke

Historical Perspective

Public Higher Education in Alaska has been essentially provided by one entity, the University of Alaska Statewide System of Higher Education. Its roots are anchored in the establishment of a Land Grant College at Fairbanks, Alaska in 1917. The period 1917 to 1954 was devoted primarily to the growth and development of this campus, along with its multiple programs. Residential facilities were constructed, class room and office buildings built and the college moved from a School of Mines and Agriculture to a full University entity with its concomitant teaching and research functions.

By 1954, there was a recognition of the growth that had taken place in the greater Anchorage area and this year saw the establishment of Anchorage Community College in association with the Anchorage Borough School District. In April 1955, Ketchikan followed suit with the founding of the Community College in that city. These two events marked the first thrust toward what is becoming a *statewide system* of higher and postsecondary education. These units were designed primarily to provide lower division academic work which could be transferred to the University of Alaska, Fairbanks and needed vocational/technical training in their areas. Throughout this period of growth and development, the statewide Extension Service was perhaps the only extended activity of the University of Alaska. An experimental farm was developed in the Mat-Su Valley and other applied research stations established throughout the state. Agents were involved in the translation of theoretical research to applied Alaskan topics and engaged in informal education of Alaskans in a number of communities around the state.

The growth and development of the University system during the decade of the '60s is perhaps characterized by three significant factors. First, in 1962, the Legislature passed the Community College Act in an attempt to join the University and the School Districts in a cooperative postsecondary education venture. Second, a commitment to the permanency of programs beyond Fairbanks was made with the beginning construction of facilities in other areas of the state. Third, continuing expansion of the system occurred with the establishment of Community Colleges at Sitka, Juneau, Kodiak, Palmer and Kenai. Additionally, embryonic four-year programs were begun in Anchorage and Juneau. The activities of the sixties were marked by strong central control from the University campus at Fairbanks with other units being viewed as extensions of the Fairbanks campus operation. By this time too, the University of Alaska had secured for itself a national and international reputation particularly as it pertains to geophysics and cold climate research. Greater awareness of the needs of rural native Alaskans began to emerge and a number of special programs were created at the University of Alaska, Fairbanks in order to encourage and assure the success of these individuals.

The decade of the seventies represents the most turbid period of time in the history of public higher education in Alaska. The beginning awareness of rural Alaska native needs carried itself forward with the establishment of other Community Colleges at Bethel and Nome, followed by the need for increased vocational training in the Fairbanks region with the establishment of Tanana Valley Community College and culminating in 1978 with the establishment of Community Colleges at Kotzebue and Valdez. By the end of this decade there were now units of the University embracing within their service regions, 92 percent of the state's population. Additionally, Extension Centers were operating in a number of areas of the state in further attempts to provide higher education services to rural Alaskans. Increased autonomy for different sectors of the University became major demands and in the second half of this decade, the system reorganized itself three times. By the mid 1970s, a crisis in finance and management began to emerge and the second half of this decade was marked by major changes in leadership, a loss in the University's credibility before the Legislature and the Alaskan people and the restoration of appropriate management systems with which to move forward into the '80s. During the second half of this decade, the system saw five separate Presidents and numerous changes in its upper level management team. Perhaps it could be said that the system had expanded beyond its capabilities to provide sound management and qualitative programs.

Current Status

As the 1970s draw to a close and the 1980s thrust upon us, public higher education in Alaska finds itself in an improved state of health, but facing many critical issues whose resolution will determine its ability to continue to flourish and grow. The crisis management of the 70s has passed, new Presidential leadership for the University system has been provided and beginning seeds planted for renewed faith and confidence on the part of Alaskans in its public higher education system. After two decades of expansion, we now find three four-year campuses of the University of Alaska; a residential campus at Fairbanks, a metropolitan campus at Anchorage and a limited four-year campus at Juneau. Eleven Community Colleges are currently in existence and eight Extension Centers are operating. Additionally, twenty major research sections are engaged in the investigation of questions pertinent to national, state and international concerns.

Public higher education must now address the qualitative status of each of its units, and grapple with the basic problem of how far and in what manner to extend its services across the state.

Issue #1 — Rural Alaska. How can the needs of rural Alaska be better served by the public higher education system?

It has been said by some that rural Alaska is the glue that holds the state together. The faction fighting that occurs between the primary urban centers in Alaska is held in check only by this adhesive force of the rural communities. Many of the urban centers have developed their current employment and commercial bases in order to serve rural Alaska. Thus, the health and well being of rural Alaska will also contribute to the health and well being of urban Alaska. We have spent a quarter of a century securing even basic secondary education for rural Alaskans. We are now on the threshold of providing that postsecondary education and cannot afford to wait another quarter of a century in order to adequately fulfill this promise to our citizens.

But, how geographically far and to what degree of program depth can and should the University of Alaska extend its services across the state? In a state of 410,000 people, is there a need for three full four-year campuses, eleven Community Colleges and eight Extension Centers? Is the system currently over expanded and how might its resources be more adequately used to serve broader state needs? The values and life style of rural Alaska defy much of standard tradition and if this is the case, then non traditional means must be utilized to reach these non traditional students.

Modern technology, primarily in the telecommunications area offers the potential and the promise to public higher education to better serve the higher education needs of the adult citizens of all of Alaska. Is it reasonable to expect that in a state which is unable to meet its basic transportation needs because of its geographical vastness, that an extremely sophisticated communication network is a basic requirement and basic service that ought to be expected and demanded just as citizens in urban Alaska expect and demand better road conditions? This lack of a highway transportation network creates a unique situation for the University as it attempts to carry out its charge to the people of this state. Rural service must be carried to small scattered populations. Accessibility is often difficult and the high cost of established methods of instruction in sparsely populated areas of the state, demands that new delivery methods and modes be conceived and developed.



Issue #2 — Educational Policy Making. Is educational policy making in Alaska too segmented to be completely effective?

Currently, three State Boards are charged with the development of overall state education policy. The Alaska State Board of Education, the Board of Regents and the Alaska Postsecondary Commission, all have a policy making, regulatory or coordinating authority of one type or another; yet, there is overlap between these three Boards. The lines of distinction are unclear in certain areas, particularly as it relates to the education of adults. The State Board of Education, through its Commissioner's office, is involved in adult programs of a variety of types and natures. They are directly involved in the operation of Skill Training Centers and provide for certain offerings in vocational education, adult basic education and other areas. The Community Colleges, under the direction of the Board of Regents, attempt to meet their open admission standards by the development of programs specifically designed for adult learners which will allow them to make a proper transition into postsecondary and higher education. Additionally, in terms of certain areas in vocational education, they have now reached a point where they are considered accreditable as postsecondary level training. Thus, there is overlap between these two Boards for there is a very fine line of difference between what might be considered adult education and what might be considered postsecondary or higher education. Also, the University Centers with their public service mission overlap in the areas of Community Schools and community interest programs.

The Postsecondary Education Commission, as a third entity, has both coordinative and regulatory authority over certain public and private agencies in Alaska; yet, this authority is limited. Who resolves the differences between these three Boards? Are we wasting resources because of duplication in certain areas which occurs when one governing or regulatory body believes it can perform a service better than another? Additionally, each regulatory body believes full well that the charge has been given to it to perform a certain mission. Is there a need to consider an overall education reorganization act for Alaska which will place education policy making for all levels of education in the hands of a single Board? There is waste occurring, despite great efforts by staff to being about coordination.

Issue #3 — Governance and Organization of Public Higher Education. What type of higher education system would best suit Alaska?

Currently there is a single public Statewide System of Higher Education encompassing both University Centers and Community Colleges; yet, there are pilosophic and geographic rivalries that continue to exist within the system. The philosophic differences generally differentiate a Community College from a University Center, while the regional rivalries are factional battles that ensue between the three University Center campuses as each struggles for its own identity and its own prestige and reputation.

Philosophically, Community Colleges differ from University Centers in a number of areas. First, Community Colleges generally offer a tripartite educational function; that of general education and academic transfer programs, career and vocational education and community and public service of a continuing education nature. Only in the first of these and to a minor extent in the third, do the University Centers embrace this portion of a philosophic mission. Second, the role of Community Colleges is to provide access to all peoples regardless of background, location or financial capability. They are open admission institutions which allow any adult above the age of eighteen to enroll regardless of prior educational background. For many of these adults, programs of developmental studies are designed to assist them to successfully complete and master a postsecondary education program. University Centers on the other hand, have a selective admission process which is utilized in accepting students who may attend these institutions. Third, Community Colleges serve a more limited geographic locale and ought to be community based. Programs are designed with a specific eye toward the local community needs and it is the philosophic thrust of these institutions to provide adult education as close to home as possible. University Centers, on the other hand, serve a broader and more far ranging geographic population base. Fourth, Community Colleges traditionally try to provide financial access by maintaining tuition rates at low or no cost to the individual student. In a recent survey by the Postsecondary Commission of tuition rates in thirteen western states, the University of Alaska had the lowest rate of tuition for all Universities in those states. However, when the Community Colleges were compared with the Community Colleges in those same states, the rate for the Alaskan Community Colleges is third highest among these thirteen western

states. Does the utilization of the same base of tuition between University Centers and the Community Colleges preclude Alaskans from attending who might otherwise enroll and should our concept of access to postsecondary education also include economic access. This is[illegible] is particularly prevalent in rural areas of the state where per[illegible] income among the indigenous population is extremely low[illegible]rth, Community Colleges do not have any particular emphasis on research, while University Centers legitimately do. Sixth, Community Colleges offer only the first two years of academic programs and many of the associate degree programs are designed with a *dual* purpose to allow a student, after completion, to either go out into the work force or to transfer to a four year institution. The University Centers offer primarily baccalaureate degree work of a full four year nature. Seventh, Community Colleges also place a special emphasis on vocational/technical education which is not generally of major importance in the University Centers. Eighth, the student population of Community Colleges is usually two-thirds part time with a normal average student body age of 28 to 30 years. University Centers, on the other hand, serve predominantly a full time student population and its student population is usually younger.

The geographic disputes among the University Centers seem to arise from a lack of distinction in the missions of the three centers. As the University of Alaska, Fairbanks was established first, full programs and a major research effort were developed. Now the predominant population base is in Anchorage and not Fairbanks and as the University of Alaska, Anchorage comes into its own, it finds itself in competition with the Fairbanks campus for certain research segments, certain baccalaureate and masters degree programs along with certain needs in the areas of physical facilities. All of these are real needs to serve an Anchorage base, but at the same time could result in under utilization of the Fairbanks campus. How can one segment of a single statewide higher education system be allowed to grow without diminishing another segment of the same system and without engaging in unnecessary duplication? Some duplication will be required by all units, however, our work force data seems to indicate that there are other areas where there is a need for only one program in the state. For instance, we duplicate our Bachelor of Education degree in elementary education at the three University campuses, yet none of the three offers the necessary credential for teaching in vocational educatio[illegible] This same situation exists with the University of Alaska, Juneau, although to a lesser extent; this is yet an embryonic institution, but has heavy developmental needs. New campuses require a much heavier financial commitment on the part of the state than do existing campuses. How do we allow these new University Centers to achieve their potential status and at the same time preserve qualitative programs at the University of Alaska, Fairbanks?

University faculties also feel the need and professional thrust to engage in research in their disciplines. How will research be organized to allow all three University Centers to appropriately engage in this activity? Additionally, should all three centers be University Centers or should we maintain one University Center and additional state Colleges, which would have more of a teaching emphasis rather than research.

Issue #4 — Public Higher Education Research and Alaskan Needs. How can public higher education research answer better the basic questions relative to the economic, social and personal needs of Alaskans?

Criticism has been frequently leveled that the organized research being conducted within this state by the University of Alaska is too often geared to national and international questions and less often geared to Alaskan needs. This criticism is not, however, totally valid, for many institutes and research projects are geared specifically to the needs of Alaska. Alaska is one of several arctic areas; its research is integrated with that of other arctic and north pacific regions, but its University also represents the United States in the far north. How can the balance between this national/international and state need be balanced and still allow the University and its faculty the academic freedom to pursue questions of interest and validity to them as scientists? What incentives can be created through the Legislative and Executive branches of state government to assure that our public higher education scientists are addressing questions which need to be addressed by this state? As we begin the economic enterprise development in Alaska, we must be in a position to utilize our own human resources to explore the basic questions.

What linkage can be brought about between the public higher education system and the state policy makers? If higher education,

as part of its mission, is to answer basic questions pertinent to Alaska's commercial and industrial development, and if public higher education is to provide a trained work force at an appropriate time to meet the commerical and industrial needs of the state, then mechanisms are necessary to join these two arms in the exploration of mutual issues. As commercial, conservation and industrial issues are identified within the state and task forces or commissions set to explore them, a better binding could be brought about by involvement of the public higher education system at these early times. It is within the power of the Legislative and Executive branches of this state to conduct public policy planning in such a manner that public higher education can both contribute to this policy making and is in a position to respond in a timely fashion to the specific needs of the state. As we explore our bottom fishing needs over the next decade, many of our institutions must be in a position of being able to retrain Alaskans to partake in this economy. Yet, if such training is brought about too early, there will be no commercial enterprise for the trained fishermen to engage in unless the training and planning and development of markets occurs hand in hand with the state.

Issue #5 — Unmet Needs. How can public higher education in Alaska perform better those tasks it is currently engaged in? Four areas are highlighted here.

What must be done to better attract Alaskan High School seniors to the state's public postsecondary educational institutions? The Alaska High School senior survey report for the years 1977-78 and 1978-79, conducted by the Commission on Postsecondary Education, has indicated for two years in a row that only 30 - 32 percent of the state's High School seniors are planning to attend institutions in Alaska to continue their higher education. The three most frequently cited reasons by these High School senior for selecting the the institutions of their choice were as follows: the availability of a particular program, the reputation and prestige of the school, and parents' or relatives' encouragement. For those students planning to remain in the state, the principal determinations in their selection of an institution were its closeness to home, program availability, parental encouragement and low tuition and living expenses.

How can the statewide higher education system assist in meeting the critical energy needs of Alaska? What can be done to develop alternate energy sources? The statewide system of higher education must be engaged in practical and applied research which can be used by the average homeowner in curtailing his energy needs. The state government must assure that public agencies, including the statewide higher education system in Alaska, are utilizing public utilities wherever possible for their own basic resource needs in order to assure the least possible cost of these energy needs to citizens within the surrounding community. When a public agency sets up and establishes its own source of energy and does not utilize the public utility, higher costs will result to the individual homeowner and user. What state policies are currently in existence to assure that all public facilities being constructed in this state are of an energy efficient design?

The statewide public higher education system is not yet adequately meeting the vocational/technical needs of Alaskans. As we become a more technological society, our needs for increased skills in trade and technical areas becomes more and more evident. Although a multiplicity of vocational/technical programs exist around the state, there are still many areas of unmet needs. If we are indeed to maximize the utilization of Alaskans in our skilled work force, major support for vocational/technical education in the adult sphere of the University must be forthcoming. It is not only the training function which must be highlighted here, but the need to provide the linkages and liaisons with business and industry to assist in the development of jobs to aid in the placement and counseling of individuals who have completed programs and to help the colleges to keep their programs on target as they relate to the commercial and industrial needs of the state.

Finally, there is a whole generation of rural Alaskans who have been skipped by the formal education process. How can their developmental and adult education needs be met? A high percentage of Alaskans between the ages of 30 and 60 grew up at a time when secondary or postsecondary educational opportunities were not available to them. Most of these individuals exist in rural Alaska. They are individuals who are the natural leaders of their villages and associations yet, they lack some of the technical skills that the younger rural Alaskan native population has developed. The result is a conflict of leadership in rural Alaska. The younger rural Alaskan native has the formal educational capability of dealing with a modern technological society, yet lacks to a large extent, the

wisdom of age required for sound decision making. The older rural Alaskan, on the other hand, possesses the wisdom of age but lacks the modern technological skills to deal with current society in many ways. As a result, a reversal of roles occurs and a situation of social conflict between old and young is established. We cannot afford to merely pass over this generation of Alaskans, but must find ways to better meet their needs.

Other Perspectives

Currently there are three private non-profit higher education institutions in Alaska; Alaska Pacific University, Sheldon Jackson College and Inupiat University of the Arctic. In addition to these, there are a number of proprietary schools functioning and operating within the state. They all contribute to the education and training of Alaska's adult population and ultimately, the state's economic development. Private higher education in Alaska has played a supplemental but important role yet, the cost of doing business in Alaska coupled with its sparse population, mitigate against the potential success of these institutions.

If we accept the notion that different philosophic missions among our higher education institutions contribute to a diversified heterogeneus population and that such educational plurality is healthy for the State of Alaska, then both public and private higher education must submit themselves to coordination by an authority with non-vested interests. What can the public system to do insure the health and well being of the private institutions in this state, while still fulfilling its mission as a public institution to all segments of Alaskan society?

Recommendations:

1. That the State of Alaska and its public higher education system establish within its existing structure a statewide, non-campus based, non-traditional College of Alaska to meet the wide variety of needs not currently met by the existing, more traditional institutions. The University of Alaska has been undergoing preliminary planning in this area through its rural education section and so some of this ground work has been laid. As Susan A. Powell states in "State Policies: Plans and Activities" in Peterson's "Life Long Learning in America", non-traditional students have widely divergent educational, psychological and financial needs which make demands on the traditional structure that the institution is often not equipped to meet. For these reasons, if the state relies in the future primarily on its existing units, their impact on non-traditional students will remain minimal. The most viable alternative to provide the access, diversity and equal opportunity desired by the University to meet the unique needs of rural clientele is for rural education to become a degree granting unit of the University which can then establish and sustain relevance and coherence in educational service to rural Alaska. As former Chancellor Ernest L. Boyer wrote to the trustees of the State University of New York in 1971, regarding a proposal to establish a non-residential degree granting college within New York, "we must now develop a higher learning system that is not restricted to a rigid curriculum, a single campus or a fixed calendar."

   The non-campus college for Alaska must be village based for instruction and student suppoort, but augmented by statewide capabilities in educational resources and programming. Orientation to the rural environment will provide the philosophical base, but attention will be paid also to the provisions of the educational experiences necessary to prepare individuals for equal participation in economic, social and political opportunities in a wider society.

2. That the State of Alaska provide its public higher education system with the telecommunications capability to provide equal postsecondary educational opportunities for all citizens in this state.

3. That the Governor and the Legislature of the State of Alaska look at the overall organization of educational policy making within this state. This investigation should determine whether or not appropriate coordination and utilization of sources is occurring at all levels, identify overlap of service, and make appropriate transfers to utilize the state's resources as efficiently as possible. This review should look particularly at adult and continuing education activities.

4. That the Board of Regents of the University of Alaska, with appropriate assistance from state government, define the educational mission of each major administrative unit of the statewide public higher education system in such a way as to clearly delineate to the public the issues addressed in issue statement #3.

5. That a differentiated tuition structure for Community Colleges and University Centers be established so as to provide individuals with financial access to postsecondary education.

6. That there be established within organized research of the public higher education system, an institute for state policy studies. Such an institute, while needing a basic core staff, can draw together some of the existing institutes and have the financial resources available to it to draw from other research areas of the University, those faculty and scientists needed to answer some of the state's critical questions.

7. That the Postsecondary Education Commission engage in a detailed analysis of why students go out of state by further exploring the reasons stated. Specifically, this project should identify what programs these individuals cannot currently find within state and what might be necessary to build the reputation and prestige of the public higher education system in Alaska to better attract Alaskan High School seniors.

8. Due to the lack of transportation corridors within the State of Alaska, state policy makers should encourage the establishment of appropriate student housing on a number of campuses within the public higher education system.

9. That financial incentives be provided to encourage University scientists to engage in applied energy research in cooperation with the energy consumers of Alaska. Such research activites should be directed toward identifying economically feasible energy conservation measures for the average Alaskan.

10. That the State of Alaska adopt as its policy that all public agencies participate in the local utility systems within their communities in order to create a lower overall rate of energy consumption for the average Alaskan taxpayer.

11. That the State of Alaska provide a major funding thrust to improve the status of vocational/technical education within Alaska. Such efforts should be geared not only toward program development and maintenance, but improved employment prediction needs and improved job development and placement.

12. That the State of Alaska provide the financial resources necessary for a major undertaking in providing for developmental and adult education in those areas of the state where our adult citizens have not had previous access to the educational processes.

The needs of public higher education in Alaska are indeed great. In some ways this state has attempted an undertaking in its educational system which has been attempted by no other state in the country; but this has been Alaskan tradition — to provide for its people a quality of service which will overcome all natural and geographic boundaries. The issues need thorough investigation and exploration and the alternatives and consequences must be fully explored as we move forward into the decade of the '80s.

Biographical Sketch

Patrick J. O'Rourke is currently Chancellor for the division of Community Colleges, Rural Education & Extension of the University of Alaska Statewide System of Higher Education. He is a sixteen year resident of Alaska and received his Bachelor of Arts degree from St. John's University in Jamaica, New York, his Master of Science degree from Indiana State University in Terre Haute, Indiana and his PhD from the University of Connecticut.

Dr. O'Rourke has been a Teacher, Counselor and College Administrator in rural Alaska, a former Director of the Upward Bound program at the University of Alaska, Fairbanks and founder of Kuskokwim Community College in Bethel.

Dr. O'Rourke has been with the University of Alaska since 1970 and assumed his current position in November 1977. His current responsibilities include the state's eleven Community Colleges, ten Extension Centers, Statewide Correspondence Study program, the statewide Cooperative Extension Service, the Alaska Native Language Center and Rural Education. He has served on the Governor's Manpower Planning Council, the state Manpower Services Council, the Alaska Native Human Resource Development program and the Economic Policy Development Council for Southwestern Alaska. Additionally, he has served on numerous state Task Forces during his years in Alaska.

AIR TRANSPORTATION IN THE FUTURE OF ALASKA

Prepared by
Walter B. Parker

Air Transportation

Alaska's airport terminals are probably the place where friends most often meet. The importance of the air transportation system to the state's social and economic well being is well recognized. Despite that recognition, probably no other sector of importance in Alaska has been more neglected by the state government. The result is that the aviation system of which Alaskans have been so proud is at present in sad straits in several of the state's rural areas.

There are several reasons for the present situation in western Alaska where freight and mail shipments suffer long delays; where the small air carriers serving a large area of the state have been shut down by the Federal Aviation Administration for safety reasons; and where old experienced operators are giving up after years of effort to build a strong local air carrier.

Part of the reason lies with the efforts of both state and federal governments to deregulate the economic aspects of aviation in Alaska. Part is with the great increase in demand in rural Alaska. Most is due to a policy of general neglect by those agencies responsible for the public welfare in aviation.

Alaska's air system has three main tiers: states - Alaska and international service; service from the major hubs of Anchorage and Fairbanks to the regional hubs like Bethel, Nome and Barrow; and, service from the regional hubs to the small villages. The first is well served at present, the second has no major problems, and the third area is where the problems referred to earlier occur.

In order to understand the present problems a short review of Alaska's aviation history is instructive. From the arrival of the first aircraft in 1921 until World War II, Alaskan aviation was largely unstructured and consisted of small aircraft operating from largely unprepared landing areas.

In 1939, a careful planning and construction effort was begun which by 1945 resulted in a statewide system of airports and radio aids to navigation. This system linked Alaska's major communities for the first time with a safe and reliable air transportation system. It did little for the smaller villages since airports between the larger towns were sited to meet military needs rather than those of the existing population.

After the war, a period of intensive competition between scheduled and non-scheduled air carrier insued. In addition, several of the small bush operations utilized their earnings during the war to establish positions as strong regional carriers. Northern Consolidated, Wien, Pacific Northern, Alaska, Reeve Aleutian and Coastal Ellis emerged as the strong regional carriers during the 1950's, while Pan American and Northwest maintained their positions as international and states — Alaska carriers, joined by Pacific Northern, Alaska and later Western in the states — Alaska traffic. In 1957, Scandinavian Airlines instituted the first polar flights and were soon joined by a host of other foreign carriers. Alaska became truly the "Air Crossroads of the World".

DEW line construction resulted in a ring of modern airports with radar navigation aids around the western and arctic coasts of Alaska. Here again, there was only incidental relationship to the needs of the resident population as the sites were chosen to provide overlapping radar coverage.

At statehood, Alaska inherited from the federal government an airport system that was reasonably modern and adequate for the cities and larger towns, but which was still in the bush period in so far as most of the small villages were concerned. Short poorly constructed airstrips or water landing areas were the rule for rural areas.

At statehood, the FAA maintained some 40 flight service stations throughout Alaska which provided a focus for aviation communications, weather, field information and which maintained the network of radio aids to navigation.

In the first ten years of statehood little was accomplished to upgrade rural airports in most of the state. Maintaining and upgrading the regional hub airports, and the program to "put Southeast on wheels" absorbed most available funds. During this period, the FAA began its program of centralizing its facilities and serving the bush through remote controlled outlets. This eliminated on-site weather observations and other immediate information for many areas.

From 1968 through 1977, the major energies of both state and federal agencies concerned with aviation facilities were directed to support of the Prudhoe Bay development, Alaska Oil Pipeline construction and continuation of the Southeast Alaska airport program. Upgrading small rural airports was a minor program and of 230 small communities for which air service is essential due to lack of other transportation, less than one third had substantial improvements on their airports during the first twenty years of statehood.

The Civil Aeronautics Board (CAB), as a result of its Alaska Service hearings, in 1970 and 1971, concluded that Alaska could best be served by strong regional carriers. This policy resulted in the joining of Wien and Northern Consolidated into Wien Air Alaska and giving that airline the scheduled air service rights for most of Western Alaska, the Arctic and the Interior. Alaska Airlines was given exclusisve rights for Southeastern Alaska, which eliminated both Western and Pan American from that area, while Alaska gave up its rights in serving Nome and Kotzebue. Reeve continued to serve the Aleutian area and Kodiak Western served Kodiak Island and portions of Bristol Bay.

During this period, the major regional carriers continued to subcontract their mail routes from the regional hubs to the villages with small air taxi operators. This process began in 1957 and by 1977 all bush routes were subcontracted. The result of this was a gradual diminishment in the capability of the air service to meet peak demand loads or to haul oversized freight to many places. The small carriers could not provide the back-up services in communications and radio aids to navigation that the regional carrier had provided, and general reliability of service was diminished.

In 1978, the CAB began to implement the Airline Deregulation Act, a procedure which brought a turnaround in policy by encouraging competition in air service. Wien and Alaska had previously held a monopolistic position on most of thier routes. Now competition between the two major Alaska carriers was encouraged as well as allowing service by new entrants such as Great Northern Airlines. The Alaska Transportation Commission also issued competing certificates of necessity on many bush routes where one carrier had previously held a monopoly.

Previously, air carriers in Alaska had depended upon pay for carrying mail and CAB subsidies for a substantial part of their income. Under the new policy, mail pay can be divided among several carriers, if necessary, and subsidies are not encouraged as a means of guaranteeing service to points that generate little passenger, freight or mail revenues in air service. Thus, carriers must find new revenues, be more efficient or prepare to exist on less income, if competitors must share a revenue base that is relatively limited.

The CAB is required, under the terms of the Air Deregulation Act, to ensure the provision of essential air service to small communities. This process is still underway and the Board will soon be issuing some findings on essential air service for comment. There is no indication, thus far, that serious consideration is being given to the cost of air service to small communities. The situation in the past five months is that air fares to rural Alaska have increased over 20 percent while those on high density routes such as Anchorage-Seattle have remained relatively stable.

The result, thus far, of deregulation of air service has been a plethora of special fares on high density routes with substantially reduced fares by airlines offering services on new routes. However, fares on low density routes have often increased. There is little system or economic pattern that can be determined as yet, but there is cause for genuine apprehension that the net result of deregulation will be substantially higher costs for rural Alaskans.

In recent months, in Alaska, there have been several incidents in air service that cause concern for the future. Two major subcontractors for mail service were shut down by the FAA because of faulty maintenance procedures. In the past, this has been one of the first indications of an air carrier that is operating with limited revenues and rising costs and looking for ways out of a cost squeeze.

One major subcontractor has indicated he is terminating his contract and will discontinue service to some 53 points in Western Alaska. A new subcontractor with an entire new fleet of aircraft and new personnel will replace the old operation.

The present situation is that mail and freight service to many points is extremely poor. Passenger service is marginal in many areas due to the small aircraft in use and unreliability of scheduled service. Many operators say that they cannot finance more suitable aircraft without a great increase in fares, freight rates, and mail pay.

The condition of airports and support services for aviation is worse in many areas than it was twenty years ago. Poor telephone service to many places makes it difficult to make reservations and to exchange weather information and other aviation data.

Limited funding for airport improvement has made it impossible to generate a major program for bush airport improvement, With some 230 rural airports competing with those in the urban areas for about $20 million in mostly federal funds with some state money, there is obviously not enough funding in the system. Usually improvements are not completely adequate to do the job because of the necessity to cut costs.

The state has never accepted any responsibility to provide radio aids to supplement the FAA program. The FAA system provides good coverage at high altitudes and around urban areas. It provides no coverage or service to almost all of the smaller communities. The FAA has a few radio aids budgeted over the next few years, but these will only provide a very limited expansion of capability for the air system.



There are no provisions for terminals or storage at almost all of the smaller airports. Some of these are a substantial distance from the village they serve and sometimes people must wait for hours in cold or rainy weather for delayed air service.

Improvements in the rural air system should have a positive effect upon economic development in several areas. Fisheries is the first example that comes to mind because of the substantial portion of the annual fish catch that is being lifted by air service already. Longer runways at key locations would improve the efficiency of this operation.

Many Alaska Native village corporations are planning new ventures in forest products, agriculture, tourism and other ventures. Improved air service, at reasonable cost, will enhance the viability of these ventures in their initial years.

Development of both off-shore and on-shore oil and gas will continue to make sporadic localized demands for intensive air service. A basic good statewide structure will make it easier to accommodate these surges in demand without severe deterioration of service to the rest of Alaska.

While there are a range of problems with the States - Alaska, international and interurban air service in Alaska, most of these are being addressed and major projects are underway to remedy many of them. The effects of deregulation on costs in these areas still remains to be seen but it will certainly be largely affected by the general effect of deregulation on air service nationwide; and any detrimental effects will probably be addressed by nationwide corrective measures.

The problem of rural air service is unique to Alaska and can be most affected by what we do ourselves. Federal programs will never be sufficient to meet the requirements for a first rate rural air service.

Airports, aircraft and personnel to man both are the primary requirements to any air system. Radio aids, communication and other

supporting services are absolutely necessary if a reasonable level of safety and reliability is to be maintained.

Rural airports will require the expenditure of a great deal of money to bring them all up to a reasonable level of quality. Some areas can be connected to a central airport by road but this is a limited option. The relationship between airports and aircraft is the area where greatest immediate savings can be achieved.

Many communities in Southeastern Alaska, Kodiak Island and other areas still rely upon float equipped or amphibious aircraft for all of their service. In areas where this service is predominant, the utilization of amphibious aircraft with greater capabilities in handling freight and passengers is an alternative. Many of these places do not have a good airport site.

Helicopters are another alternative for places that have no runways or inadequate runways. The villages around Bethel are an example where helicopter service might be considered. Both helicopters and amphibious aircraft are inefficient to operate economically and demand higher fares than conventional aircraft.

Another category of aircraft that would lessen runaway costs are short takeoff and landing (STOL) types. Many of these presently available can carry large freight items and large numbers of passengers. They too are inefficient to operate economically compared to conventional aircraft, especially over long distances.

However, when the costs of using aircraft of this type are measured against the costs of building long runways, some significant savings may be realized without penalizing the service to the small communities. The obvious question that arises is why have we not done this in the past?

The major reason is that we have been locked into federal funding patterns which provide money for airports but not for aircraft. There are limited federal programs for aircraft now available, but these are too new to have any effect yet and may be too limited.

Utilization of state monies allows us to make the decision for airport expansion or more suitable aircraft on its merits. Proper aircraft would provide more immediate relief while the state entered upon a long term program of upgrading airports. The other major advantage is that such a program could be adjusted to fill economic dips if sufficient long term planning is accomplished. However, many communities do not fit into the above patterns and need immediate relief on airport expansion or improvement.

There appears to be an adequate supply of pilots and trained flight personnel. Expanded training opportunities in Alaska will insure that the air services are provided by local residents to the maximum extent possible.

Maintenance or rural airports has been a constant problem. The most logical solution is to continue to train and utilize local people. This problem will be greater if radio aide, field lights and other improvements are made. The answer is still to train local people to the maximum extent possible in repair and maintenance of equipment.

Radio aides, communications and field lighting need special designs to make them low energy utilizers and as easy for maintenance as possible. They must be certifiable by the FAA but designed for use in village Alaska. The experience with small earth station design has provided us with a fund of experience in how to design electronics for rural Alaska.

Terminal improvements at may regional hubs and rural airports should be strongly considered. Alaskans of all walks of life spend a substantial part of their lives in airport terminals or waiting around airports. Why not make the experience as comfortable as possible.

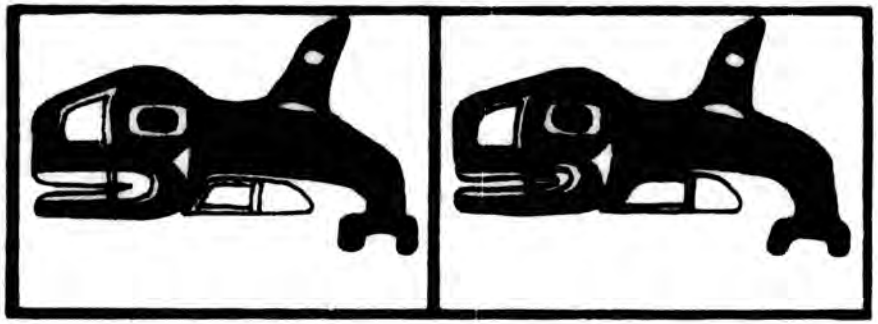
Weather observers should be hired and trained throughout the state. It is ridiculous to continue to operate in large areas where no public weather information is available.

Communications can be provided with conference (hot-line) circuits to link rural areas with the regional hubs as a minimum improvement at this time. These circuits would connect FAA stations, airline offices annd others in the hubs with postmasters and airline agents in the villages. They would eliminate many of the frustrations involved with waiting for aircraft that never come.

There has never been a real aviation system plan for Alaska. The state has an airport plan, FAA an air traffic and air navigation plan,

CAB and economic plan and each carrier its own plan. The improvements suggested here should, indeed, must be related to an overall plan which will provide the base for the private system of air carriers to give the best possible service at reasonable rates. It is primarily a state responsibility to design such a system for inter-Alaska services and one that has been ignored too long.

Aviation is too important in the future of Alaska to continue to receive the casual offhand treatment it has received in the past from the state government. The time to move is now, before we enter another period of major development, and the problems are pushed to the back of the heap to emerge again after the next boom period with no basic changes in the flaws of the system.



Biographical Sketch

Walter B. Parker has been involved in Alaska's air transportation system since 1946, beginning as a radio operator for the Civil Aeronautics Administration (CAA) and continuing through various positions as an air traffic controller, training officer, planning officer, and evaluation officer for the Federal Aviation Administration which succeeded the CAA in 1957. He was Transportation Planning Officer for the Federal Field Committee for Development Planning in Alaska in 1970-71 where he did extensive work on the problems of rural air transportation. He then consulted in transportation until 1974, working on a comprehensive economic analysis of the Alaska transportation system in 1973 which included a strong segment on the air system. He was Director of the Technical Staff for the Alaska State Office of the Pipeline Coordinator in 1974 where he had a good deal of involvement with the air support operations for that effort. In 1975-76, as Commissioner of Highways, he was active in developing the legislation which eventually created the Department of Transportation and Public Facilities in 1977. As State Co-Chairman of the Federal/State Land Use Planning Commission in 1976-79 he provided oversight on several transportation studies. He is now active again in consulting and working on air transportation problems in rural Alaska for the Alaska Legislature.

NOTES

WATER BORNE TRANSPORTATION

Prepared by
George C. Sillides, P.E.

Transportation! Usually the most sensitive issue in Alaska, whether the issue pertains to the transport of natural resources through and out of the State, or whether it concerns the cost of transporting the everyday necessities. No matter what the current economic development may be in any part of Alaska, the cost of living and the quality of life is enhanced by improved transportation or by the construction of those facilities which give access to adequate transportation. This paper deals, briefly, with various aspects of water borne transportation and with some of the capital improvements/investments that are needed to make better transportation modes possible and effective along the coast and through the great interior rivers.

Historic Dependency

All of the people of Alaska have always been highly dependent upon water borne transportation, though nowhere is this fact more truly reflected than throughout rural Alaska. There the quality of life and, in fact, the very ability to maintain a community at a given location depends greatly on the ability to move freight and people in and out of the community.

Facilities Need

It is a modern paradox that in these days of sophisticated, high speed, transfer of people and the goods of commerce, many communities of this State remain totally without any mode of surface transportation by a public facility, or of regular service by a surface common carrier.

Need studies conducted by the Division of Waters and Harbors, beginning in 1972, showed scarcely a community along the coast and rivers that was not in need of some attention. To the historic state role of rendering fisheries assistance was now added the concern of providing public assistance for the handling of fundamental freight needs in both urban and rural areas. In the case of the rural areas, such assistance often meant the difference between measurable economic growth, such as was afforded by the public docks at Dillingham and Bethel, or continued privation.

Financial Need

Also in 1972, it became evident that dependence upon the receipts from the Marine Fuel Tax was no longer adequate to both sustain and enlarge a marine facilities construction program. Furthermore, such use taxes are subject to erosion or outright repeal by legislative action.

Additionally, port and harbor projects for which Corps of Engineers or Federal Economic Development participation had been authorized demanded a permanent committment of funds which would be immune from future legislative action. The best solution to provide this fund was determined to be a series of General Obligation Bond issues.

Legislative Action

In 1972 the Legislature and the Administration joined their efforts in an initial $20,000,000 bond issue for water resource development, thus marking the birth of a modern, long range, port and harbor improvement and construction program. A comprehensive Port Facilities Act in 1974 gave further meaning and direction. The program of furnishing adequate facilities to the burgeoning industry of harvesting Alaska's fish and shellfish resources, and to the freight handling needs of coastal and river communities seemed well launched.

Administrative Action

There followed a series of significant actions. In addition to expansion and repairs to existing facilities at Ketchikan, Juneau, and Sitka, docks were constructed at Bethel and Dillingham to serve as Regional Ports. Small boat harbors were completed at Sand Point and King Cove, and begun elsewhere. Studies were conducted to determine the needs of the Kenai Peninsula, the Seward Peninsula, and Southwest Alaska. Determination was made of the economic feasibility and of the capital improvements necessary for the exten-

sion of the coastal freight handling capabilities of the Marine Highway System to the westward.

Delays

The marine facilities program was dealt a setback in 1976 when, on very poor advice, the Governor vetoed the legislative bond issue authorization of that year. Despite a later change in Administration attitude, and a 1978 bond issue authorization, the program has been impeded in the recovery of both its scope and impetus.

Much of the delay to facilities construction and to extension of the marine highway system stems from the 1977 re-creation of the oversized Alaska Department of Transportation. Such was its unwieldy structure in 1962 before it was broken up by Executive Order, and historic evidence of its failure is being repeated. One can recite a litany of ills, but the evident result is a lack of accountability. Formerly productive units have been reduced to bureaucratic cogs, and the Department appears unable to comply in a timely fashion to either legislative intent or the Governor's openly stated wishes.

An unconcionable delay to proven necessary and publicly desired development has been caused by interference from other agencies on environmental grounds, after valid environmental protection needs have been identified and satisfied. In 1977 the Legislature responded to this interference by enacting a Master Permitting Act, but to this date the Act has not been fully implemented as various agencies guard their "turf". Such delay is economically devastating. Faced with today's rate of inflation, the development potential of the principal sum of any bond issue cannot long endure.

Oversight Protection

In its concern to develop criteria for the beneficial use of unanticipated state revenues, the Conference On Alaska's Future Frontiers must also concern itself with the survival of that criteria within the social and political mechanism of the coming decade. A firmer stand against spurious attacks and more effective legislative oversight will aid that survival.

Extension of the Marine Highway System

Through the operation of the Alaska Marine Highway System, surface movement has been made possible to some of the roadless communities of Southeastern Alaska, Prince William Sound, and Kodiak Island. Though the system was primarily designed to accommodate tourist traffic and private vehicles, the freight transportation capacity of the system was quickly recognized. Today the ferries of the Alaska Marine Highway System make possible the delivery of a substantial portion of the much needed freight received at their ports of call.

There is a recognized and growing need for public marine transportation service to the communities of western coastal Alaska, whose water orientation is a way of life.

Because of the ready accessibility by water to almost all of the communities along the Alaska Peninsula, Aleutian Islands, and Bristol Bay, an extensive system of roads is neither needed nor economically practical. It is both needful and useful for the State of Alaska to alleviate the existing conditions by implementing a moderate, economically sound, extension of the Marine Highway System.



That system should use small, high freight capability-low passenger, coastal ferries. It cannot use the tourist passenger-personal vehicle type of vessel presently in use in southeastern Alaska, and between Seward-Homer-Kodiak. If currently uninformed and disruptive political pressure regarding the size and type of vessel is set aside, implementation of the extension through vessel purchase and construction of docking facilities can begin.

River Transportation

The major rivers of Alaska were once the main routes of access from the coast. They are once again resuming their historic status of major highways for commerce, fed from the regional port at Bethel on the Kuskokwim River and the railhead at Nenana on the Tanana River.

Two additions to the State's Interior transportation system are needed if the Yukon and the Kuskokwim are to contribute their full potential to the transportation economy.

The first is the construction of a rail link to the village of Tanana, near the confluence of the Yukon and Tanana Rivers. Such an extension will have a marked effect on the handling of cargo destined for river points. One effect will be the elimination of the necessity of partially loading barges to 3-1/2 feet of draft for the trip on the Tanana River, and reloading at the village of Tanana to a draft of about 6 feet for the trip on the Yukon.

The second addition to the system which can beneficially affect traffic patterns and haul distances is the joining of the Yukon and Kuskokwim Rivers in the vicinity of their nearest proximity to each other. An earlier plan to join the rivers by means of a canal has proven both economically and environmentally unsound. The feasible alternative is to join the rivers with a heavy duty, unpaved, gravel road, approximately 30 miles in length. A dock is proposed at each end, and a probable oil products pipeline alongside. All communities can then enjoy access from the deep water port at Bethel, and from the railhead at Nenana and or Tanana.

In any event, there are presently few, if any, cargo off-loading facilities at the river communities. Because of this lack, unloading of cargo is a difficult, often dangerous, time consuming affair. As a result, it is also much more expensive than it should be. The added expense is passed on to the consumer, and increases the already high cost of living in Interior Alaska.

The problem is further aggravated by the various stages of the rivers — high in June, low in October, and unpredictably anywhere at other times. No cargo handling facility can be built on these rivers without careful attention to water level fluctuations during the shipping season, and to the problem of ice battering at Spring breakup. Any solution must be common to all communities.

Perhaps the most promising scheme is one adapted from facilities on the Mississippi. This consists of a rail mounted, movable platform which can serve as a barge breasting device and unloading platform, and as a means to winch freight up the bank to the village level if no trucks are available, as is often the case. The necessary rails are set in a concrete plank ramp, already developed and in use in the state.

The Northwest

One cannot close a paper on marine transportation without mentioning the need at Nome and at Kotzebue to lighter freight for very long distances. This is especially true at Kotzebue. The cost of this lightering is reported to be 50% of the total transportation cost.

A deep water port on the Seward Peninsula is necessary for the reduction of these lighterage costs, for the development of the area's mineral potential, and as an alternative oil and gas pipeline terminal. To this date, the State has left the development of such a port to the U.S. Army Corps of Engineers. It is time that the State undertook the development of this deep water port on its own account if there is to be any hope of a reasonable construction time frame.

Recommendations

From the preceeding discourse we are led to the following recommendations as some of the action necessary by the State during the next decade.

1. Establish a high freight - low passenger capability ferry system between Kodiak, Unalaska, and Bristol Bay.

2. Construct a railroad link to the village of Tanana on the Yukon.

3. Construct barge tie up and freight off-loading facilities at the communities on the Yukon and Kuskokwim Rivers, and on their major tributaries.

4. Construct a heavy duty, approximately 30 mile long, gravel, unsurfaced, highway link between the Yukon and Kuskokwim Rivers.

5. Expand the regional ports at Bethel and Dillingham.

6. Construct regional ports at Naknek and the Seward Peninsula.

7. Establish a ferry - portage system from Iliamna Bay to Kvichak Bay, via the Pile Bay portage, Iliamna Kake, and the Kvichak River.

8. Establish an independent Alaska Port Authority.

9. Put less dependency on Federal assistance.

10. Establish adequate legislative oversight procedures.

About the Author

George C. Silides has been a resident of the State of Alaska since 1947, and a Registered Professional Engineer since 1952. He has maintained his own consulting service since 1957 engaged in a varied and widespread practice of Engineering, and as Consultant to industry and government on matters of resource development. As a former State Senator he was active in the establishment of more effective marine transportation development procedures and funding. He is the author and co-author of a number of published reports on the economic and engineering feasibility of marine facilities, as well as a participant in the design of some of those facilities.

NOTES

ROAD TRANSPORTATION SYSTEMS

by
Woodrow Johansen

HISTORICAL PERSPECTIVE

Prior to July 1, 1960, road construction and maintenance in the District, Territory and State of Alaska was performed by a succession of agencies of the federal government. On July 1, 1960, the State of Alaska through the Department of Public Works assumed the responsibility of constructing and maintaining its highway system. In 1963 the Department of Highways was created by the Executive Order of then Governor Egan and in 1977 Governor Hammond encompassed the organization within the Department of Transportation and Public Facilities.

Alaska Road Commission

The first organized effort to locate and construct trails and wagon roads in Alaska began in 1885, 1898 and 1899 when expeditions under the War Department were sent in to the District of Alaska to collect data regarding the country and the best national routes of travel. It is interesting to note that the routes travelled by these expeditions are the locations of the principal highways of this State.

In 1901 Congress appropriated $100,000 to the War Department for roads and bridges in Alaska to be spent on a route from Valdez to Eagle. The funds were sufficient only for the construction of a crude pack trail through sections otherwise impassable and the building of some of the most necessary bridges along the route.

In January 1905 Congress created and funded a formal organization — The Alaska Road Commission — as an agency of the War Department whose purpose was to improve and maintain the system of trails and wagon roads in the District of Alaska and to construct new roads as available funds permitted. This system of some 4,890 miles consisted of wagon roads, winter sled roads and trails. As the only construction and maintenance organization in the Territory, the Road Commission performed many services not ordinarily thought of as a function of a highway organization. They maintained the national cemetaries and monuments at Sitka, maintained the roads and trails in Mt. McKinley National Park, built and maintained a ferry in Norton Sound, built and flagged winter trails, built shelter cabins for the use of those driving dog teams on winter trails, built and maintained telephone lines, built and maintained flood control works, airfields, and a portage between the Yukon and Kuskokwim Rivers. In addition they operated tramways: one from Dunbar to Logjam on the Tolovana, one from Nome to Shelton on the Seward Peninsula, and one from Chitina to McCarthy in the Wrangell Mountains.

Funding for the operations of the Road Commission was obtained from federal, territorial and other sources:

1. Federal Sources —
   a. Each year the War Department and after 1932 the Department of Interior presented a budget to Congress to cover the operations of maintenance and construction.

   b. Reimbursable agreements with the Quartermaster Corps and the National Park Service.

   c. The "Alaska Fund" was established by Congress to fund the operations of the Alaska Road Commission. It was created by setting aside 65% of the monies collected from taxes levied on liquor and tobacco outside of incorporated towns in Alaska. The amount available from this source varied from $28,000 to $242,000 a year.

2. Territorial Sources—

   Beginning in 1920 the Territory of Alaska appropriated funds for the construction and maintenance of roads, bridges, and trails for specific projects as recommended by the Territorial Board of Road Commission. Over the years this fund amounted to $6,250,000.

3. Other Sources —

These funds were paid to the Alaska Road Commission by municipalities, corporations and individuals as compensation for services performed. The compensation was made in cash or goods and services.

The Road Commission continued as the principal road building agency in the District and Territory of Alaska for fifty-one years. Under the Alaska Road Commission Two Hundred and Three Million, Two Hundred and Thirty-Three Thousand, Five Hundred and Sixty-One dollars were expended to improve and maintain the highway system. When the Alaska Road Commission was transferred to the Department of Commerce on September 16, 1979, there were 1,000 miles of paved primary highway connecting our principal cities, 1,250 miles of feeder roads, 1,350 miles of local roads and 445 miles of trails built and maintained in the Territory. By Act of Congress — The Federal Aid Highway Act of 1956 — the functions of the agency were taken over by the Bureau of Public Roads of the Department of Commerce.

Bureau of Public Roads

The signing of the Federal Aid Highway Act of 1956 by the President on June 29, 1956, ushered in a new era of road building in Alaska. With the passage of this act, the Alaska Road Commission was made a part of the Bureau of Public Roads. The functions of highway maintenance and construction were continued as in the past; however, the other services previously performed on a reimbursable basis were curtailed.

Alaska, in Fiscal Year 1957, participated for the first time in the Federal Aid Highway Act and received an allocation of some $2,000,000. The following year the allocation was $13,500,000. At long last, the Territory was assured of reasonably adequate funds with which to effectively plan and efficiently carry out the improvement and extension of Alaska's highway network.

The Bureau continued to carry out its responsibility as a federal agency until Alaska was admitted as the 49th State on January 2, 1959. They then contracted to carry on the functions for the State until July 1, 1960, at which time the Division of Highways under the Department of Public Works became an operating organization. The State then took over all the responsibility for planning, constructing and maintaining the highway system.

State Highway Organization

The Division of Highways organized under the Department of Public Works was the State Division that organized and operated the highway organization from July 1, 1960, until September 1, 1962. The task of organizing and staffing a division of state government between January 3, 1959, and July 1, 1960, was formidable. The organization was staffed with people newly hired from outside coming from many states in the west and mid-west and coming from Highway organizations as diversed as the topography of the states from which they came. You can imagine, therefore, the differing opinions that existed on any subject and the difficulties encountered in trying to resolve those differences. Mr. Downing, then Commissioner of Public Works, and Mr. Sherard, then Director Division of Highways, must be given credit for developing an operating organization in such a short period of time.

As can be expected, problems developed in the organization, projects began falling behind, relations with the public deteriorated and the legislature launched an investigation. As a result, the then Governor Egan issued Executive Order No. 18 dated March 15, 1962, which established the Department of Highways as a department of state government and appointed D.A. McKinnon as Commissioner.

The Department of Highways provided an organization with a logical assignment of functions to four principal divisions in Headquarters and in the Districts. With this basic organization much more authority, accountability and responsibility was given the District Engineers and their staffs. As a result things began to move and the highway program as we know it today evolved. One year after the Department was created, it was handling $80,000,000 worth of engineering and construction work.

In 1975 some legislators and members of the public began discussing the advisability of establishing a Department of Transportation to encompass all modes of transportation in one department. The federal government had reorganized in this manner and many thought we could work more closely with them if we were so organized. Others thought by so reorganizing there would be

closer cooperation between the various modes. Still others thought an organization formed along functional lines encompassing all modes of transportation would be more efficient. Governor Hammond publicly discussed the proposal in 1976 and on July 1, 1977, by Executive Order No. 30, he established the Department of Transportation and Public Facilities. The new department essentially combined the old Departments of Highways and Public Works and encompassed Highways, Aviation, Buildings, Waters and Harbors, the International Airports, and the Ferry System. The intent was to organize this department on functional lines. It is an intent which is only partly realized at present but it is a goal that will be achieved.

The Department of Transportation and Public Facilities is now two years old with an operating budget of $150,000,000 exclusive of the Capital Improvement Program. The highway mode including marine transportation accounts for $92,000,000 of this amount. The Capital Improvement Program funded for highways by the legislature amounts to approximately $200,000,000 — $39,000,000 direct appropriation and $161,000,000 bond money.

CURRENT STATUS

At this writing there are approximately 6,700 miles of road maintained as a part of the State Highway System. Of this the Federal Aid System accounts for 5,400 miles: 3,000 miles is primary, 2,400 miles secondary and 100 miles is urban. The Marine System accounts for about 1,440 miles of this system. The State Maintained and Local Service Roads and Trails System amounts to 1,250 miles.

In addition the cities, the boroughs and villages of this state maintain 2,600 miles of roads, streets and walkways. Under federal control in the National Parks, National Forests and Reservations, there are 1,750 miles of road being maintained.

To maintain the State System the last legislature appropriated $42,177,200 for fiscal 1980. Of this amount $5,500,000 was earmarked for Haul Road maintenance and camp construction. We have, therefore, some $36,700,000 to maintain approximately 5,300 miles of highway varying in section from a 20 foot dirt road in an outlying area to four and six-lane paved divided highways containing storm drains, sidewalks, utility conduits, lighting, signalization and pavement marking.

To maintain the highway system of 3,600 miles of roads in 1956, the Alaska Road Commission expended $4,100,000 or an average cost of $1,100 per mile. This compares with an average cost of $6,900 per mile we are now spending on our highway system. When one takes into account the depreciation of the dollar over a period of twenty-three years, when one considers the actual amount of resources required to maintain a modern highway section as compared with one of two decades ago, when one realizes that motor vehicle registration in this State has increased from 81,924 in 1960 to 318,217 in 1978 and when one examines closely the work being performed to maintain our highway system; one must realize that the State of Alaska is not committing sufficient resources to accomplish the task.

The projected State Highway Design and Construction Program for the next six years is in an amount of $96,000,000 in Fiscal 1979 to a high of $143,000,000 in 1982. The total projected funding for the six year program approaches $678,000,000 with about $305,000,000 allocated for the Central Region — the Greater Anchorage Area. The construction cost for this program is estimated at $568,000,000 and the remaining $100,000,000 will cover the costs of location, design, right-of-way, and utilities. Right-of-Way and utility costs are of course exceedingly heavy in the Central Region. In this region for the period 1979-1980 these costs are estimated at more than double the total costs for the rest of the state.

Sources of Funding (Federal)

The sources of funding for road construction in the state are many. Far and above the largest is the Federal Aid Highway Program of construction on the primary, secondary and urban roads, which program also includes funding for the construction and alteration of the state ferries. These funds are administered by the Highway Division, Design and Construction Section, within the Department of Transportation and Public Facilities and amount to approximately $80,000,000 a year.

Another federal program administered by Highway Division, Design and Construction, is the Safer Off-System Roads Program. These funds are intended to correct safety hazards on heavily travelled roads and bridges not a part of the Federal Aid Highway System. Approximately $8,500,000 is allotted to Alaska each year

under this program providing for a total program with state matching funds of $9,500,000.

A third federal program of significance to this state is the High Hazard and Road Side Obstacle Program. As the name implies this program is intended to eliminate hazardous locations on the Federal Aid Highway System. It is administered by Highway Division, Design and Construction, and amounts to about $5,000,000 per year including the state matching money. This program gives special emphasis to eliminate or mitigate the hazards existing at railroad crossings, at high volume intersections or at any section of highway where an obstacle or hazard may exist.

As a result of the deterioration of bridges throughout the nation and the failures that have occurred as a result of this deterioration, Congress initiated a program of bridge replacement. Work can be performed on or off the Federal Aid Highway System. This program administered by Highway Division, Design and Construction, will replace three bridges in the state in the next two years. Funding for those two years amounts to approximately $16,000,000 including state matching funds.



Sources of Funding (State)

In 1977 the State Legislature initiated a program of road construction titled the Local Service Roads and Trails Program. It also is administered by Highway Division, Design and Construction. Under this program, funded entirely by the legislature, some 530 miles of new and reconstructed road have been built. In addition several hundred miles of foot paths, bike paths, vehicle parking areas, bank protection, board walks, foot bridges and winter trails have been built by the state to be maintained by the local communites. To accomplish the above the state has spent some $24,000,000 — $14,000,000 directly in unorganized boroughs and $9,000,000 allocated to organized boroughs, the Municipality of Anchorage and home-rule cities to be spent on projects of their choosing in accordance with policies and procedures established by the Department of Transportation and Public Facilities.

Each year the legislature will make direct grants to a specific city, borough, village or organization to accomplish roadway or trail work outside the established programs administered by the state. Some of the grants are made to the Department with specific instructions on how the funds are to be expended.

Maintenance

The law which created a Federal Aid Highway Program in 1916 stipulated that to receive the benefits of the program a state must, among other things, establish a functioning Highway Department and agree to maintain any project built using Federal Aid to Highways Funds.

When the Legislature of the State of Alaska established the Local Service Roads and Trails Program in the 1970-71 Session, the law contained a stipulation that the then Department of Highways would be responsible for the maintenance of any project funded and built under the program.

From the foregoing it is clear that the Department of Transportation and Public Facilities is responsible for maintaining the major portion of the highways in Alaska — approximately 6,700 miles. To accomplish this work the Department operates with a budget approximately $42,000,000 a year including $5,500,000 for facilities

and maintenance on the road to the North Slope. This money is a direct appropriation by the legislature funded by general obligation bonds and apportioned to the operating regions in accordance with their road mileage and traffic volume.

All organized local communities (2nd class cities and higher) are eligible for revenue sharing for public roads and streets providing they accept the maintenance responsibility. In Fiscal 1979-80 communities applied for revenue sharing for maintaining 1,350 miles of public road and 166 miles of winter road open to the public. The state will participate in revenue sharing only on those roads that carry licensed vehicles. It will not share the maintenance reponsibility for the upkeep of trails not constructed by the state. Revenue sharing can include not only roads built by the state but roads and streets built by others.

Other Roads

In addition to the 6,700 miles of road maintained by the state, there exists some 1,800 miles of road constructed and maintained by the Federal Government in our National Parks, National Forests and in those areas that were formerly Indian Reservations in Alaska. Funding for these activities is, of course, obtained from congressional appropriation.

There are another 2,600 miles of roads, streets and trails under the jurisdiction of local authorities — Boroughs, cities and service districts. These facilities are constructed and maintained with funds obtained from local taxes and grants from the state.

CURRENT PERSPECTIVES

The maintenance, improvement and extension of the road system in the State is a subject which is constantly being discussed and debated in our homes, on the floor of the legislature, in the press and on radio and television. There is no activity of state government that directly effects the everyday life of a resident of Alaska as much as the activity of highway maintenance and construction. As a result, any proposal of the Department of Transportation is a proposal that generates interest in the work involved.

The various procedures developed and followed by the State as a project progresses from inception to completion are procedures which generate participation from the public, other State agencies and Federal agencies. In following the procedures outlined in the "Alaska Plan" for the development of a project, the Department progresses through a procedure of some seventy steps involving the participation of those interested in at least ten public hearings and meetings and requiring written contact and cooperation of some seventy-five government agencies and private organizations. It is the input from this process that results in the final product.

There are no government or private entities whose efforts are directed toward the construction and maintenance of roads other than those agencies mentioned previously. The National Park Service constructs and maintains roads and trails in National Parks and Monuments. The Forest Service constructs and maintains roads in National Forests sometimes with their own forces, but more frequently through agreements with the State or with the logging contractors utilizing the forest products. The Bureau of Indian Affairs constructs and maintains roads on Indian Reservations or on what was formerly Indian Reservation or on land that has been or is being turned over to Native Cooperations as part of the Land Claims Settlement Act. The activities of these Federal agencies maintain some 1,750 miles of road funded with Congressional Appropriations.

Boroughs, municipalities and service districts within the State maintain some 2,600 miles of road mostly funded by local taxes or state revenue sharing.

OTHER PERSPECTIVES

Most of the government or private entities whose efforts may be directed at times toward highway construction and maintenance are really involved not so much with the idea of getting a road constructed or maintained, but with being able to accomplish this improvement with the least adverse effect on their primary area of concern. Whenever a location hearing on some road project is in progress, some participant will invariably object, not to the idea of the road, but to its location as it may effect their area of concern; not to the need for the improvement, but to its width as it may effect their area of concern. It is seldom, if ever, that the participants object to the idea of a project.

Mention should be made at this time of the adverse effect that the lack of sufficient transportation corridors in the Land Claims Settlement Acts and subsequent Acts resulting therefrom could have on the development of a road transportation system in this State. It seems as though a deliberate effort has been made to encompass the resource areas of the State within Federal withdrawals or to extend these withdrawals in such a manner as to block the designation of a transportation corridor in logical or needed locations. It has been stated by Congress that provisions in the D-2 Act are sufficient to provide needed access. In my opinion, the possibility of obtaining access following the procedures outlined is indeed remote and the time frame required, if it were possible, would be at least twenty years. Without access provisions which are workable or without designated corridors as a part of D-2, the development of this State is indeed "Locked-Up".

In a study of the road needs of this State, it is evident that the needs as expressed by the public and by organized entities are those needs that would take care of their immediate problems. In Southeastern Alaska, we must upgrade the roads and streets to handle increased traffic. We must provide access up the Stikine to join in to the Canadian road system and reduce our State ferry runs. We must connect Sitka with Rodman Bay to put Sitka on the main ferry run. In Central Alaska, we must upgrade the roads and streets to handle the traffic generated by runaway development. We must upgrade the Seward and Glenn Highways. In Western and North Interior Alaska, we must build access roads to airfields, boat landings, material sources and garbage dumps. We must improve the village streets and develop material sources. We must not connect these villages with a highway system. A road between Nome and Kotzebue should be considered. In Southcentral Alaska, we must upgrade the Tok Cutoff and Richardson Highways. In the Interior of Alaska, we must upgrade local roads and streets to carry the increasing traffic and reduce maintenance costs. We must also upgrade the year-round maintenance of the road to the North Slope.

As can be seen from the foregoing paragraph, none of the comments pertain to the State as a whole or to our needs as they may develop in the future. They are immediate needs and they are regional in consideration. We must consider ours and the nation's future needs and to do this we must consider the State as a whole. We can no longer afford the luxury of ignoring the resources of this State and what those resources mean to the future of our nation.

The State must develop a surface transportation system to tie the regions of the State together and to utilize the resources available. It has frequently been said that we can develop our minerals using aircraft. I say we can no longer afford such a luxury. We must develop surface transportation systems to meet our transportation needs.

Directions

The State should immediately fund a highway construction program to upgrade roads and streets in metropolitan areas and some roads in rural areas, to improve village roads and streets and to consider extending construction on some designated routes. A program of 100 million dollars a year for a period of five years should be considered. When setting up this program, one should consider the effect it will have on the construction industry and on the engineering profession in the State. One should also consider possible conflicts between this program and the Gas Pipeline construction from Prudhoe Bay. With enough forethought in the planning, the results of a program of road construction can only be beneficial.

Biographical Sketch

Woodrow Johansen was born in Eyak, Alaska on November 24, 1913.
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FUTURE FRONTIERS FOR THE ALASKA RAILROAD

by
Leslie E. "Red" Swanson

The Alaska Railroad: A brief historical perspective

Gold fever, the need to develop the resources of Alaska, and transportation of resources to ice-free ports for shipment to processing centers initially generated railroad building in the far north. The lineal ancestor of the present Alaska Railroad, the Alaska Central Railway, was begun in 1903. Its goal was to connect tidewater port facilities at Seward with the coal fields of the Matanuska Valley. The Tanana Valley Railroad developed in the mining districts surrounding Fairbanks to carry supplies between the mining camps and various ports on the river tributaries of the Yukon drainage. When financial problems forced these early private railroads into receivership, the federal government moved to assume responsibility for construction and operation of a railroad network in the territory. Under President Woodrow Wilson, the Government acquired the properties of the several private railroads, and selected the route for a 470 mile rail connection between Seward at tidewater and Fairbanks in the interior.

Initial construction of the Alaska Railroad spanned the years from 1915 to 1923. On July 15, 1923 at the interior city of Nenana, President Warren G. Harding drove the final spike and declared the system open for business. Operations along the full length of track commences after completion of a major bridge at Nenana and the replacement of the narrow gauge system north of that point with standard gauge rails.

Through 1940, the Alaska Railroad posted deficits on its combined operations. The years during World War II increased rail tonnage and revenues substantially, allowing the Alaska Railroad to begin to balance revenues against operating costs throughout the system. The military considered the railroad critical to the defense of the Territory, and extended the line from Fairbanks to Ladd Field and Eielson Air Force Base. In the southern area, construction of the Portage to Whittier cut-off during the war period added a second ice-free port to the system insuring both military and civilian shipments on a continuous basis.

With the conclusion of World War II, work began on a $100 million rehabilitation program to modernize rolling stock, upgrade rails and roadbed, and extend support facilities. Most of the rebuilding was accomplished between 1948 and 1952, with two-thirds of reconstruction costs allocated to improvement of track and roadbed. By 1952, diesel engines were replacing steam locomotives in regular service and daily passenger service between Anchorage and Fairbanks commenced. Financially, Alaska Railroad operation showed net income during the post-war period through 1952.

The decade of the 1950's was a period of slow growth for the Alaska railroad. Completion of the Haines-Fairbanks military petroleum pipeline in 1955 and the beginning of the natural gas pipeline from the Kenai Peninsula to Anchorage contributed to decreases in revenue. Railroad officials, in order to stay competitive, pioneered containerized cargo handling and piggybacking highway trailers thus assuring savings in labor costs and cargo handling time.

The earthquake of 1964 required major reconstruction of southern portions of the system; the costs of which were met by a $19 million Congressional appropriation. The Alaska Railroad recovered rapidly and continued to expand its freight volume. Prudhoe Bay oil development and the construction of the Trans-Alaska Pipeline provided the railroad with increased revenues, particularly in the principle pipeline construction years of 1974-1977; reaching a high of $53.6 million in 1976. By 1978, reflecting the general trend downward in the state's economy, revenues from railroad operations slipped by nearly half to approximately $29 million. However, post-pipeline annual tonnages reflect increased volume over pre-pipeline tonnages.

While short-term revenue projections are currently dim, prospects for increased railroad revenues over the intermediate and long-term must be reguarded as reasonably good. Cost efficiency in handling the cargos that will likely be the basis of the state's economic future — mining, timber, oil and gas products, coal,

agricultural products, components of major construction projects in Southcentral and Interior Alaska, cement, and even the products of the expanding Alaskan fishing industry — are key elements in the future of the existing system. While rail transportation will continue to have a comparative advantage over other land transportation modes, railroad experts see the future of the system as more closely related to decisions of the federal and state governments as to whether the state will be allowed to develop, and the direction and nature of such development. Officials candidly admit, however, that since the system is presently barely able to recover operating expenses, repair and replacement of facilities and equipment, and expansion of the system to meet the requirements of the people of the State of Alaska and the Nation will almost certainly require support from outside sources.

The Trancontinental Link: Its current status.

Briefly considered in 1942 and discarded in favor of a highway route, the idea of linking the Alaska Railroad with the North American transcontinental rail system through Canada dates from the early 1960's. A memo from the Secretary of the Interior Stewart Udall, in response to an inquiry from Washington Senator Warren Magnuson, directed Alaska Railroad officials to examine the viability of a proposed rail link from the Alaska interior to connect with the Canadian rail system. State interest in expansion of the rail system dates from the same period. The NORTH Commission, appointed by Governor Walter J. Hickel, reported favorable on expansion of the Alaska Railroad to the North Slope and west along the southern slope of the Brooks Range into the mineral rich Kobuk River Valley. Neither suggestion was vigorously pursued, and serious proposals for expansion of the Alaska Railroad lay dormant for another decade.

The proposal for a transcontinental railroad connection was revived in the late 1960's. Officials of the British Columbia Railway, a corporation with close ties to the government of that province, were then expanding the British Columbia Railway system 800 miles north and west of Prince George, B.C. in the direction of Dease Lake, a community some 100 miles south of the Yukon-British Columbia border and about the same distance east of Juneau, Alaska. Officials of the Yukon Territory and the federal government of Canada commissioned examination of the feasibility of a standard gauge railroad connecting Watson Lake, at the territory's southern boundary, to Pelly Crossing and the Alaska-Yukon border. While the 1975 "Yukon Railway Study" concentrated on alternatives for extension of the narrow gauge White Pass and Yukon system into the mining districts in the central area of the Yukon Territory, an eventual separate link to a northern extension of the British Columbia Railway system and to the Alaska Railroad was considered, and found to be not unreasonable.

By 1975 it was clear that Canadian federal, provincial, and territorial officials had given very careful consideration to several potential future rail networks — both resource development trackage and a trunk system — serving the northern and western parts of Canada. In the same year, the First Session of the Ninth Alaska Legislature approved a resolution calling on Governor Hammond to convene a meeting of interested parties to consider an expanded transcontinental rail route. Canadian and American conferees attended the meeting, held April 8th and 9th, 1976 at Juneau, Alaska. The conferees concluded that the concept of the rail interconnection looked promising and warranted further detailed study. A preliminary study entitled, "Alaska-Canada Transcontinental Rail Connection to Contiguous United States", related to the transcontinental rail proposal was funded by the State of Alaska and prepared by the Alaska Department of Commerce and Economic Development in 1977. The report cautiously praised the proposal and indicated that Alaska was far behind the Yukon and British Columbia in preliminary evaluation and route selection. Realizing that deficiency, the First Session of the Tenth Alaska legislature appropriated $865,000 to complete reconnaissance surveys, field studies, mapping and engineering work to delineate a utility corridor and railroad right-of-way for extension of the Alaska Railroad from the vicinity of Eielson Air Force Base to the Alaska-Yukon border. The route selection report, prepared by the Alaska Department of Transportation and Public Facilities, was published in July, 1979. Within Alaska, the report identified a utility corridor and right-of-way paralleling the Tanana River, interconnecting at several points with the Richardson and Alaska highways, crossing a low ridge east of Tok and entering the Ladue River Valley at its lowest available access point. Thereafter, the rail right-of-way follows the grades and alignment of the Ladue Valley to the Canadian border, a distance of 268.5 miles. The route selection report assumed that the Alaskan link would tie in to a 580 mile segment to be built through

the central and southern portions of the Yukon Territory and a 100 mile northward extension of the British Columbia Railway from Dease Lake. Approximately 950 miles of new railroad construction will be necessary to link the Alaska Railroad to the provincial and national rail network in Canada ("The railroad from Anchorage to Chicago")

Future frontiers of Alaska and North America will depend on expansion of the Alaska Railroad and its connection with the Canadian rail system. Whether the Alaska Railroad becomes a part of the existing North American rail system will be largely determined by the degree of economic activity involving industries and commercial operations that will use its services.

In the late 1960's and early 1970's years in which the NORTH Commission considered the development of rail and highway connections in the state of Alaska, its reports favored northward and westward expansion of the Alaska Railroad into areas of likely mineral exploration and petroleum production. The NORTH Commission clearly envisioned continuation of the Alaska Railroad as a regional rail system, with only a promise of eventual connection with the expanding Canadian rail network and the North American rail network as a whole.

The petroleum wealth of Alaska's North Slope is destined for delivery to American markets by pipeline and marine tanker supported by an unsurfaced highway from Fairbanks and seasonal maritime transportation of supplies to the oil fields and villages of the Beaufort Sea coast. The promise of mineral production in some areas along the south slope of the Brooks Range appears to be crippled by pending federal land withdrawals. The factors bearing on the decision of the NORTH Commission to recommend an expanded role for the Alaska Railroad no longer suggest the same result.

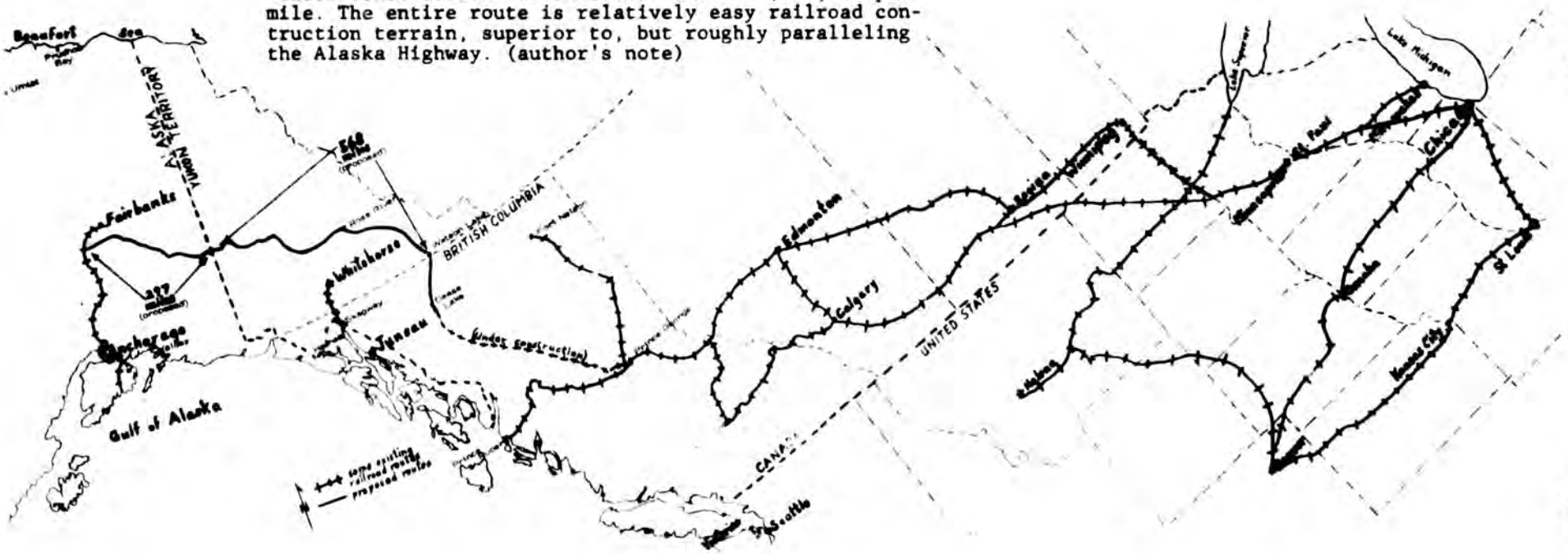
The principle purpose of improved transportation access to and from Alaska and northern Canada is the stimulation of orderly economic activity and development of the mineral and energy resources of the North. The interior regions of Alaska are areas of vast potential. Alaskans realize that these areas are also fragile environments and susceptible to damage. None of the major land owners of Alaska — the federal and state governments as well as the Native regional corporations — wants to throw its land open to unregulated exploitation. Yet the majority of Alaskans support the logical exploration and development of local resources and the diversification and improvement of the state's economic base. The railroad system would meet both criteria; opening new areas to their full economic potential, while limiting the number of people and the range of activities with possible detrimental effects in the areas utilized.

Many factors strongly suggest that, in association with the efforts of our neighbors, the transcontinental connection of the Alaska Railroad is an idea whose time has come. The rail transportation route in Alaska, if connected to areas in the Yukon Territory with major mineral deposits, would enhance prospects for recovery of those resources. The development of mineral areas may require the delivery of Alaskan coal to meet increased power requirements. The commercial timber resources of interior Alaska, portions of the Yukon Territory, and areas in northern and central British Columbia would be well served by the railroad extension and interconnection. Regions of interior Alaska adjacent to the proposed railroad extension have the potential to become major agricultural and livestock production areas. A transcontinental rail link would allow shipment of Alaskan and Canadian agricultural products efficiently to markets in Japan, the Orient and Russia through available Alaskan ports. With development of the bottomfish industry and continued large catches of salmon and shellfish, the rail connection through Canada would improve the likelihood of shipping frozen seafood to established east coast processing centers and markets. A transcontinental rail link would allow manufactured goods to be shipped from eastern and midwestern industrial areas directly to population centers in northern Canada and Alaska, would open the marine terminals of the Alaska Railroad as alternate ports for the Pacific trade. Alaskan ports, situated at least 1000 miles closer to the markets in the Far East, could emerge as useful gateways between the nations of Asia and North America.

Interconnection of the Alaska Railroad with the North American transcontinental rail system enjoys strong support. Canadian and American railroad officials have met, considered proposals, and set directions for continuing work on the project. The proposal has received strong support from Mr. David Barrett, leader of the Loyal Opposition in the Legislative Assembly of British Columbia. In a 1979 address to the Alaska Legislature meeting in joint session, Mr.

PROPOSED RAIL CONNECTION

This 'proposed route' was originally surveyed by the Army Corps of Engineers in 1942. The most recent analysis is of the Yukon Section, done by the Canadians in their Yukon Rail Study published early in 1976. The B.C. Railroad has nearly completed the section marked "under construction" at an actual cost of $650,000 per mile. The entire route is relatively easy railroad contruction terrain, superior to, but roughly paralleling the Alaska Highway. (author's note)



Barrett described the cooperative nature of the project as one that was built on a solid foundation between Canada and the United States. The Premier of British Columbia, Mr. Bill Bennett, has indicated an interest in the project but sees the impetus and major responsibility for contributing to capital construction as resting with the federal governments of Canada and the United States. Territorial officials in Whitehorse, Y.T. have promised their support in Alaska's efforts to document the viability of the proposed transcontinental link, and note that a northward extension of the White Pass and Yukon Railroad could potentially link up with a cross-Yukon rail system in the vicinity of Carmacks. Alaska's Ninth, Tenth and Eleventh State Legislatures appropriated substantial sums from the general fund to generate information on the proposed extension inside Alaska and provide a basis for development of data for comparison with previously completed reports by Canadian agencies.

Directions for the 1980's

With the preliminary route in Alaska identified in the July 1979 Department of Transportation report entitled "Alaska Railroad Extension Route Selection Project X20089 Eielson to Canadian Border", action should now continue on the planning necessary for a transcontinental rail connection. Four concerns deserve particular attention:

1. Alaska's efforts to gather more information related to a transcontinental rail link must now address the economic viability of the project. We need to demonstrate to the nation and to the governments of Canada that the project is viable, and the circumstances under which government support will contribute to the projects' success. The history of railroads in the north is one of government support for construction and modernization. Traditionally, tariffs and revenue were expected to generate sufficient capital to allow developmental railroads to meet annual operating expenses. Candidly, we do not know what level of freight tonnage over time is necessary to make the project economically viable, nor is it clear that the expansion of the railroad would immediately develop the necessary traffic volume and rate structures to make the system competitive with other surface transportation modes. With a major decision pending as to whether government will commit resources to the construction of a gas line between Alaska and British Columbia which basically follows the right-of-way currently identified for the Alaska Railroad extension, development of a common transportation corridor construction plan may spell the difference as to the completion of the proposed rail connection and its use in moving the resources of Alaska to market.

   Critical utility corridor lands should be dedicated by legislative action immediately and placed under the care of the Interior Division of the Alaska Department of Transportation so further soils analysis, core drilling and route study can proceed without delay. Our agenda for the 1980's should require the State of Alaska and the Alaska Railroad to prepare a comprehensive cost-benefit analysis of the project in a format which, when reviewed in conjunction with similar reports prepared for the Canadian governments and railroads involved, will permit responsibile officials to evaluate the feasibility of the project efficiently on a system-wide basis.
2. In April 1976, Mr. Kenneth Henderson, the Director of Railway Planning in the Canadian Railway Transportation Directorate, urged consideration of a cooperative commission to explore facets of joint railroad construction and operation of a proposed transcontinental railroad link. Mr. Henderson pointed out that, in Canada, federal officials actively seek to balance public and commercial interests in the planning and execution of major public works projects of economic benefit. While noting that Canadian federal, provincial, and territorial officials are interested in the transcontinental railroad interconnection, it is the responsibility of the United States government and the State of Alaska to decide the nature and direction of the initiative to be taken in securing cooperation among affected parties. We should make in an order of business to act on the advice of Mr. Henderson. Our continuing discussions to date have been merely informal consultations among various government officials for the most part. We do not know the degree to which business and commercial interests would support the proposed rail project. Also, we do not know whether our federal officials will support railroad expansion at this time. Our recommendation includes directives to the executive and legislative branches of Alaska state government to initiate formal planning and coordinated efforts with other parties who have an interest in the project, whether governmental or commercial.

3. The Alaska Railroad Act of 1914 (Public Law No. 69) delegated broad powers to the President of the United States to establish a rail system in Alaska connecting ports on the Gulf of Alaska and the Yukon River along routes that would promote the settlement and development of the territory. The President was authorized to withdraw railroad easements of up to 1000 miles to accomplish those purposes. Land withdrawals, accomplished for the most part in the early years of the century, total barely half the mileage allowed in the 1914 Act. With disposition of lands in Alaska accelerating, and the route of the proposed rail interconnection to the Alaska-Canada border mapped, our agenda should require the appropriate state and federal officials to withdraw the identified rail routes, holding them for use in developing a transportation corridor. State statutes and federal legislation already on the books are sufficient to authorize these classifications. We recommend the introduction of legislation which would secure those lands as specified in the recent Alaska Department of Transportation study X20089.
4. Advance planning for a project as large as the 950 mile railroad interconnection is directly related to the planning and completion of several other major projects in the regions through which the proposed railroad is to be eventually constructed. Within Alaska, the railroad project will directly affect the plan for upgrading interior Alaska highways, the clearing of land for agriculture, construction of a natural gas line, oil refining facilities, development of currently planned hydroelectric projects and the expansion or extension of other transportation facilities in the areas served by the railroad. All of these projects are inherently efforts requiring significant infusions of capital, careful planning, and varying lead times.

The Alaska legislature should prepare a development scenario for Alaska, including recognition of the role to be played by an extension of the Alaska Railroad. Economic development efforts of late reacted to pressures largely exerted from outside. We have responded to the pressures and changes brought on by such massive projects as the Trans-Alaska Pipeline but we have done little to assure that opportunities remain strong in the post-pipeline years. Renewable resources including timber, fishing, hydorelectric power, and agriculture — all of which would contribute to an economically viable transcontinental rail system — are at various levels of development, but too little thought has been given to the eventual direction of that development. We are, as a state, undecided on the commitment of public resources to a second major pipeline to move North Slope natural gas. We should, in preparing for the 1980's, identify the present and potential factors bearing on the economic health of this great land, and map a course that will assure the rational development of our resources for the benefit of all Alaskans.

For my part, I see the Alaska Railroad connection with the rail systems of Canada and the United States as a significant factor not only in the development of Alaska but also the roles of Alaska's people in a changing world. I hope that those who read this paper will think about the themes raised and will agree that the transcontinental rail connection is deserving of continued efforts in Alaska's Future Frontier.



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Biographical Sketch:
Leslie E. "Red" Swanson

Mr. Swanson is a pro-development conservative who believes in protecting our environmental heritage. He has been an Alaskan for many years and has been involved in Alaskan political life for over fifteen years as a representative from interior Alaska, as a lobbyist, and as a Senate sargeant at arms.

During the Hickel administration Mr. Swanson lobbied for the appropriation that created the NORTH Commission. Under the Hammond administration Representative Swanson's legislation (HCR 27) led to the railroad conference of April 1976. In the 9th Alaska Legislature Representative Swanson introduced a $50,000 appropriation bill which funded the study by the Alaska Department of Commerce and Economic Development entitled "Alaska-Canada Transcontinental Rail Connection to Contiguous United States". In the 10th Alaska Legislature Representative Swanson introduced HB 47 which directed the Alaska Department of Transportation to delineate a proposed utility corridor for the extension of the Alaska Railroad to the Canadian border and HB 48 which appropriated $865,000 to the Alaska Department of Transportation to fund the field work required to complete the provisions of HB 47.

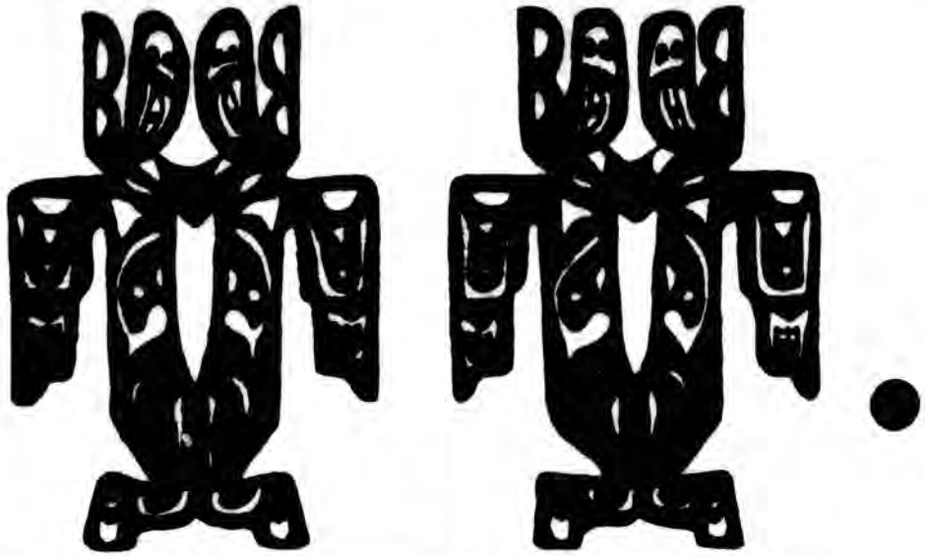
NOTES

ALASKA LAW & JUSTICE 1979

Prepared by
Robert H. Wagstaff

There are many alarming trends in the Alaska legal process for those who live in Alaska seeking to achieve a measure of control over their lives now unattainable elsewhere.[1] Certainly since statehood there have been decisions and actions by the courts in Alaska in which there is justificable pride; some have even been argueably courageous. But unfortunately, if not predictably, we now seem committed to repeat the mistakes of others and are in the feverish process of accomplishing just that. I hope in the short time allowed in this paper to allude to a few specific examples in illustration of the foregoing statement. It is necessary for any who are concerned with fundamental constitutional and political values and human rights to actively enforce these rights or witness their inevitable errosion.

There is a general feeling endemic to the Alaska legal process that certain of what might politely be called the mistakes of other states can't happen here. Notwithstanding, recent findings by the Alaska Judicial Council establishes prima facie that a person convicted of a crime in Anchorage, Fairbanks, or Juneau stands a significant chance of getting a longer sentence if he is Native or Black. The executive director of the Judicial Council, Mike Rubenstein, has waged a courageous battle to bring this information to the public in hopes of redressing this wrong. The most fundamental Revolutionary precept of the American judicial system is equal justice under law. The phrase is found chisled on the facade of the Supreme Court of the United States. There is present and significant evidence that there is not equal justice under law in Alaska. A September 6, 1978, Judicial Council memorandum[2] states that as a result of statistical analysis in Anchorage, Fairbanks and Juneau from August 1974 to August 1976 it is "indicated that Blacks and Natives tended to have longer sentences, other things being equal, than Whites." The study shows "that there was a pattern in which Blacks and Natives apparently received longer sentences and were



denied probation under circumstances in which Whites received more lenient treatment." The study specifically found "that Blacks and Natives had significantly longer sentences than Whites in class 3 (burglary, larceny, receiving) and class 4 (fraud, forgery, embezzlement) offenses, and Blacks had much longer sentences in class 5 (drug offenses)." A subsequent judicial council memorandum dated October 30, 1978, states "(t)he main thing we have established is *the study data show a relationship between race and sentencing that should not be ignored.*" (emphasis in original). The court system has had its own analysis of the data performed which generally agrees with the conclusion of the Judicial Council. An addendum to the October 30 memorandum states:

> Our findings suggest that disparity is wide-spread between Black and White court dispositions and sentencing. Blacks are less likely to be convicted on reduced charges. With the exception of Class 4 (forgery and check) cases, their chances for probation are substantially lower than those of whites, even for comparable defendants. Their mean and median sentences and the distribution of their sentences all point to Blacks, no matter what their circumstances, receiving consistently longer jail terms.

Even more disturbing perhaps than these findings has been the reaction of the court system. The only known action taken to date

was at a judicial conference in June of 1979 in Sitka relating to "cultural and sociological awareness training." A report of that conference was published by the Alaska Court System in September of this year.[3] The report notes that as a result of the Judicial Council findings, "Alaska judges at all levels and locations felt that they were being unjustifiably attacked. Many judges called upon the court system to refute the findings of the council. They called for a defense of the judiciary," even though the court system's independent evaluation of the methods and data "revealed no major technical flaws in the manner in which the study had been conducted." The report notes that prior to the conference the Administrative Director of the court system "received numerous phone calls, written communications and personal visits from members of the judiciary who strongly protested the inclusion of awareness training on the conference agenda." The report further states that "(b)ecause of the defensiveness apparent in the attitude of many of the judges who would be attending, it was considered desireable to present a program which would not antagonize those attending to the point at which these persons would refuse to absorb the material presented."

Participating in the conference were professional and lay panels and invited lecturers. One of the professional panel members stated that the judiciary manifested a general syndrome of denial and was not willing to accept the data presented by the Judicial Council. He reports that there was no corrective plan that he was aware of that came out of the conference nor has he since heard of anything else being done. He further states that while the intent of the Judicial Council in arranging for the conference was not that it be just window dressing, that is what, in his opinion, it turned out to be. Neil Thomas, the Executive Director of the Alaska Human Rights Commission, also in attendance at the conference, states that there was a general hostility to the facts and a general feeling from the judiciary that they had been treated unfairly. In terms of correcting the situation Mr. Thomas states: "The problem is more acute with judges than with employers who discriminate as the process for correction is more difficult."[4] The conference may have been productive in terms of venting internal hostilities but did little, if anything, to correct the demonstrated problem. Indeed, the author of the evaluation of the conference notes: "Even if considered a success, this program should constitute only the first step in a continuing attempt to insure that the judicial system is free from racial bias. The form that the next step should take is unclear at this time."

Since the conference the Judicial Council has released a new report on misdemeanor sentences in Anchorage and Fairbanks for the same time period.[5] The study finds that "(c)lear sentencing differences were found among blacks, whites and native Alaskans."

The report notes that "(w)hatever the causes of the problems there is universal agreement that the sentencing differences uncovered in this research are too large and statistically significant to be ignored by the criminal justice system." Dramatic action is required with respect to this problem of the first magnitude. What has typically been perceived as can't happen here has in fact occurred.

There is no evidence that racial disparity in sentencing is conscious. Nonetheless, the facts demonstrate a problem that is intolerable. The Alaska Supreme Court must show definitive leadership. The problem cannot be deferred to administrative largesse or the politics of the Legislature. Fundamental human rights and basic democratic concepts are at issue. The Alaska Supreme Court has an opportunity to speak squarely to the issue in the case of *Earl Lake Johnson* v. *State*,[6] recently argued and now submitted for opinion. Johnson, a Black with no previous record, employed, and honorably discharged from the Marine Corps, received a sentence of five years to serve on a drug charge. Citing the Judicial Council study Johnson's lawyer points out that while only 24 per cent of Blacks received probation in drug cases, 60 percent of the Whites did and the actual sentence for Black drug offenders was 51.2 months, yet for Whites it was only 8.8 months. The Supreme Court must offer more than a prophylaxis, it must fashion a remedy for those now in jail who can show that they are victims of disparate sentencing. But be on guard. A danger of many cures is that they can turn out to be worse than the disease itself. A tendency already expressed is not to give shorter sentences and more probation to minority members but simply to sentence everyone to longer terms in jail. This response, as will be suggested below, is not only grossly unjust but counterproductive.

Another danger from within that faces Alaska are the periodic attempts to bring back capital punishment, draconian penalties, and strict prohibitions against victimless crime. The current threat to

society as a whole has been proposed by the Attorney General's office and ballyhooed as an attempt to update Alaska's "antiquated" drug laws.[7] Ironically, the proposal classifies alcohol as having the lowest detrimental affect on public safety. Overall, the proposal increases most penalties drastically in a manner similar to the Rockefeller/New York failure earlier in the decade. Delivering opium to someone under 18 is treated at the same level of seriousness as murder or kidnapping. Possession of some drugs with intent to sell is classified as the same degree of crime as armed robbery, rape, and very serious assaults causing physical injury. Distribution of peyote and other common recreational chemicals is in some circumstances a Class A felony equivalent to armed robbery or rape. With Anslingerarian zeal, possession of more than one pound of marijuana is made a felony. Many present misdemeanors such as simple personal possession by an adult of amphetamines or barbiturates are changed into felonies. Many other crimes are added to the denial of bail list, including a number of drug offenses not nearly as serious as any of the crimes now listed in the statute. Vehicles used in the receipt of controlled substances by adults may be "forfeited" even when there is an acquittal of any criminal wrong doing. Seizures can be made without court orders. In short, this is a political rather than a scientific bill. Political fascination with drug laws is curious indeed. Prior to this century, and indeed generally prior to prohibition, there basically were no drug laws in this country. It is difficult to conceive of any legitimate governmental interest in the criminalization of a substance used knowingly and voluntarily by a consenting adult. What someone wishes tc do with their body is simply their own business. Unless such a private act can be shown to directly cause antisocial criminal behavior the government has no legitimate interest in interposing its concepts of morality. The criminalization of many substances appears only to increase its price and thereby cause organized criminal interest. The time, effort, and money spent on drug cases is far disporportionate to any actual need. The first order of law enforcement is protection of the people from violence not enforcement of drug laws whose primary purpose seems politically motivated. The current proposed administration bill of the Attorney General's office is more a function of politics than an expression of a concern with any sincere or legitimate interest in what is just and appropriate to the actual needs of Alaska. It has been suggested that the bill was drafted solely as a timely political response to media inuendo concerning drug use in the Attorney General's office, as unsupported as such allegations have been.

The entire concept of increased penalities as answering societies problems is not only arguably misplaced but demonstrably so. The idea of bringing prisons to Alaska and making it just like outside is tragic in the extreme. What is needed is alternatives to incarceration not more warehouse facilities.

Dr. Karl Menninger has written the single most prophetic book on prisons entitled *The Crime of Punishment*.[8] Menninger's thesis is simple: "I suspect that all of the crimes committed by all the jailed criminals is not equal to the social damage of the crimes committed against them."[8]

Former Attorney General Ramsey Clark notes:[9]

> The history of penology is the saddest chapter in the history of civilization. It portrays man at his worst. His cruelty, brutality and inhumanity are unrestrained through most times in most places. Virtually absolute power over nearly helpless people is often wholly corrupted . . . Jails and prisons in the United States today are more often than not manufacturers of crime. Of those who come to jail undecided, capable either of criminal conduct or lives free of crime, most are turned to crime. Prisons are usually little more than places to keep people - warehouses of human degradation. Ninety-five percent of all expenditures in the entire corrections effort of the nation is for custody iron bars, stone walls, guards. 5% is for hope health services, education. developing employment skills.
>
> The most important statistic on crime is the one that tells us that 80% of all felonies are committed by repeaters. Four-fifths of our major crimes are committed by people already known to the criminal justice system.

Other responses are possible. The serious establishment of community work service alternatives to incarceration as authorized by the new Alaska Criminal Code effective January 1, 1980 is a possibility. But absent strong pressures it appears extremely unlikely that any serious alternatives will be developed. The popular political response is that of more incarcerations - an appeal to the

dark side of human nature. Such provisions are generally window dressing only and are never implemented. As an example, section 22 of Article I of the Alaska Constitution as adopted in 1972 provides:

> *Section 22. Right of Privacy*. The right of people to privacy is recognized and shall not be infringed. The legislature shall implement this section.

The Legislature has never acted to implement this section notwithstanding a directive from the people to do so.

Another example of misapplied politics in the criminal justice system is the current "ban" on plea bargaining. The term itself is unfortunate as it has a negative connotation. When there are legal disputes between two parties there is usually, if not always, some middle ground for resolution of the dispute. Non-judicial resolution of any dispute is to be preferred as it is a settlement that both sides have agreed to, thereby creating an independent viability. A settlement of a criminal case is as feasible as with a civil case. Attorneys are familiar with the facts and circumstances of their case to a degree that a judge will never be. If an agreement can be reached as to what is fair, this catharsis of the natural tension in the adversarial process is usually just and reasonable. For reasons that have become even more obscure with the passage of time the Attorney General's office has attempted to severely limit, if not abolish plea bargaining altogether. According to a judicial council study[10] the primary effect has been that sentences for lessor offenders, and particularly for the first time offender, has increased significantly. "Following the ban, 'clean kids' served longer prison sentences and were granted probation less frequently than before . . . Violent criminals, who always received substantial incarceration, did not fare any worse. The ones who really ended up holding the short end of the stick were the relatively minor property offenders, the drug offenders, and the people who wrote bad checks, embezzled, or committed credit-card offenses." Is increasing sentences for the least deserving serving the best interests of justic and the public? Yet the policy persists. The ban of plea bargaining in reality is just another prosecutional tool similar to the Federal Speedy Trail Act, ostensibly enacted to help the accused, and now appropriately nicknamed the Speedy Conviction Act. The plea bargaining study notes: "Prosecutors, for the most part, found that they like the policy. It increased their power relative to the defense . . . 'It's not that there isn't *any* plea bargaining. It's just that the power to negotiate is now localized in the chief prosecutor, and when that's the case, there is much less bargaining.'"

The foregoing description of contemporary law and justice in Alaska with sentencing for criminal offenses being influenced by race, administrative acts and suggested legislation relating to fundamental liberties motivated by politics, and legislative ignoral of the expressed public will is certainly nothing new in this country. What may be new, however, is that it is now happening in Alaska. It will take a collective effort and positive leadership to be reversed. Those in government and in the administration of justice should abandon job security and political image as the highest precept and respond instead to the ideals articulated by the founders of the state and country as expressed in our Constitutions.

Footnotes

[1] *Ravin v. State*, 537 P. 2d 494, 504 (Alaska 1975)

[2] September 6, 1978 Alaska Judicial Council Memorandum "Judicial Council Findings Regarding Possible Racial Impact in Sentencing"

[3] "Report and Evaluation of the 1979 Alaska Judicial Conference Program - Cultural and Sociological Awareness Training". Alaska Court System. Arthur H. Snowden II, Administrative Director, Stephanie Cole, Director of Legal Education & Information.

[4] The Executive Director of the Human Rights Commission and professional panel member were interviewed by the author.

[5] "Statistical Analysis of Summary of Findings in Anchorage and Fairbanks, August 15, 1974 - August 14, 1976," Alaska Judicial Council - November 7, 1979.

[6] Case No. 3899

[7] Working Draft, Department of Law - August 27, 1979.

[8] "The Crime of Punishment", Dr. Karl Menninger (1968)

[9] "Crime in America", Ramsey Clark (1970).

[10] "Alaska's Ban on Plea Bargaining", Rubinstein and White 13 Law and Society Review No. I, Winter 1979.

Biography

Robert H. Wagstaff was born in Kansas City, Missouri in 1941. He graduated from Dartmouth College in 1963 and received a Juris Doctor degree from the University of Kansas School of Law in 1966. He was admitted to the practice of law in Kansas in 1966, Alaska in 1968, and before the United States Supreme Court in 1971. He was a prosecuting attorney in Fairbanks from 1967 to 1969 and since 1970 has been in private practice in Anchorage. Mr. Wagstaff has been involved in numerous trials and appeals involving state and federal constitutional issues, including *Ravin* v. *State* (1975) where the Alaska Supreme Court recognized that there was no legitimate governmental interest in the regulation of the private possession and use of marijuana by adults. He successfully argued *Jevis* v. *Alaska* (1974/Confrontation Clause) and *Hicklin* v. *Orbeck* (1978/Alaska Hire) before the United States Supreme Court. From 1972 to 1978 he served on the National Board of Directors of the American Civil Liberties Union in New York.

JUSTICE

by

John E. Angell

Introduction

This paper is not intended to deal in any finite way with the concept of "justice." Rather, it will be directed at a general gross diagnosis of the quality of justice services provided in Alaska and relative equity with which these services are provided to the people throughout the state. In main, the focus will be on public safety and legal services and police, legal and correctional agency operations. Suggestions for future improvements will be presented in the concluding section.

Existing Situation

When viewed as a whole, the State of Alaska seems to fall within the range of normal in terms of its crime rates and justice machinery.[1] It is true that overall the state has higher levels of interpersonal crimes such as homicides, assaults and rapes per population than other states; however, this situation might be explained by the existence of a higher proportion of youth, higher mobility of citizens, a disproportionately higher ratio of males to females and other factors that are normally associated with higher crimes.[2]

Further, it is also true that the emergency response time of police seems to be slower than normal for most American police departments. This condition can, in part, be accounted for by the sparcity of population within the huge geographic area of the state.

The formal description of the Alaska justice system (i.e., police, prosecutorial and defense agencies, courts and correctional operations) is, however, consistent with the highest established standards.[3] Police and legal agencies are staffed by merit methods rather than election processes. Judicial positions are filled by a modified Missouri system.[4] Corrections is a state responsibility with even the temporary detention facilities overseen by the Alaska Division of Corrections.[5] Agencies of the justice system are provided professional support and research activities by the Alaska Criminal Justice Planning Agency, Judicial Council, Police Standards Council, Council on Judicial Qualifications and Court Administration. Outward appearances reflect a sound justice situation in the state.

Such outward appearances are, however, deceiving. Information accumulated over the past decade provides considerable evidence of substantial and serious problems in justice operations of Alaska.[6] The problems stem from the most fundamental factors.

Generalities about Alaska justice and the formal statewide justice operations conceals the existence of two separate and distinctly different justice situations in Alaska.[7] People who are intimately familiar with the state give subtle recognition to the two separate systems when they refer to predominately white, commercial communities of the state as "towns" or "cities" and Native communities of similar size as "villages;" the justice operations in the urban areas of the state as "criminal justice" and those in rural areas as "bush justice;" and police officials in Native cities as "village police" whereas police in predominately non-Native communities are called "police officers." Such dichotomies may, if properly used, serve worthwhile and righteous purposes; however, in this instance they are a reflection of substantial discrepancies between urban and rural areas. Not only are the justice related problems in rural communities more serious, all available research supports the conclusion that rural communities receive markedly inferior legal protection and public safety services.[8]

Given the space allocated for this paper, it is not possible to provide a complete review of the existing differences; however, the extent of differences is reflected in crime and public safety statistics. Native communities have a rate of deaths from accidents and suicides which is nearly four times the rate of urban areas of the state.[9] The fire loss rate in rural communities is reportedly over twice that of urban areas.

While property crimes in rural Native communities seem to occur less frequently (perhaps a consequence of less property and closer interpersonal relationships), crimes of violence seem to be among

the highest in the United States. A comparison of 1977 statistics for homicide, rape and aggravated assault is contained in the following table. The Native communities are obviously in some respects more hazardous places to live than are the urban communities of the state.

COMPARISON OF ALASKA VILLAGES, STATEWIDE, AND NATIONAL CRIME RATES*

	Rates per 100,000 population		
Crime Category	**Alaska Villages**	**Statewide**	**National**
Homicide	28.4	10.8	8.8
Rape	99.2	51.6	26.4
Aggravated Assault	326.0	284.0	228.6

Sources: Village statistics obtained from police officials in approximately 50 Native cities; Statewide UCR Reports.

The question which often arises when such statistics are presented is, "Why hasn't this situation been recognized previously?" The answer is simple, the data reporting and statistical methods have served to conceal the extent of the differences.[10] First, most Native communities do not have the resources to accumulate complete statistics. In many communities even paper and pencils are in short supply. Second, the importance of statistical reporting is, at times, not recognized. Third, the crime statistics accumulated provide statistical breakdowns by non-Native but not by Native communities. For example, crime statistics for predominately non-Native commercial centers and communities such as North Pole, Whittier and Homer are reported by each city; however, the crime statistics of Native cities are lumped into a category, "The Rest of the State."[11] This procedure results in it being impossible to separate the crime statistics of Native cities from rural suburbs such as the Mat-Su Valley.

Consequently, the crime situation in Native communities is invisible to planners and policy officials.

Raw statistics concerning the hazards to personal safety in Native communities do not reflect the scope of the problem. Many Native communities are in remote areas of the state and have neither roads nor regularly scheduled transportation to other communities. Approximately one-fourth of these communities have neither part-time nor full-time resident police.[12] Almost none of the communities have even a single resident with legal education.[13] No correctional officials reside in any of the communities.[14] Approximately one-half of the communities do not have secure, inhabitable facilities for the temporary detention of disorderly, intoxicated or dangerous persons.[15]

Further, the communications equipment available to most communities is extremely unreliable and, when terrorizing or life-threatening situations occur (as they sometimes do), requests for outside assistance can not be expeditiously communicated to a support agency such as the Alaska State Troopers.[16] Instances of intoxicated, armed persons shooting at random in a Native community while the communications system is inoperable are far too frequent. Requests for police assistance are on occasion sent via the mail plane. The Alaska State Troopers are unable to respond to requests from Native Communities in less than 24 hours in well over 50% of the cases.[17]

The present justice system organizational arrangements result in the personnel who are assigned to assist remote communities being located in urban and commercial centers of the state.[18] Almost none of the remote Native communities of the state have been visited by a state lawyer, prosecuting attorney, public defender, judge or corrections official within the past year. Prosecutors give the impression that they prefer to deal with Alaska State Troopers rather than local "village" police officers. Defense attorneys who are assigned to defendants from remote communities frequently meet their clients for the first time in court. Criminal trials are seldom held in the community where the crime occurred and civil trials are always held in urban centers.[19] Correctional officers conduct presentence investigations and probation supervision of residents of remote communities by telephone.[20]

Although most residents of the rural Native communities are not aware of the relative seriousness of the crime situations in their communities, community officials do not have a high regard for the quality of justice they receive. One assessment of their opinions indicated 43% of the village officials interviewed indicated the educa-

tional services in their community was "good," in comparison with 27.5% who reported the magistrate services were good, 25.5% reporting the Troopers provided good services, 15.7% who reported good probation services, 7.8% reporting good defense services, and 5.9% indicating the existence of good prosecution services.[21]

It is apparent that people living in rural parts of the state are presently dissatisfied with the quantity and quality of justice services they receive. At the same time, many are concerned about the possibility of having "Anglo" justice operations imposed on Native communities without providing modifications which are more compatible with traditional customs and practices. Since the traditional social control methods vary from one region of the state to another, any interface must involve assessment of the attitudes and methods existing in different parts of the state.[22]

There can also be little doubt that the state has an obligation to provide essential justice services to people in areas of the state where no borough government exists. The Alaska Constitution provides:

> The entire state shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law.[23]
>
> (T)he legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility.[24]

Even without this constitutional obligation to provide necessary services in the rural regions of the state, the state must provide equal protection of the law. The issue concerning whether minimum standards in respect to justice services are being met is yet to be raised in court. However, clearly urban residents are receiving substantially more services than their fellow citizens in remote Native communities.

Improvement Efforts

The Alaska Department of Public Safety seems to be the state agency with the greatest awareness of the justice problems in rural Alaska. This awareness may stem from the fact that State Troopers have the most frequent contact with remote communities. Trooper personnel have been in the forefront of advocating changes. They have established and conducted training programs for village officials, police officers and magistrates.[25] They have assisted in the establishment of "public safety" buildings in many Native cities. They have supported the movement of other justice personnel into Native communities.

The efforts of the department have no doubt resulted in some substantial improvements in justice services in rural communities. The one criticism which can be made of its early efforts relates to its exclusive concern with the institution of a complete "Anglo" justice model without substantial consideration of its compatibility with traditional social control practices.

The Alaska Court System has, in recent years, experimented with the use of local dispute mediation boards.[26] The remains of some of these efforts are still operating in some communities. The experiment was not expanded to other communities after the completion of the experiment. Similarly, the court system has attempted to make use of bilingual "interpreters" in efforts to improve the quality of justice for those who do not speak English as a primary language.

The state legal units and corrections have in recent years increased the number of personnel they have assigned in the commercial centers which serve remote communities.

And in general, there has been a growing recognition of the problems. Earlier this year the Alaska Governor's Commission on the Administration of Justice officially established problems of justice in the rural areas as its top priority. However, this agency is hampered by limited resources.

The problems are far larger than can be solved by single executive agencies working alone. Any substantial improvements in the present situation will depend on strong commitments by the executive, legislative and judicial branches of Alaska government.

Directions

Two of the most fundamental concepts underlying Alaskan

government involve 1) the right of all persons to equal rights, opportunities and protection under the law, and 2) the right of citizens to enjoy maximum responsibility and participation in local self-government. Both concepts are yet to be fully realized in regard to justice system operations in the remote Native communities of Alaska. The achievement of these rights has in the past been hampered by 1) inadequate understanding of the inequalities which existed, and 2) insufficient financial resources. These conditions no longer exist and a high priority for the future of the State of Alaska should be given changing the present situation.

There are a number of reasonable actions which might be taken toward the goal of enforcing equal protection and justice for Alaska. Comprehensive policies that seem logical to me include:

1. *One unit of state government should be given the responsibility and resources for overall coordination and planning for the improvement of public safety and justice in the state.* Individual agencies of state government lack the broad perspective needed to bring about the changes needed. They are at times blinded by the traditional organization and operational practices of their speciality. The organization designs needed for providing justice services in the rural communities of the state will no doubt be unique and unlike any arrangements that presently exist. The existing state agency with the most potential for overseeing a reorganization of justice operations is the Governor's Commission on the Administration of Justice and its administrative unit, the Alaska Criminal Justice Planning Agency. These units should be reorganized as independent from the control of any single justice agency of the state and given responsibility for providing planning and overall coordination of efforts to reorganize justice operations. It should be expected to advise the legislature on resource and policy needs.

2. *A foundation level of justice services should be provided in every region of the state.* This foundation should include the decentralization of state police, legal, judicial and correctional operations to provide complete public safety support within well defined regions that have distinct and reasonably homogenous characteristics. All state justice operations should have contiguous regional boundaries for providing series and the accumulation of data about justice operations. The boundaries of these decentralized regions might be similar to the Native corporation boundaries. A centrally located staff public safety facility for state provided justice operations should be established in each region. These regional state agencies should provide support for local communities. State police should be able to respond immediately when their assistance is sought by a local community. A district or Superior court judge should be assigned to each region and should systematically circulate from community to community within the region conducting necessary judicial proceedings. A correctional generalist should be assigned to each region to enforce correctional standards, provide assistance to local communities, and coordinate the state's correctional efforts in the region.

3. *The state should support the design and institution of a reliable emergency communication system for each region of the state.* The planning and implementation of this operation will require considerable investment. Given the distances and hazards of rural Alaska, it is imperative that such a system be developed and kept in superior working order.

4. *The state should provide a foundation of financial support for public safety and justice support to every incorporated community in the state.* Such support should be similar to revenue sharing which is woefully inadequate for communities without other economic means. Rather than based on per capita payments the Justice Foundation Grants should be sufficient to provide a minimum level of local justice services. As a starting point, I would suggest the complete funding of one police, emergency service or public safety position for each community, funds for basic operational and records requirements, and a correctional services grant which each community must use on the provision of local correctional services. The average cost of this package for each rural city would be approximately $50,000. In order to encourage local communities to accept responsibility for handling their own problems, services provided by the state might be charged against their correctional ser-

vices grant. Communities should be given the authority to, within limits, use the justice grants in the manner most appropriate to their communities. For instance, if a community felt the need for temporary detention facilities, it could use a portion of its correctional services grant each year to pay for the construction of such facilities. On the other hand, a community might also invest in community correctional programs if that was deemed most appropriate.

Footnotes

[1]*See Alaska Criminal Justice Plan*, (Juneau: Criminal Justice Planning Agency), 1978.

[2]Ibid, pp. 32-48.

[3]*See* National Advisory Commission on Criminal Justice Standards and Goals reports, *Criminal Justice System, Police, Courts, Corrections*, (Washington: U.S. Government Printing Office), 1973, and *Alaska Criminal Justice Plan*, op. cit., pp. 89-178, 1978.

[4]Duffee, Hussey and Kramer, *Criminal Justice: Organization Structure and Analysis*, (Englewood Cliffs: Prentice-Hall), p. 151, 1977.

[5]See Analysis of Alaska Jail Situation, (Juneau: Criminal Justice Planning Agency), 1977. This staff report contains a summary of legislation related to Alaska corrections.

[6]Professors Stephen Conn and Arthur Hippler prepared some of the most comprehensive descriptive material available in the early 1970's. Among their publications are "An Action Plan for Village Justice," (Fairbanks: UA, ISEGR), 1974, and Conn's "Comparative Analysis of ABA Standards in Light of the Attendant Problems in Bringing Justice Services to Rural Alaska Natives, 1975. *Also see* the summary of the history and findings of "Bush Justice" conferences in Evan McKenzie, *The Report of the Third Bush Justice Conference*, (Anchorage: Alaska Federation of Natives), 1976.

[7]John Angell, *Alaskan Village Justice*, (Anchorage: Criminal Justice Center), 1979.

[8]Kraus and Buffler, "Alaska Deaths by Violence," *Coping*, (publication of Alaska Mental Health Association), pp. 14-19, 1978.

[9]*Alaska Village Justice*, op. cit., pp. 55-58.

[10]*See Crime in Alaska*, (Juneau: Criminal Justice Planning Agency), 1978.

[11]John Angell, Alaska Village Police Training, (Anchorage: Criminal Justice Center), 1978.

[12]*Alaskan Village Justice*, op. cit.

[13]Ibid.

[14]*Analysis of Alaskan Jail Situation*, op. cit.

[15]*Emergency Medical and Criminal Justice Communication*, op. cit.

[16]*Alaskan Village Justice*, op. cit.

[17]Stephen Conn, *Report to Chief Justice*, (unpublished paper prepared August 22, 1974).

[18]Ibid.

[19]*Alaska Village Justice*, op. cit.

[20]Ibid., p. 63.

[21]Conn and Hippler, "Northern Eskimo Law Ways and Their Relationship to Contemporary Problems to 'Bush Justice,'" (Fairbanks: ISEGR Occasion Paper No. 10), 1973; Leonard Pospisil, "Law and Social Structure Among the Nuramiut Eskimos," *Cultural Anthropology*, (New York, N.Y.: McGraw Hill), 1964.

[22]Article X, "Local Government," Section 3.

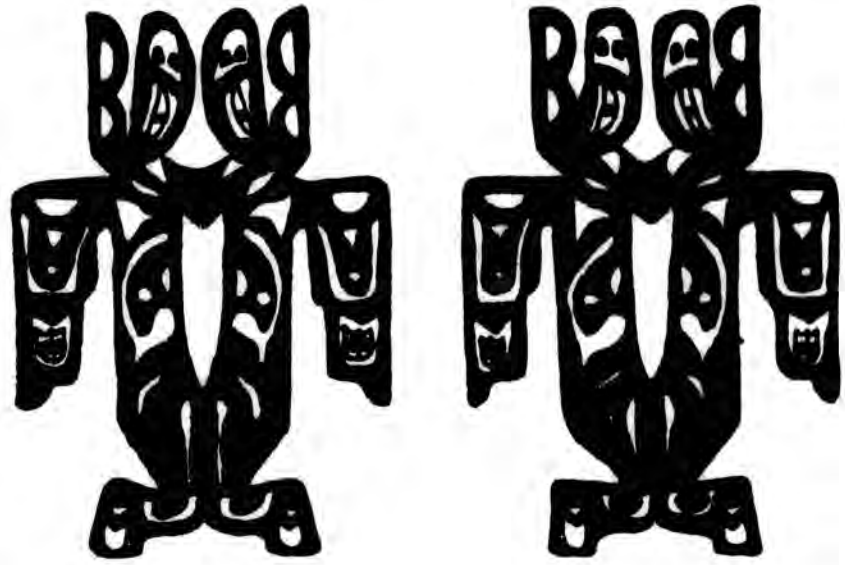
[23]Article X, "Local Government," Section 6.

[24]*Alaska Village Police Training*, op. cit.

[25]Alaska Court System Annual Report, (Anchorage: Administrative offices of the courts).

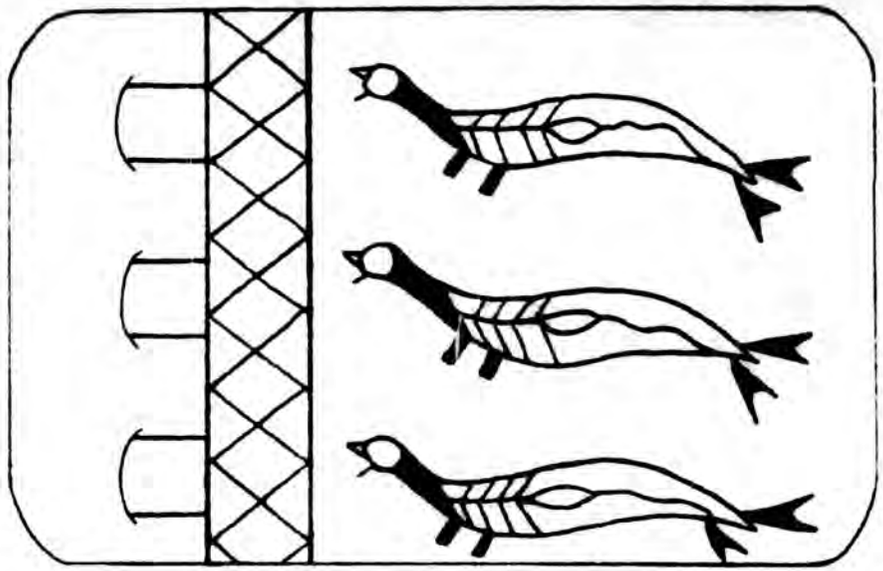
Biographical

The author is a Professor and Director of the Justice Center, University of Alaska, Anchorage. He holds baccalaurate and masters degrees in law enforcement administration and a Ph.D. in Administration from Michigan State University. He began service in the justice field as a police officer in Ohio, and has served in management positions with the Dayton, Ohio, police department and as an immediate subordinate to the Mayor of Portland and the Commission Chairman in Multnomah County, Oregon, prior to coming to Alaska in 1975. He has served as a consultant to agencies ranging from the President's Commission on Law Enforcement and the Administration of Justice to local justice organizations throughout the United States. He has conducted research on justice operations throughout the country, and his most recent manuscript, *Democratic Cops*, is currently being considered for publication by Prentice-Hall.



LAW AND JUSTICE

Prepared by
Avrum M. Gross



An analysis of law and justice inevitably focuses on criminal justice. But that is only one aspect of the discussion. The rule of law and the need for justice has application far beyond the way those accused of crime are treated. There are many more auto accidents than murders, more persons hurt in industrial accidents than in riots. More persons confront the legal system as a result of divorce rather than arrest. The law establishes rules that govern these events, and the real justice of any legal system must be as apparent in those rules as in those applicable to criminal law.

Until fairly recently, the emphasis in Alaska has been on creating a modern framework of legal rules by which to resolve differences between persons, individuals, or groups of individuals. Alaska, for instance, was one of the first states in the nation to adopt no fault divorce. Alaska adopted the Uniform Commercial Code early after it was promulgated. In the field of torts or personal injury, the legislature and courts of Alaska have been innovators of novel principles by which private redress can be achieved. The Alaska workmen's compensation law has always been recognized as a model in the field.

In recent times the emphasis has shifted slightly. We have come to recognize that the most modern rules for social conduct are useless if they cannot be implemented reasonably promptly and at low cost. The old adage of justice delayed is justice denied has real meaning to one injured in an accident who finds it is years before he may bring litigation before a court. Many citizens know through personal experience that divorce proceedings can become cumbersome and expensive, as well as traumatic.

The modern emphasis has been to simplify and expedite the proceedings by which disputes may be resolved. Recently, for instance, the legislature adopted new rules by which at least in simple cases parties can achieve their own divorce without the necessity of attorneys. Modern codes have introduced informal probate procedures to dispose of estates of a least small value. There is a renewed emphasis on simple procedures for resolving tort claims through the use of small claims courts and arbitration so as to make the proceedings readily available to people who need them.

This is the real challenge of the future — to take increasingly complex rules which will be necessitated by the fact that more and more people will be living closer and closer and somehow simplifying the means by which those rules may be enforced. In that process, it may be necessary to review even our most basic notions about how justice is best achieved in private disputes. Today we focus on the adversarial system with its attendant bureaucracy of lawyers and courts. There are other systems and we are just beginning to consider them. Certainly to extend our present system of resolution of disputes through legal conflict and trial into the future will inevitably result in administrative chaos and enormous public cost.

There is a great tendency in law to think in terms of civil and criminal areas — to assume that either something is a crime or a purely civil wrong. But there is a whole category of matters which may, in essence, bridge the gap. Many of our environmental laws,

for instance, are quasi-criminal in nature. Violations may result in fines or other serious consequences, but the proceedings are not handled with all the strict protections afforded an individual by the criminal law. It is important to recognize this growing trend not as a threat to civil rights, though obviously some concern is warranted, but as a recognition that as society imposes rules for human interaction, it should be able to use maximum flexibility in the way those rules are imposed. The Public Offices Commission, for instance, is nearly powerless with the heavy weapon of criminal sanctions, for prosecutors, courts, and juries are loathe to impose a criminal stigma on which is often an inadvertent act. Civil fines, however, are effective and useful tool. That type of approach may have substantial promise in the future. There are forms of human conduct that society may wish to disapprove or avoid, but it may not be conduct of such a nature so as to rank with those acts traditionally considered criminal. Many of what are now so-called victimless crimes may fit into this category, along with minor offenses of every type, from weights and measures violations to deviations of accepted consumer practices (short, of course, of out and out fraud). The criminal law should be reserved for the most serious of offenses against society. We should not use it where other means of insuring a desired standard of conduct would be equally as effective, with less stigma and less cost.

Law regulates the whole spectrum of human interaction from purely personal disputes over money to more uniformly applied social mores like ethics in public life, to at last, the ultimate violation of social order, the criminal offense. How society deals with that latter category is often a measure of its decency and value. For while it is easy to stand for popular causes, it is much more difficult to insure fair treatment for those who are charged with doing something against the community at large, while at the same time insuring justice for the community itself. The mechanism by which these often competing goals are to be achieved is, of course, the criminal justice system.

An evaluation of Alaska's system of criminal justice of necessity focuses on two areas. The first is the quality of the laws themselves. The second is the way those laws are administered.

The source of law is again two-fold. The primary source is the legislature. That body reflects the day-to-day social mores and determines through majority vote which of those mores should be adopted as a part of the criminal law. The court system in the role of interpeting those laws and the most fundamental law, the Constitution, is the secondary source of law. Terms such as "due process" and "equal protection" are not readily defined and lend themselves to considerable subjective review from time to time. It is the judge who makes that review and in so doing establishes the fundamental concepts of fairness within which the legislative rules must operate.

The Alaska legislature has been in the forefront of criminal law reform. After years of debate, it finally adopted one of the most modern penal codes in the country. Contemporaneously, it has confronted the extremely difficult question of how crimes should be punished. It is an age-old debate — whether sentencing is primarily for rehabilitation or for punishment. It has never been an easy question as to what to do about two individuals who commit precisely the same act and yet who do it with different motives and who both stand totally different possibilities for rehabilitation. In the past, sentencing schemes have been founded on rehabilitation with wide variations in sentencing being not merely sanctioned, but approved. Now, out of frustration with the success of rehabilitation programs, the focus has shifted to similar penalties for similar acts regardless of the nature of the individual who commits the act.

The courts of Alaska have been in the forefront of social change since the early 1960's. Many of the constitutional doctrines implemented by the Warren Court on a national level have been implemented as a part of the Alaska Constitution, and in fact carried beyond their original scope. The right to counsel in Alaska was taken further than the right prescribed by federal law, search and seizure is more closely regulated under the state constitution than under the Fourth Amendment to the United States Constitution, the right to speedy trial has a separate meaning here, to give but three examples. Moreover, the court has developed peculiar doctrines for unique situations in Alaska. Of singular importance is the right to be tried by a jury of one's peers in an area where the crime occurred. While perhaps of little significance to a state like Ohio, this doctrine is of critical significance in Alaska where social mores and attitudes about law vary sharply from rural villages to metropolitan

centers. We have wide cultural differences in the state, and the court has sought to ensure that a definition of ones's "peers" truly reflects the surroundings in which the individual has lived.

It is perhaps inevitable that any court system be the focus for discontent, and in Alaska there has been constant evidence of that discontent. The very nature of a criminal case — the state (or in some jurisdictions "the people") versus one individual — indicates the source of the controversy. In an instance where the collective resources of all the people are aimed at one individual, it is the court's role to ensure that the individual is accorded his full rights and is treated fairly. In our system of justice, we have stood for the basic premise that it is more important for people collectively to act fairly when they deal with individuals accused of a crime than it is to achieve a conviction in a particular case. This rule in reality protects us all against government abuse, but in the passion of a particular moment, the soundness of the role is often forgotten. It is the court's rule often to ignore temporary and often violent expressions of public opinion, and that kind of role creates severe criticism.

It is perhaps appropriate at this point to move to the unique quality of Alaska's framework for the administration of justice for one of the unique features relates to the courts. The Alaska Constitution adopted a system for the appointment and approval of judges which has acted to insulate judges from popular pressures of the moment, and yet ensure that the people have a direct voice in maintaining a quality judiciary. The so-called Missouri Plan provides for the screening of applicants for judicial positions by a Judicial Council made up of laymen, attorneys, and the Chief Justice of the Supreme Court, appointment from a list of Council approved applicants by the Governor, and then periodic approval or disapproval of judges directly by the electorate. Disapproval is rare, but a judge who has demonstrated his incompetence is not insulated. Judges are, however, insulated from a momentary public outcry over a particularly sensitive matter which dissipates over time.

The system has worked. In one instance, a judge has been removed and in several other cases there have been close elections. But generally, even the most controversial decisions have not led to removal of a judge because the time frame permitted has allowed a more rational and quiet analysis of performance.

There is a movement in Alaska to require the competitive election of judges. Such a change is deliberately aimed at crippling the judiciary by making them more subject to media-generated outcry and temporary passions further exacerbated by the adversarial spirit of the traditional election process. Those who urge that judges be subject to popular will forget that unlike legislators, judges are not *supposed* to represent the popular will of the day. They are supposed to enforce what are often *un*popular but fundamental rights — rights guaranteed to minorities under our system. Our present framework for the selection of judges ensures the maximum protection of that role.

A similar controversy has surrounded the appointment or election of the attorney general, who in Alaska, possesses a power nearly unique in the United States — the power to control all prosecutions for state law violations. It was the decision of the constitutional founders that prosecutorial power should be insulated one step from partisan politics — that the person who prosecutes should not have the opportunity to use that power for his own partisan political gain. Instead, prosecutorial power is treated like any other power of state government. It is administered by an official of government who is directly responsible to the Governor, and in the end the Governor must accept the consequences of the proper use or abuse of power by his appointed official. It is a system that has worked well. In the twenty years since Statehood, there have been few, if any, allegations of "political prosecutions."

The unified system of prosecution where all district attorneys are direct appointees of the attorney general has given Alaska the ability to implement statewide policy decisions, while other states through their fractured system of prosecution are unable to do so. Alaska, for instance, is the only state to abolish plea bargaining. It was accomplished through a policy implemented by the attorney general and put in force throughout the state. Uniform screening standards, diversion policies, and sentencing policies, have also been set through a centralized decision making process. With elected district attorneys prevalent in many other jurisdictions, policies and attitudes vary from county to county depending on the attitudes of the elected official who holds office. Justice often depends on which side of the county line the crime occurs. In Alaska, the goal is uniformity throughout the state.

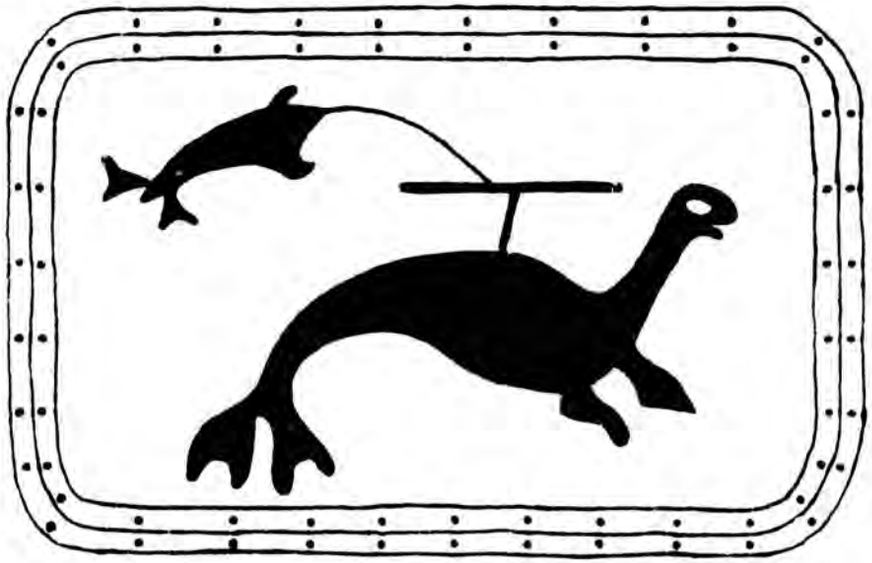
The police are the most visible part of the criminal justice system. It is they who enforce the law on a day-to-day basis. With the exception of the State Troopers who operate outside local jurisdictions, police are the only arm of the system that is not connected to the statewide apparatus, and often their attitudes reflect their feelings that they are not really an equal part of the system. For instance, the police tend to set their own priorities for law enforcement. Faced with more laws than they can possibly enforce, police often make their own judgment where their enforcement efforts will lie without prior coordination with other criminal justice agencies. This can result in a substantial waste of public funds. If, for instance, local police initiate a crackdown on prostitution and make 100 cases, where previously they had made 10, they assume that this priority will also be a prosecutorial priority and a priority for the courts in calendaring. But what often happens is that prosecutors faced with what they consider more serious matters and the courts struggling to process violent felonies before a reasonable period has elapsed, simply ignore the unilaterally established police priority with the result that the 100 prostitution cases end up handled poorly or not at all. This could all be avoided if prior coordination occurred. But in spite of a host of efforts to encourage it, coordination has seldom occurred with local police operations. On a state level, the coordinating budget porcess has gone a long way toward assuring that priorities of the District Attorneys, Troopers, and courts coincide, but there is still a long way to go.

As the police are the first rung on the criminal justice ladder, corrections is last. Because it is the focus of an age-old dispute between rehabilitation and punishment, corrections has been buffeted over time with conflicting policies and attitudes. During the late 1960's and 1970's, rehabilitation was the order of the day, and since pushing for rehabilitation meant taking risks, security tended to be lessened. A series of escapes culminating with an escapee shooting a police officer resulted in public reaction. A de-emphasis of rehabilitation programs and implementation of rigid security systems occurred. Recently, the pendulum has begun to swing back.

Everyone knowledgeable in the field agrees that corrections requires a clear future direction and both the legislature and administration have worked jointly to provide that direction. After years of work, a comprehensive master plan for corrections is nearly complete. It is directed to philosophies, programs, and facilities, all of which are linked. Its' implementation through legislation will create the kind of public debate and analysis which is needed to establish policy for the division.

All in all, the criminal justice system in Alaska has worked well. There have been stresses and strains, particularly during the years of the pipeline when the system and all the people in it were stretched to the absolute limit to cope with the temporary upsurge in public disorder. But the system nonetheless performed well. Changes have been made when changes have been warranted. But as a general matter, the system has worked.

Avrum Gross is the Attorney General of Alaska



COMMUNICATIONS IN THE FUTURE OF ALASKA

by
Walter B. Parker

Communications

Communications constitutes the nerves of the social and economic structures that make up society. For that part of the world with a well developed media, an efficient postal system, a cheap and universal telephone system, and a strong telecommunications system in general, the problem is control and access to the communications systems. In areas, such as Alaska, that have a media that is often owned by the same individual, a postal system that counts its delays in weeks instead of hours, an unreliable telephone service, and a generally undeveloped telecommunications system, the problem is too often reduced to the simple ability to have communications beyond the range of the human voice. A society that is spread out over an area 2,500 miles in length and 1,200 miles in breadth obviously must rely on telecommunications to a degree greater than those more closely compacted in form. For that reason, telecommunications has often been nominated as the number one priority in enhancing the delivery of services to Alaska's widely scattered population. It has also been described as one of the primary barriers to the economic development of the state.

In the United States, communications has largely been a mix of the private and public sectors, with the private sector providing media coverage under strong constitutional guarantees, telephone service being largely provided by the private sector under strong regulation, the postal service the province of the federal government, and the telecommunications industry largely relying upon private initiatives with strong governmental oversight in rate regulation and licensing.

In Alaska, prior to statehood, telephone service was provided totally by government systems except for municipal utilities in the larger communities. Telegraph and long distance telephone service was provided by the Alaska Communications System (ACS) operated by the United States Army Signal Service. There was a minimal system of landlines and marine cables that connected the larger towns of southeast Alaska and the Railbelt with each other and with the other states. Radiophones and telegrams were the only means of private communications for large areas in the rest of Alaska.

One of the principal aims of the state government in its first decade was to transfer the long distance telephone and telegraph system from the Army to a private company. The federal government supported this aim and intensive efforts began in 1968 to find someone to purchase the facilities of the ACS. The system at that time was summarized by the Communications Working Group of the Federal Field Committee for Development Planning in Alaska as follows: "the system is generally filled to capacity; the basic communications system throughout the state is aging and obsolescent; the White Alice system, depending largely upon tropospheric scatter for transmission across widely inaccessible terrain, is capable only of limited expansion."

As a result, the sale of the ACS to the Radio Corporation of America (RCA) in January, 1971, was conditioned upon that company providing direct dialing telephone service to 142 remote locations; and a general commitment to improve the state's telecommunications capabilities rapidly through space satellite based communications systems with quick replacement of the obsolescent and over-extended military system. A local subsidiary, RCA Alascom, was established.

By the spring of 1975, the RCA commitment had not been largely fulfilled in the state's rural areas. Furthermore, the company was continuing the expansion of expensive microwave repeater systems in the remote areas rather than utilizing the small earth station technology which had been tested in Alaska and throughout the Pacific Basin since 1971. After several months of intensive bargaining with RCA, the Legislature appropriated $5 million for the purchase of 100 small earth stations; and the state administration negotiated an agreement with RCA whereby they would operate the small earth stations as an integral part of their telecommunications system and provide maintenance services. It appeared that the way was open to expand telephone and other telecommunications services rapidly to the remote areas of the state.

The significance of the small earth stations was that they provided the technology that made it possible and cost effective to consider expanding a total range of telecommunications services to rural Alaska. The expenses of maintaining mountaintop repeater sites by expensive helicopter trips and the expense of a system which required huge amounts of power, such as the White Alice System, could be eliminated.

The Governor's Office of Telecommunications was especially staffed with personnel who were in tune with and capable of utilizing the small earth station technology. It appeared that the time had come for a very rapid expansion of telecommunications services and, more important, the utilization of those services to deliver an entire range of education, health, and other services to rural Alaska that were impossible to think of outside of telecommunications delivery.

The Legislature approved a Television Demonstration Project in 1976 to test the feasibility of utilizing small earth stations to distribute video programming throughout Alaska. This project has been expanded to include some 60 locations to receive television via the public network. Small earth stations are also to be programmed to insure telephone service at each community over 25 in population. Thus, by November 1979, the state telecommunications network has the capability to serve almost all Alaskans by telephone and over 95 percent of the population with television. The public radio network and the commercial radio network have long since provided radio reception to almost all of the state's residents although some isolated communities are still not receiving good service because they are on the fringe of reception areas.

The problem in Alaska now is the quality, capacity, reliability, and cost of its telecommunications systems. Economic development throughout the state in oil and gas, fisheries and tourism has placed continued burdens upon the telephone system. Most communities are far past the point where service can be provided by only one telephone outlet. The need for more sophisticated services in computers and other data systems is developing rapidly. The Legislature has requested the Legislative Council to present it with a plan for a statewide educational televison system by January 21. 1979.

Meanwhile, RCA Alascom has been sold to Pacific Power and Light, and the Alaska subsidiary of that company is now known simply as Alascom. The sale climaxed RCA's tortured eight year involvement in the state in which little seemed to go right in one perspective but in which there was a great deal of advancement in other areas. RCA's failure to provide rural service eclipsed its expansion of service in urban areas and the general improvement of Alaska-States telecommunications service.

Overshadowing all else, since 1976, has been the debate over long distance ratos within Alaska. After securing more favorable interstate rates which enabled Alaskans, for the first time, to enjoy anything approaching parity with long distance rates in the rest of the country, RCA requested a 95 percent rate increase on intrastate rates. An interim increase of 87 percent was rejected by the Alaska Public Utilities Commission but was awarded by the courts. This means that Alaskans pay more to call from Anchorage to Juneau than from Anchorage to Seattle; and more from Bethel to Juneau than from Bethel to Washington, D.C. The rate increase has had a traumatic effect upon telephone and other telecommunications utilizations in the state at a time when social and economic development demanded a much higher level of use.

Meanwhile, the state and Alascom are trying to secure a more favorable rate of payment on separations for Alaska's interstate traffic from the Federal Communications Commission (FCC). This decision is still in abeyance awaiting action by a Joint Board of state public utility and FCC commissioners. If more payments are received from the national system (Bell) on Alaskan interstate calls it will reduce pressure for higher intrastate rates.

The Lieutenant Governor is heading a Telecommunications Working Group which is working on this issue and also working on the effectiveness of the overall system with emphasis on the small earth station performance. This group is a continuation of a policy group which was established in 1975 to negotiate the small earth station establishment and other policy items and which fell into inaction from 1976 through 1979. It is especially needed now since the elimination of the Governor's Office of Telecommunications in June 1979.

Private efforts to bring cable systems to Anchorage and Fair-

banks are rounding out the state's commercial television development in the urban areas. While more circuit capacity between Alaskan towns and between Alaska and the States is needed, it is not at present a serious problem. The next round of development could create a problem in this area if sufficient capacity is not provided on a timely basis.

Alaska's present communications problems break down into two major areas: costs, which affect both urban and rural areas, and technological capability and reliability, which are largely a rural problem.

The needs of the rural areas for telecommunications services are still largely unmet. Only commercial television is provided for most of the rural population in anything approximating a sufficiency of service. This is based upon evening programming over the statewide public operated network in the evening and for special events to both urban and rural viewers. Rural viewers can also utilize their state provided mini-TV transmitters to operate videotapes of commercial programs.

Educational television is being provided 30 hours a week to rural schools that receive the public network. This program is still too new to be evaluated for its effectiveness. It relies upon standard educational programs developed for nationwide use.

One of the principal reasons for installing the small earth station network was to provide so called life line services. The Public Health Service intended to provide a system that would reach 120 clinics in the small villages. So far, they have only been able to afford 57 stations because of the rate increases. Originally the small earth stations were to provide voice circuits only. The television demonstration preempted some of the capacity that was to be used to link together rural school systems and to meet other needs. Many applications that were originally intended are still largely unmet.

A statewide telecommunications system for Alaska should be able to provide inter-regional communications as well as statewide coverage. Therefore, the ability of regional centers to communicate by television and radio to the areas they serve via the satellite network is especially important. While most television broadcasting will continue to originate in the urban areas and will consist in the great bulk of programming developed for a national audience, the ability to continue a reasonable amount of locally originated programming by both television and radio must not be overlooked.

At present, the minimum statewide system for connecting together the urban areas with the small communities should have at least the following capacity:

- Two television channels — one for a mix of public affairs and commercial broadcasting — one for educational utilization. Regional centers would be able to transmit over these channels. Reception would be statewide but programming could be directed at specific regional concerns as necessary.

- A statewide public radio channel. This would back up the present system and insure reception in the fringe areas through utilization of the satellite system. Other statewide channels could be added if the need developed.

- Adequate telephone service — many villages now having only one line could use several. Local exchanges must yet be installed in most of the smaller communities. At present, it is impossible to use the telephone conveniently in too many places. Delays of up to two hours to get a dial tone are still consistently being reported.

- An aviation hotline between villages and regional aviation hubs. This would enable the provision of weather reports, field information, passenger reservations and inquiries on freight and mail.

- Continued expansion of the network for health services as originally planned.

- A conference circuit for educational uses between the rural schools and regional centers. This could be used for statewide conferencing by connecting circuits when necessary but would be primarily used within the Rural Education Administrative Area region.

- Data links between the villages and various computer systems to provide greater record keeping capability to all elements of

rural Alaskan society.

The above needs are based upon a rapidly increasing need for support of the primary and secondary rural schools to insure the quality of education is maintained. It will enable small faculties to reach out to the support services available at the regional and statewide level and also to communicate easily between rural schools. These concepts are already being explored by the rural school teachers and the rural based faculty members of the University of Alaska.

A range of expanded communications needs is also based upon the need for outreach services in the commercial fisheries, forest products, agriculture, and a host of other resource management applications which require local operators to be in touch quickly with those who can provide technical and management support on a continuing basis.

Local governments and village corporations will be able to secure the necessary management support to enable them to function more effectively.

Hopefully, this increase in utilizations would have some effect upon the other problem of costs. The greatest effect on costs will come if the FCC can be convinced that a maximum application of the universal service concept should be applied to Alaska as it has been to the rest of the country. In the face of the push at the national level for deregulation of telecommunications it will require a continued maximum effort by the total state community to achieve this.

Otherwise there is no way that the accumulated needs of the widely scattered 295 or so communities that need telecommunications service in Alaska can be met by bearing their own costs. There are several ways in which costs can be kept to a reasonable level. Subsidy from the general fund is one method. Another is to spread telecommunications costs across the entire state through treating Alaska as a single toll area for telephone service. This would create an increase in monthly fixed rates in the urban and rural areas but would eliminate instate long distance costs for everyone. Expansion of the size of toll areas throughout the state is another variation which could be considered.

The most important factor in the future of Alaska is for its people to be able to act as a single social unit as citizens of the State of Alaska, while retaining the rich cultural and regional diversity that is one of the state's great strengths at the moment. Cultural and regional diversities must be treated as assets, not as barriers to social and economic communication. In order for this to happen on a continuing basis the various regions of the state must be familiar, each to the other, and their mutual problems and concerns well understood. Telecommunications in all of its facets is the principal means by which the state can be bound together, urban and rural, Native and non-Native, technician and subsistence user, into a strong polity that can confront the continued demands that will be made upon Alaska by the rest of the United States and the world.

Biographical Sketch

Walter B. Parker has been involved in telecommunications in Alaska since he arrived in 1946 as a radio operator for the Civil Aeronautics Administration. He spent nine years at Lake Minchumina at an isolated airways communications station and then moved to Anchorage as an air traffic controller, training officer, planning officer and other posts with the Federal Aviation Administration in Alaska and Washington, D.C. In 1970 he joined the Federal Field Committee for Development Planning in Alaska where he was involved with developing background material for the sale of the Alaska Communications System to the Radio Corporation of America. After the Committee was dissolved in 1971 he consulted in telecommunications with the State of Alaska serving as the evaluator of the ATS-1 Satellite Educational Broadcasting Experiment for the period 1971-74, helping write the proposal for the ATS-6 Satellite Broadcasting Experiment in 1973 and preparing an inventory of Alaska's communications systems in 1973. In 1975-76 he served as chairman of Governor Hammond's Working Group on Telecommunications where the legislation authorizing the first 100 small earth stations was developed and where major policy decisions between RCA Alascom and the State of Alaska were worked out. In 1979 he was again active in telecommunications helping the Alaska Federation of Natives, the Rural Community Action Program and Alaska Legal Services develop comprehensive testimony for the Federal Communications Commission hearings in Alaska. He also assisted the Alaska Senate Interim Committee on Telecommunications in developing their testimony before the Commission. He is now working for the University of Alaska on a needs assessment and system design for a statewide system for educational telecommunications.

HEALTH AND SOCIAL SERVICES NEEDS AND STRATEGIES IN THE 80's

Frederick P. McGinnis

SUMMARY OF RECOMMENDATIONS

The following recommendations are inherent and stated within the paper entitled "**Health and Social Services: Needs and Strategies in the 1980's.**" It is recommended that consideration be given by the legislative and executive branches of government for implementation during the early years of the 1980 decade.

1. Public policy in Alaska as developed by the legislative and executive branches of government should shift priority as far as possible from the curative and treatment approach to health promotion, health education disease prevention.

2. Cost containment for all health care purchased by government should be undertaken with a minimum goal that payment and fees for services should not be allowable beyond the increases in the Consumer Price Index for the region concerned.

3. That to the extent allowable by present law and reasonable amendments thereto, health and social services delivery programs should be vested in local government and in private nonprofit corporations with mutually agreeable funding provided by federal and state governments.

4. Revenue sharing funds made available by the state government for health services and health facilities should be made available to local governments with the local governments determining the prioritles for usage of the funds whether for services, institutions or facilities.

5. That public policy in Alaska include studies leading toward the possible revision of all direct service health expenditures with the emerging possibility of opting out of the Medicaid program, the development of a unique and comprehensive Alaska health insurance program, or other innovative improved methods for assisting Alaskans in meeting medical costs.

6. Immediate attention should be given to an improved catastrophic illness program to bring relief to low- and middle-income wage earners otherwise ineligible for federal and state assistance, including an improved Catastrophic Illness Program for consideration of coverage under Medicaid of the "medically needy" provided financial impact statements are deemed to be within acceptable ranges.

7. The State should consider a revised plan of reimbursement for physician services and hospitals whether or not the Medicaid program is continued or dropped, including strong emphasis on the free enterprise, competitive systems and that as a quid pro quo the free market forces be rigidly enforced as demanded in other fields of endeavor.

8. Since disease prevention is cheaper than cure and treatment, Alaska should single out several diseases which contribute unduly to the pain and suffering of citizens and lay heavy claims on public funds. Singled out for earliest attention should be: tuberculosis, otitis media, alcoholism and drug abuse, accident prevention, venereal disease.

9. Alternatives to expensive institutional health care (hospitals, nursing homes, residential centers) should be sought including pilot programs in home health care with services available not only from nurses but also doctors for in-home assistance.

10. Financial obligations for emergency response systems should be a shared responsibility between the state and local governments with special provision for communities with low population and tax base.

11. Since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of health care dollar expenditures, special massive attention should be given to the fundamental causes of those accidents and the relation-

ship thereto to other social and health phenomena, and that a bold program of education and prevention be developed.

12. All third-party insurance payment mechanisms for health care in Alaska should be required to cover mental illness services in much the same way as they cover physical illness at the present time.

13. Legislative and executive branch decisions should be directed toward more extensive utilization and funding of the community mental health centers; several small regional juvenile residential facilities should be provided for mentally disturbed juveniles; an extensive review of the programs of the Alaska Psychiatric Institute and the Harborview Developmental Center should be instituted in order that their future roles may be determined consistent with changing patterns in delivery of mental health services.

14. That the legislative and executive branches provide for detailed analyses regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the Aid to Families with Dependent Children Program. (Under AFDC, the monthly payment for mother and child is $350, versus $608 for two persons under the Supplemental Security Income programs.)

15. Since $80 per month per person for certain needy persons in the state is not sufficient to deal realistically with those eligible, a detailed study should be provided to determine the future structure and coverages under the General Relief and General Relief Medical Programs.

16. The legislative and executive branches of government should attempt to influence more strongly the federal Office of Management and Budget in order to adjust the official poverty guidelines for Alaska to bring it in line with financial realities and remove the current discrimination against Alaska's needy made possible by the policies of the federal Office of Management and Budget.

17. That the legislative and executive branches provide for an updated, comprehensive study of the status of Alaska's elderly population, with special emphasis on the adequacies of the financial assistance provided to elderly eligibles, and with special review of the effects of inflation on the fixed income of retired persons.

18. The legislative and executive branches of government in Alaska have recently provided for a comprehensive **Corrections Master Plan for Alaska.** Those portions of the Plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska.

19. Limited and new programs such as Treatment Alternatives to Street Crime and New Start Center have demonstrated efficiency and adequate rate of success in assisting in the continuing rehabilitation of ex-offenders. It is in the interest of every citizen of Alaska that such ex-offenders be assisted in developing new life patterns free of crime and deserve adequate staff and financial support to assist in that goal.

20. Even though public assistance in the form of money transfer payment programs and social services based on counseling do not have the same goals, human service centers in various communities throughout the state should be co-located in order to serve citizens in a more efficient manner. (Report: Page 57)

21. Since Alaska does not operate any social service child care institutions and only one correctional juvenile institution, revisions should be made in the "purchase of services" statutes by amendment in order to fund those privately operated programs giving care to juveniles whose care has been made a state responsibility more nearly on the basis of **actual full cost of care.** (Report: Page 58)

22. The legislative and executive branches of government should make provisions whereby a reasonable percentage (approximately 1%) of the human services budgets of the state could be utilized by the executive agencies for research and evaluation purposes in order that full data may be available and proper evaluations made to place sound statistical and programmatical bases under all expenditures in the field of human services.

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Acknowledgements

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Health Care Financing

The rapid growth in medical care prices and expenditures is of increasing concern at the national and state level. Various factors contribute to the increasing cost of medical care including: increasing demand for health services; an expansion of government financing; new methods of financing, including a steady growth of health insurance and other third party payers; scientific and technological advances, including advanced medical equipment; and extraordinarily large increases in health care prices. Third party payers now cover more than two-thirds of the total personal health care expenditures and more than nine-tenths of hospital expenditures nationally. The decrease in direct payment for health care and payment for that care through third-party reimbursement may well have some effect on increases in consumer demand for health care services.

The cost of providing medical and behavioral health treatment or rehabilitation in response to ailments that could be prevented is also an important health care cost issue. Perhaps the most effective component of a cost containment approach is the early prevention of disease and the promotion of a healthy environment and lifestyle. Unfortunately, information regarding the cost of

"preventable" illnesses or estimates of the amount of health dollars saved through promotion efforts is not currently available.

Consumer Price Index (CPI): As a summary indicator, the medical care component of the Anchorage consumer price index reflected an 87% increase between 1969 and 1977 while the index of all items in the economy rose 65%. By compairson, the U.S. average CPI for medical care rose by 65% during the same period. While the Anchorage consumer price index for all items combined is consistently lower than the U.S. average, the Anchorage CPI for medical care has been higher than the U.S. average since 1975.

State Government

The Alaska State Division of Public Health includes the sections of Nursing, Communicable Disease Control, Environmental Health, Laboratories, Family Health, and Emergency Medical Services. The Director's Office includes over-all administration and the Health Education Unit. Actual expenditures for the Division of Public Health in FY 78 totaled $12,700 of which 81% was state general funds.

The Division of Mental Health and Development Disabilities administers a regional mental health clinic in Juneau and funds community mental health clinics throughout the state. The Division also administers the Harborview (developmental disabilities) and Alaska Psychiatric Institute inpatient facilities.

The acutal expenditures for Alaska Psychiatric Institute totaled $6,788,600 during FY 78. The 150 bed facility (beds currently in use) averaged an 82% occupancy during FY 78 and an average length of stay of 4.6 days. The total patient days of care provided by the facility was 44,906 for 972 admissions. The total expenditures for Harborview during FY 78 were $4,420,200. The average daily census was 105.

The FY 78 budget for 17 community and regional mental health centers totaled $4,330,600 including state mental health grant awards plus funds received from other sources. The Division of Mental Health awarded $1,551,273 in community mental health grants and the programs acquired $2,196,100 from other sources including fees for services. The Juneau and Fairbanks regional mental health clinics received $586,200 in state funding. Admissions to community/regional mental health programs totaled 3,121 in FY 78.

The budget for 27 alcohol programs totaled $4,918,960 for FY 78. $2,223,767 in state general funds and $161,832 in federal funds were awarded by the State Office of Alcohol and Drug Abuse (total $2,385,599). The programs acquired an additional $1,533,361 from local sources, reimbursement and direct federal grants. The alcohol programs provided 6,118 treatment episodes to an unduplicated total of 4,234 clients during 1978.

Total revenue for 11 drug abuse programs (6 treatment programs and five prevention programs for youth) totaled $1,300,817 during FY 78. The State Office of Alcoholism and Drug Abuse awarded $954,572 ($610,000 state general fund, $344,572 federal funds). The six treatment programs which report client data admitted 188 clients during FY 78.

Actual expenditures for Alaska Pioneers Homes totaled $8,392,900 during FY 78 and additional $116,500 for administration and board support. The 1980 Free Conference Committee Operating Budget for Pioneers Home is $10,800,400. This funding includes $2,498,300 for the Sitka Pioneers Home; $2,516,000 for Fairbanks; $2,205,400 for Palmer; $809,900 for Kotzebue; $2,625,400 for Anchorage; and $145,400 for the Central Office.

Hospital Expenses

The cost of general acute care hospital services is of particular concern because of the rate of increase in hospital costs as well as the fact that a large part of the total health care costs are for hospital care. Hospital service charges comprise nearly 40% of the total health care dollar of the U.S. Consumer Price Index. Among hospital services, the most substantial increases were for semi-private room charges and operating room charges. The cost of a semi-private room rose 211% between 1969 and 1976 nationally, and physicians' fee rose 92%. This compares to an increase in the entire CPI of 71%.

Certainly the occupancy rate, the length of hospital stay of the patients and the size of the hospital are important considerations in relation to hospital costs. Hospitals have fixed costs which occur whether the hospital is full or empty. The average percent occupancy for private and local government hospitals in Alaska is 59.5% (1978) considerably lower than the 73.6% (1977) nationally. Moreover, the length of stay is brief at approximately 5.5 days in 1978 (4.8 for acute beds only) compared to 7.6 days nationwide (1977).

Total Hospital expenditures for Alaskan hospital in FY 78 totaled $73,040,846. The total cost for inpatient acute care in Alaska averaged $316 per patient day during FY 78. Statistics for 1976 from the Health Insurance Institute report an average cost per patient day for Alaskan hospitals of $276.50. This was the highest cost per day of any state in the nation and 60% higher than the U.S. average of $172.70 per patient day.

Alaska Area Native Health Serivce

The Alaska Area Native Health Service (AANHS) provides health care to Alaska Natives and their dependents. Primary care to the villages is provided through the community health aides and itinerant physicians. Inpatient care and outpatient care are provided at the AANHS-IHS hospitals: Mt. Edgecumbe Hospital (82 beds); Alaska Native Medical Center, Anchorage (170 beds); Kanakanek Hospital (29 beds); Bethel Hospital (42 beds); Kotzebue Hospital (40 beds); Barrow Hospital (14 beds); and Tanana Hospital (20 beds). Outpatient care is also provided at AANHS health centers. Additional health services are available to program eligibles through contracts with private physicians, hospitals and other health entities. Contractual services are limited by budgetary constraints.

AANHS budget for operations and buildings for FY 1978 was $86,197,563. The Alaska Area Native Health Services estimates that the Alaska Native population totals 65,857 for FY 1978. Information is not available regarding the number of Alaska Natives who are also covered under some type of third party health program. However, it is estimated that 2,620 Alaska Natives are over 65 years of age and eligible for Medicare (1978) and in 1976 7,189 Alaska Natives were receiving Public Assistance Payments and therefore were eligible for Medicaid.

Alaska Area Native Health Service is also a major source of funding for the Regional Health Corporations.

Active Military; Dependents and Retirees; Alaska Veterans

Military hospitals and clinics are located on major military bases in Alaska in order to provide health services to the resident military population through the Uniformed Services Health Benefits Program (USHBP). Inpatient health care is available for the military population at the following facilities: Elmendorf USAF Hospital, Anchorage (125 beds); Kodiak U.S. Coast Guard Dispensary (25 beds); Navy Medical Center, Bremerton-Adak (15 beds); and Bassett Army Hospital, Fairbanks (85 beds). The Alaska Department of Labor estimates that the active military population totaled 24,984 in 1977.

The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is a supplementary health insurance plan that covers military retirees and dependents. The reimbursement ranges from 75% to 80% on specified medical care. The number of military dependents and retirees in Alaska was estimated at 55,000 in 1975.

Alaskan Veterans with an honorable discharge are eligible for medical benefits for services connected health problems and for other health care that is authorized in advance by the Veterans Administration. Of the 54,000 veterans in Alaska, it is estimated that only 5 - 10% (2,700 - 5,400 Alaskans) utilize the V.A. medical benefits.



Revenue Sharing

The Alaska Revenue Sharing program is administered by the Department of Community and Regional Affairs. Revenue sharing entitlements for health care totaled $5.7 million for FY 79. The amount of financial support is determined based upon the rates identified in the tables below.

FY 79
Rates Used To Compute Grant Entitlements
Under The State Aid To Local Governments
Municipal Services Revenue Sharing Program

Municipal Services	Rates
Health Services	$2 per capita
Hospitals	$75,000 per hospital* 25,000 per hospital** 1,000 per hospital***
Health Facilities	$ 4,000 per facility 1,000 per bed
Construction Aid	$ 2,500 per bed 5% of construction cost (whichever is greater)

*Over 10 beds **Under 10 beds ***75 + beds

Grant Entitlements By Classification of Municipal Services

	Applicants Participating	Approved Entitlements
Health Services	12	$ 564,328
Hospitals	14	1,522,000
Health Facilities	78	1,098,000
Construction Aid Matching Funds	4	2,501,769
		5,686,097

Third Party Health Coverage

A third-party payer includes any organization, public or private, that pays or insures health or medical expenses on behalf of beneficiaries or recipients (e.g., Blue Cross and Shield, commercial insurance companies, Medicare and Medicaid). The individual generally pays a premium for such coverage in all private and some public programs. The organization then pay bills on his behalf; such payments are called third-party payments and are distinguished by the separation between the individual receiving the service (the first party), the individual or institution providing it (the second party) and the organization paying for it (the third party).

It is difficult to identify the extent of third-party coverage for Alaskans; to identify those that may not be protected by any program or those that may not have coverage adequate to fulfill their needs. Perhaps the most appropriate method of identifying those Alsakans without coverage or without adequate coverage are: 1) through a survey of individuals regarding health coverage, and/or 2) from a search of hospital and other health care billings that were paid "out of pocket" by the individual.

A random survey prepared in 1974/75 by Comprehensive Health Planning of Anchorage reported that 79.9% of the sample had third-party coverage of some sort, and 20.1% had no such coverage. The same survey conducted through the Regional Medical Program among residents of the Kodiak Island Borough resulted in 92.6% of the respondents reporting that they had third-party coverage, while 7.4% had none. These figures change significantly when applied to the non-Native, non-military population alone. In this perspective, over 25% of the Anchorage sample and over 20% of the Kodiak Island non-Native, non-military sample responded as having no health coverage. If these percentages (20% - 25%) can be applied statewide, it would result in an estimate of 56,000 to 71,000 Alaskans lacking any third-party health coverage.

If the estimates of Alaskans protected by each type of third-party coverage or non-fee services are added together, the total comes to 458,305 or more than the current estimate of the resident population (411,211 in 1977). This highlights the fact that there is considerable double coverage within the state such as individuals and their dependents covered by Blue Cross who are also eligible for the CHAMPUS program, Alaska Natives eligible for services by Alaska Area Native Health Services who are also covered by private health insurance, and families with more than one member subscribing to coverage that protects all dependents.

This is certainly NOT to say that all Alaskans are protected by some type of health coverage. Unfortunately, information regarding the number of persons covered by each program will not produce an estimate of who is without coverage. To accomplish this, it would be necessary to identify all those with more than one type of coverage (both subscribers/enrollees and dependents).

Estimated Alaskan Population
Protected By Specific Heath Coverage Programs

Private Health Insurance & Blue Cross	263,000
Teamster Employee Welfare Trust/	
Alaska Health Plan	25,200
Alaska Area Indian Health Services	
Alaska Natives	65,857
CHAMPUS & USHBP	
Active Military	24,984
Military Dependents & Retirees	55,000
Medicare Enrollees	9,818
Medicaid Participants (not all eligibles)	
Medicaid Participants (not all eligibles)	11,815
General Relief Medical Program Participants	2,631
Catastrophic Relief Health Insurance Program	*
Veterans Administration	**

*Catastrophic Health Insurance Program is available to all Alaskans meeting criteria specified in regulations

**The V.A. pays for health care that is related to prior military service

Private Health Insurance

The major source of third-party coverage is through private health insurance and the Blue Cross Plan. Although Blue Cross is considered a hospital/medical service corporation rather than a health insurance company, it is included in these discussions and in the data from the National Health Insurance Institute.

There is considerable variation in the services covered by different types of health insurance policies. Types of coverage include hospital expense, surgical expense, regular medical expense and major medical expense.

The National Health Insurance Institute estimates that 263,000 Alaskans under 65 years of age were coveraged by some types of health insurance as of *December 31, 1976.* The number by type of coverage is indicated below.

Private Health Insurance and Blue Cross

Number of Persons in Alaska Under Age 65 Protected by Hospital Surgical, Regular Medical and Major Medical Expense Coverage

December 31, 1976

Hospital Expense	263,000
Surgical Expense	246,000
Regular Medical Expense	248,000
Major Medical Expense	146,000

Note: The data refer to the net total of people protected, i.e., duplication among persons protected by more than one kind of insuring organization or more than one insurance company policy providing the same type of coverage has been eliminated. The estimated distribution by states reflects coverage by residence rather than employment. "Major Medical Expense" data refer to people coveraged by insurance compaines only.

Soures: Health Insurance Association of Amercia, Blue Cross Association, National Association of Blue Shield Plans, and the U. S. Department of Health, Education and Welfare.

The total dollar figure in premiums written for Alaskans was over $84 million during 1977. The amount of premiums written compared to losses incurred are summarized below. The total dollar figures of direct premiums written during 1977 by the 20 leading vendors in Alaska are identified in the following figure. These figures are accessed through the individual insurance companies' annual reports and aggregated by the Division of Insurance.

1977
Total Accident & Health Insurance
Financial Data For Alaska

	Premiums Written	Losses Incurred
TOTAL	$84,822,000*	$63,158,343
Blue Cross	32,483,000*	29,380,307
Other Group	45,377,811	36,661,724
Credit	1,641,059	651,917
All Other	3,650,859	1,464,395
(Additional Figures)	1,669,000	

* Some figures rounded to nearest thousand due to available information. Source: Alaska State Division of Insurance; from Annual Reports by each insurance company (home headquarters).

Total health insurance premiums written in Alaska in *1977* amounted to $84,822,000 by 301 companies.

Medicare

Medicare is a health insurance program administered by the federal government for the aged (Title 18 of the Social Security Act of 1965). Medicare coverage was extended in 1974 to also include disabled persons and persons with chronic kidney disease. Part A, Medicare coverage provides insurance for hospital care, post-hospital extended care and home health benefits. Part B, available on a voluntary basis with the payment of monthly premiums,

provides medical insurance that covers not only care by physicians but also hospital outpatient services, physical therapy, diagnostic x-rays, ambulance services, etc.

By 1972, more than 95% of the U.S. population aged 65 and older were covered by Part A of Medicare. However, because of Medicare's deductibles and co-insurance provisions, and because of gaps in Medicare coverage, more than half of the Americans over 65 are buying private insurance to supplement Medicare. Medicare paid less than 35% of the total health bill to those over 65 during 1975.

Medicare expenditures for Alaska totaled over $7 million in 1976. Total Medicare expenditures rose by 54.9% between 1974 and 1976 for Alaska compared to 46.5% nationally. The Hospital Insurance Component (Part A) rose by 54.7% in Alaska and 45.1% nationally. The Supplementary Medical Insurance component (Part B) rose by a full 55.3% for Alaska compared to 50.1% nationally. During 1976, 9,818 Alaskans were enrolled in the Medicare program, including 8,653 persons age 65 and over, 1,165 disability beneficiaries, and 31 individuals with chronic kidney disease.

Medicaid and General Relief Medical

Persons eligible for the cash assistance payments (public assistance) under the categorical assistance programs (Old Age Assistance, Aid to the Blind, Aid to the Disabled, and Aid to Families with Dependent Children) are eligible for Medicaid coverage of health care costs. Additional eligibility criteria for Medicaid exists for persons in nursing facilities and children in foster care or juvenile care situations. Medicaid is a state administered medical assistance program funded by both federal and state sources (50% federal and 50% state).

General Relief Medical coverage is available for persons having no prior medical care resources and who meet financial eligibility requirements for the assistance programs listed above, but do not meet other qualifications for Medicaid coverage (under 65, both parents in the home are physically able to work, not blind or disabled under federal definition). General Relief Medical (GRM) provides coverage for some medical services and supplies not covered under Medicaid such as prescription drugs, prosthetic devices and medical equipment. GRM is administered by the state and totally funded.

Medicaid expenditures have grown tremendously as a result of population growth, inflation, increased availability of services, rising cost of services and increased utilization of federal revenues for medical programs. The following figures show that Medicaid expenditures have grown 300% between 1973 and 1977.

Medicaid
General Relief Medical
Expenditures

Fiscal Year	Medicaid Expenditures	GR Med Expenditures	Administration and Support
1973	$ 4,447,219	$ 3,675,277	$ 481,890
1974	7,876,759	2,607,112	631,129
1975	9,309,702	2,358,080	$ 481,890
1976	14,328,201	2,881,213	631,129
1977	18,608,568	3,743,128	722,778
1978 1/	25,915,719	6,213,100	1,065,056
			1,253,002
1979 2/	38,811,695	6,769,100	
			1,346,800
			1,423,950

1/ Projected expenditures
2/ Total of budget request including supplemental requests - includes $6,422,300 for Indian Health Care Improvement Act billings by ANHS; this is 100% federal funds.

Source: Medicaid Annaul Status Report FY 77, State of Alaska, Dept. Health and Social Services, Division of Public Assistance.

Medicaid

Historical Perspective:

Alaska entered the Medicaid Program in 1972 with eight basic services. Since that time, the State has continued to add additional services. The program is jointly federal and state operated.

Medicaid currently provides medical services to approximately 20,000 persons at an approximate cost of $38,000,000 for FY 1980.

Other agencies involved in health care delivery to this group include the Alaska Area Native Health Service, Alaska Division of Public Health, Alaska Division of Vocational Rehabilitation and private carriers to some extent. The major issue in this area is whether Medicaid adequately meets the medical needs of all persons not otherwise covered for medical needs, and whether the State should consider replacing Medicaid with a more cost-effective medical program reaching more people.

Current Status:

The issue is being explored by the Department at the present time. It is known that some persons below the current Alaska poverty level are not presently eligible for needed medical services. Further, the present mix of federal and state funded medical services continues to drain heavily on available state revenues.

Directions

a) Consideration should be given to the cost-effectiveness of implementing the medically-needy option in the Medicaid Program. This might offer coverage to a greater number of Alaskans within an affordable increase in State expense.

b) Consideration should be given to expanding coverage for catastrophic illnesses; of particular concern is those persons who are unable to purchase long-term care coverage in nursing homes from their own personal funds due to the tremendous cost.

c) **Consideration should be given to broadening the range of services available to prevent premature institutionalization in long-term care facilities. Services needed by not presently offered include personal care in the home, and residential care.**

Catastrophic Illness Coverage

The State of Alaska initiated the Catastrophic Illness Program in July 1976 to assist individuals that have suffered an illness that results in high medical expenses. The program applies to medical bills related to catastrophic illnessess of more than $1,000 in a period not to exceed 12 months after all sources of third-party payment have been exhausted. An applicant must be a resident of the state of Alaska at the time of the application and must have been a resident at the time of the catastrophic illness.

The Catastrophic Illness Committee, which administers the Program, determines the eligibility of applications and the amount of medical assistance to be awarded. The Committee applies a formula for determining the amount of payment based upon family income and assets, and the amount of medical expenses incurred. The total budget for the Catastrophic Illness Program for FY 1979 is $514,000. The number of applications for catastrophic illness coverage which can be approved is therefore restricted by the appropriate budget. The program granted financial aid to over 80 persons during FY 1978 and the number of applicants is increasing steadily.

Violent Crimes Compensation

Alaska Statute 18.67, establishing a Violent Crimes Compensation Board, was adopted by the State Legislature in 1972. Its purpose was to alleviate the financial hardships caused by crime-related medical expenses or loss of income sustained by innocent victims of violent crimes in Alaska. Additionally, it provides for the payment of pecuniary loss to dependents of deceased victims to mitigate the loss of a loved one. The maximum award allowable per victim per incident is $25,000; except in the case of the death of a victim who has numerous eligible dependents, for which the maximum allowable is $40,000.

The growth in the awareness of Violent Crimes Compensation has resulted in an increase in the number of applications received.

Alaska and National Health Insurance

From time to time, as many as ten or twelve measures have been introduced simultaneously in the United States Congress proposing a variety of national health insurance programs. For a number of years, Alaska health leaders have been concerned with regard to the fragmentation of health delivery systems within Alaska as well as the escalating costs for all health services in the state. Delays have been encountered in active planning for an improved financing system for Alaska health programs because of the prospect of a national health insurance program being enacted by the federal Congress. Numerous discussions continue to go forward with regard to a national health insurance program for the entire United States. It now appears that the enactment of and implementation of such a plan are receding further and further into the future. Three of the more popular approaches to national health insurance have been those which have been introduced into the federal Congress by President Carter, Senator Edward Kennedy and Senator Russell Long. Appendix Number One at the end of this document outlines the "Three Approaches to National Health Insurance" as set forth by these national leaders. The topics covered in the table include coverage, benefits, administration, financing costs, cost controls and timing for implementation of the respective plans.

There are several reasons why Alaska should consider developing, as rapidly as good planning will permit, a model health system for all the citizens of our state. With our extremely small population and with the numerous extensive health delivery plans in place already, it would seem that Alaska could adjust its present programs and add thereto in order to create a truly comprehensive and effective health system for Alaska. It will take bold, creative and extensive work to develop such a system.

Governor Jay S. Hammond, Lieutenant Governor Terry Miller, and the Commissioner of the Department of Health and Social Services, Helen D. Beirne, have expressed strong support for a revised and improved model health plan for Alaska. The Department of Health and Social Services leaders are taking certain initiatives at the present time in order to explore further the possibilities of changes within the present systems. In due course, numerous parties within the government and in the private sector will be invited to participate in the creation of a new health services financing system, as far as outlays of the state government are involved or will be involved in the future.

Recommendations:

1) It is recommended that the health planning organizations in the state, as well as the health agencies and providers in the state, embark on a joint program to make reasonable efforts at cost containment of health services. A detailed examination should be made for the reasons of the dramatic increases in hospital charges to patients and third-party payers, as well as the escalation in rates of physician fees, prescription drugs, and nursing home rates. Efforts at cost containment, while notable, have not been effective to any substantial degree. Ceilings proposed from time to time applied to specific parts of the health care system do not appear to be equitable since all of the goods and services related to the delivery of health care have not been proposed for inclusion in the cost ceilings. One of the more urgent matters facing Alaskans, as well as the citizens of other states, is the rapid escalation of health service costs. Detailed attention should be given to any cost of a health service in the State of Alaska which begins to exceed approximately 60% over and above what the average for such cost would be elsewhere in the nation.

2) The Alaska Revenue Sharing Program provided by Alaska Statutes, as it relates to health services, hospitals, health facilities and construction aid, should be reviewed with the possibility of major revisions in order to create a more equitable revenue sharing basis as related to other municipal services. In some communities in Alaska where the local government is responsible for the operation of hospitals, the generous revenue sharing dollars flowing to those hospitals seem to be well justified. In some of the urban areas, in cases where hospital income dramatically is excessive over operational expenditures, an adjustment may be found to be in order. In those cases, the local government should have the freedom to utilize the revenue sharing dollars for those health services deemed to be the local government's priorities for expenditures.

3) A detailed study should be undertaken in Alaska of the 458,305 third-party coverages when projected on a population base of 411,211 in 1977. The cost benefit ration of the double coverages should be examined in some length in some depth. At the same time, data seem to reveal that numerous Alaskans are not covered by any third-party coverage or non-fee for service program at all. Scientific research and detailed studies which may be undertaken with regard to the possibility of a model health system for the state could include the study recommended herein.

4) That a detailed review be made of the medicaid eligibles, medicaid coverages and medicaid expenditures in an effort to determine whether or not Alaska wishes to continue the escalation of covered groups, covered services and financial outlays experienced from 1973 to 1979. From a basic coverage of eight serv ices in 1973, the coverage services have gone to 17 services. Minor changes in covered groups have been made by federal and state laws since 1973 and the initially covered groups have contributed substantially to the increase in financial outlays.

5) In the event stuoies are undertaken with regard to the covered services and the covered eligible groups under medicaid, consideration is recommended with regard to the cost effectiveness of implementing the "medically needy option" under the medicaid program. If Alaska is going to improve health financing assistance to the medically needy, if provided under the medicaid program, the federal government would match all expenditures on the basis of 50% federal and 50% state funds.

6) Regardless of what may develop in the near term with regard to other changes in medicaid, general relief medical coverage or under a model health system, immediate attention should be given to expanding coverage for catastrophic illnesses for Alaskans. This could be accomplished with an amendment to the present catastrophic statute, as well as additional appropriations for the catastrophic illness program. The design of any amended catastrophic illness program should be undertaken in such a way as to fit in with the state's goal of a comprehensive revision of its health financing plans.

7) That immediate detail and urgent study be continued with regard to broadening the range of services to prevent premature institutionalization in long-term care facilities and more appropriate placements for some who may at present be institutionalized in nursing homes.

8) That the State of Alaska move ahead as rapidly as good planning will permit to develop a model health services financing program geared to the needs of Alaskans, whether or not such a revised program includes the federal medicaid program. In the event it is not possible for the State to carry out an extensive study and mature plans to revise its present financing programs for medical assistance, as a minimum it is recommended that the State consider dropping the medicaid program and rebuild a program with the State's current 50% of medicaid dollars furnished to the State, combined with the State's general relief medical funds, and thereby render services to the limit of funds available to a revised group of eligibles based on new priorities.

9) That the State consider a revised plan of reimbursement for physician services and hospitals in the early part of the 1980's, whether or not the medicaid program remains or is dropped. Strong emphasis should be placed then upon the free enterprise and competitive systems in order for the market forces to be generally operable in the health care field as is demanded in all other fields of endeavor.

PUBLIC HEALTH

Historical Perspective:

In territorial days and the earlier years of statehood, major concern of public agencies responsible for health services centered on communicable diseases such as tuberculosis and measles and on high infant mortality rates. Other problems such as accidents and chronic conditions including otitis media were also prevalent. For most of these conditions, incidence and prevalence were higher in rural areas and among Natives.

Provision of health services was made difficult by the small and scattered population, poor transportation, a scarcity of health care providers and a lack of adequate technology for dealing with problems.

Current Status:

Most communicable diseases are being held in check by continuing efforts at immunization, surveillance, education and early treatment. For example, new cases of tuberculosis have declined from about 380 cases/100,000 population in 1950 to about 25 in 1977. However, this rate is higher than the U. S. rate and a slightly increasing number of new cases has been noted over the past few years. Similarly, infant mortality rates have declined from about 50/1000 live births in 1950 to approximately 14 in 1977. Rates for the Native people remain somewhat higher than those for the remainder of the population. As deaths due to infections decline, further reduction in infant mortality will depend on solving the problems of prematurity, congenital conditions, etc., and assuring high quality prenatal care and education.

Tuberculosis in Alaska: Special Consideration

It is perhaps ironical that tuberculosis, which was so significant in the history of Alaska and which was considered by many observers in the 1960's to be no longer a problem, continues to be a significant health hazard.

Today's significant markers include:

1) A population over 40 which, in the Native population, the majority have been infected with tuberculosis and a population under 30 by-and-large non-infected—a younger population, then, that is susceptible to infection.

2) Physicians and public health nurses of a younger generation who have had minimal orientation and training in the disease, tuberculosis, or in its public health management.

3) A population which has advanced beyond a period of concern and anxiety about tuberculosis and frequently lacks commitment or compulsion to accept treatment of the disease.

4) In 1979, some increasing evidence that more people previously non-infected with tuberculosis germs are becoming infected (an increase in tuberculin converters in the school population).

We are at an important crossroads. The State probably is the most important agency in determining whether tuberculosis will experience a resurgence in Alaska or whether the disease will continue to be appropriately treated, new infections kept to a minimum, and the disease ultimately disappear. Successful treatment of this disease requires medication compliance during an extended treatment program. It depends on knowing where the patients are, a health person who has a major responsibility for making sure the patients are followed and that they take their medications, and if they are unable to take their medication, that a direct administration program is in operation. While any knowledgeable physician may diagnose and prescribe appropriate treatment of tuberculosis, the successful conclusion of treatment necessitates continual reinforcement for the patient taking medication. The present Health Center/Itinerant Public Health Nurse concept with a major priority designated by the State would seem to be the most effective method of implementing these requirements.

A major gap at present has been the inability to ensure compliance in the treatment of infectious disease. A statute to provide some "muscle" in protecting the population of Alaska from becoming infected with tuberculosis by irresponsible persons with active disease is necessary. Continued orientation of physicians, public health nurses, and patients is important. The tools to eliminate tuberculosis are available. Society must look at the consequences of not using these tools. Hopefully, the decision will be that elimination of this disease is a worthwhile goal.

Other problems have not approached resolution. The death rate from accidents in 1977 was twice the rate elsewhere in the country and accidents were the leading cause of death for every age group from one through 44 years. Alcohol abuse and mental illness are major problems. Alaska's rate for gonorrhea is more than **twice** the national rate. The incidence of food and water borne diseases such as hepatitis, botulism, trichinosis, shigella and salmonella is also higher than elsewhere in the country. Heart disease and hypertension are the second leading causes of death in the state. While rates are lower than in the other states, this is due to the relative youth of the Alaskan population. Rates will undoubtedly increase if more older people tend to remain in the state.

The state's public health system concentrates primarily on prevention. With the current patterns of illnesses, prevention consists of education, services such as immunization to avert certain illnesses, early detection of abnormalties and prompt referral for treatment to minimize disability or restore function. The state maintains 54 health centers in communities and employs itinerant

public health nurses to visit smaller communities three to six times per year to provide preventive services. Sanitarians in fixed and itinerant positions work to minimize food borne illness and to maintain a healthful environment. A system is in place for the detection of communicable disease and to institute control measures when outbreaks occur. The Municipality of Anchorage provides most preventive services to its citizens through its Department of Health and Environmental Protection.

Other Perspectives:

The provision of curative services is largely the responsibility of the private sector for the general population and of the Alaska Area Native Health Service and the military health care system for specially defined population groups. The availability of health care has greatly improved, although specialty care, with a relatively few exceptions, is confined to the larger population centers. In remote villages, the development of the Community Health Aide program by the Native Health Service and its sponsorship by Native Health Corporations have done a great deal to make at least some level of primary care of acute illness available.

A community based system of emergency health care services, coordinated by the state and by regional councils, is improving the immediate pre-hospital care available to victims of accidents and other acute emergencies such as coronary attacks.

Rapidly increasing costs of health care are a source of concern for both individuals and society in general and the rate of increase in Alaska is higher than the national rate.

Directions:

1. Disease prevention in many cases is cheaper than cure. Many causes of illness and deaths in the state are preventable but prevention requires an active self-motivation by the individual citizen. Examples include accidents, certain types of cancer, certain complications of pregnancy, alcoholism, etc. Active programs of education for health and an optimal level of functioning which stress self-responsibility for health maintenance should be undertaken by the state, communities (particularly through local school systems), agencies and organizations such as Native Health Corporations, etc. Financing may be required for developing education programs, hiring of personnel and for implementation.

2. **Alternatives to expensive institutional health care should be sought. For example, pilot programs in home health care should be tried to determine if the provision of skilled home nursing care to certain types of individuals can reduce costs. Financing of state sponsored pilot projects free of the artifical definitions found in federal programs should be explored.**

3. **All citizens should have access to a method of health care financing which frees them from the potential of a financially catastrophic illness. Financing should also be available for health maintenance and preventive services such as periodic health screening services, early diagnosis, etc. The state should continue its exploration of a comprehensive health insurance plan or a plan to complement or substitute for any national scheme which may emerge.**

4. **Alternative organizational structures for delivery of preventive services should be looked into. The costs and benefits of greater local government respnsibility and authority require exploration. Since constitutionally responsibility for protection of the public health rests with the state, mutually agreed upon standards between the states and local governments would have to be worked out. Some means of cost-sharing between the state and the local government would also be essential.**

5. Costs of an emergency response system (ambulance, communication, travel of personnel, etc.) should be shared between the state and communities, particularly those with a low population and tax base.

ALCOHOL AND ALCOHOL ABUSE

Alcoholism and alcohol abuse have been identified by every major health planning group in Alaska, as among the top three health problems in the state, and as a major contributing factor to excessive rates of accidental death and injury, crimes against persons, suicide, child abuse and neglect, home fires, lost production, excessive general health care costs, overburdening of the criminal justice system and net economic loss to the taxpayers of Alaska.

Both the executive and legislative branches of gov ernment have given special attention to the problem of alcoholism and drug abuse in Alaska in the past several years. The Alaska Senate Select Committee Report on Alcohol Abuse in Alaska includes 400 pieces of written public testimony, references from 3000 citizens of 31

communities in Alaska regarding the alcoholism problem. That report also included dozens of recommendations on how more effectively to address the alcohol abuse problem in the state.

In the State of Alaska, the Office of Alcoholism and Drug Abuse of the Department of Health and Social Services has a primary role to play in the overall responsibility of examining and attempting to alleviate the social problems created by excessive use of alcohol and drugs by the populace.

Strong mandates are contained within the Alaska Statutes for such services to be provided for in cooperation with local communities and other agencies.

Funding:

Because the needs are far greater than the funds and resources available, every possible source is being tapped. Federal, state, local and private funds are used. The funds from federal, local and private sources , however, fill only a small portion of the total need, so State funding must bear a major portion of the burden. In FY 1980, of the minimum program needs of $5,622,300 only $849,120 is available from the federal government. Local and private funds do assist somewhat, but from year to year are uncertain as to scope and level of funding.

Consumption:

The consumption of alcoholic beverages per capita by drinking age (19 years and older) individuals in Alaska has been increasing steadily since 1958, the first year systematic alcoholic beverage distribution records were kept. In 1958, each Alaskan of drinking age consumed on the average of 2.52 gallons of absolute alcohol; by 1977, the annual per capita consumption of absolute alcohol had increased to 4.56 gallons By comparison with the United States as a whole, during the period 1958 through 1975, the average annual consumption for the United States increased by 46%; in Alaska, consumption increased by 80%.

Alcohol-Related Arrests:

In 1976, 17,803 arrests were made related to alcohol and one year later the number had jumped to 20,795 arrests.

Health Consequences of Alcohol Abuse:

Alcohol abuse is a major health problem in Alaska. The abuse directly affects the incidence of alcoholism, cirrhosis of the liver, and alcoholic psychosis and is an important factor in the occurrence of accidents, homicides, suicides. Alcoholism death rates consistently exceed the national death rate from that cause. The total number of clients receiving alcoholism treatment services during FY 1978 was 6,503 individuals.

Clients Receiving Drug Abuse Treatment Services:

During FY 1978, 300 individuals were served by the treatment programs sponsored by the State and largely financed by the State for such treatment services. The 300 individuals represent the carryover clients from the prior year, plus the admissions for FY 1978. At both the Alaska Psychiatric Institute and at the various states' community and mental health centers, drug disorders represent leading diagnostic categories for adults diagnosed.

Recommendations:

(See Recommendations under Public Health for recommendations concerning alcohol.)

Recommendations:

1) In consideration of the hundreds of millions of dollars now being expended within Alaska for curative services, it is recommended that federal, state and local government agencies and the private sector join together in a bold, creative, massive and extensive program of disease prevention during the early part of the 1980's. The State Department of Health and Social Servic es should be considered as the lead agency in developing the health promotion strategies and the prevention and education programs, in consultation with and cooperation with all health planning agencies and the private medical community.

2) That tuberculosis be given special consideration for preventive and educational program beginning immediately and extending into the 1980 decade. A person infected with tuberculosis in Alaska should not be free to infect other members of the population. A special statute should be developed in order to give the Division of Public Health not only a mandate but the basic legal authority to require medication and/or hospitalization for those known to be infected with tuberculosis.

3) Since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of the health care dollar expenditure is related to accidents, it is recom-

mended that special attention be given to the fundamental causes of the accidents, the relationship of those causes to other social and health phenomena, and that a program of education and prevention be embarked upon as a priority for the 1980's.

4) Since Alaska's rate for gonorrhea is more than twice the national rate, special attention should be given by the public agencies and the private medical community to bring this disease under better control and the spread of the disease should be lessened. A careful review should be made of the current Alaska statute requiring medical providers to report the occurrence of gonorrhea in the population. A basic major study should be undertaken by the State Department of Health and Social Services to determine attitudes toward reporting of gonorrhea on the part of the medical community and ways and means found to improve not only the reporting system but also ways to encourage the removal of the stigma which often intrudes unduly into the securing of treatment in order to deal with the disease.

5) Since heart disease and hypertension are the second leading causes of death in Alaska, these diseases should be given special attention in the education and prevention strategies of health planners, health agencies and the medical community working jointly on the decrease of this cause of mortality.

6) Through very special attention during the last few years, the immunization level of Alaska's school-age children from the six major dread diseases is at the highest percentage level of any place in the nation. Continuing effort should be given by the public school authorities and the public health agencies to maintain the enviable record which Alaska has now achieved through special effort on the part of the schools and the health agencies. The protection of children of school age approaches the 100 percent level.

7) Cigarette smoking is the single most important preventable cause of death. It is clear that cigarette smoking causes most cases of lung cancer—and that fact is underscored by consistent decline in death rates from lung cancer for former male cigarette smokers who have abstained for ten years or more. Cigarette smoking is now also identified as a major factor increasingly for heart attacks. Even in the absence of other important risk factors for heart disease—such as high blood pressure and elevated serum cholesterol—smoking nearly doubles the risk of heart attack for men. Although the actual cause of the unprecedented decline in heart disease in the last ten years in the U.S.A. is not entirely understood, it is noteworthy that the prevalence of these three risk factors also declined nationally during the same period. It is recommended that Alaska include attention to cigarette smoking without apologies and with some degree of urgency and creativity in order to try to reduce the rate of cigarette smoking and, therefore, a preventable cause of death.

8) Misuse of alcohol and drugs exacts a substantial toll of premature death, illness and disability. Accidents are responsible for more than one-fourth of all deaths in Alaska. Contributing factors in fatal accidents are alcohol and drugs in 56.3% of all deaths and unsafe speed is responsible for 58.4% as a contributing factor. It is recommendd, therefore, that the budget for dealing with alcoholism in Alaska's society be substantially increased in order to deal with education and preventive programs and also to provide treatment, counseling and rehabilitation for those who are currently addicted to alcohol and drugs.

10) That all federal, state and local health agencies consider a rearrangement of priorities in health dollar expenditures in order that adequate financing may be required for developing the education programs, health promotion programs, and the hiring of personnel and provision of materials and equipment sufficient to implement a major health promotion strategy.

11) One of the highest priorities for State of Alaska health planners and administrators should be to find less expensive institutional health care for those in need of such services. Pilot programs in home health care should be developed, financed and evaluated.

12) That the catastrophic illness program in Alaska be adjusted necessary with agreed-upon goals for improvement and that better relief for the middle-income families not eligible for public assistance of any kind and not otherwise covered by catastrophic health insurance be covered. An improvement in

the catastrophic illness coverage should be provided not later than the 1980 session of the Legislature.

13) Since all causes of death and disease have four contributing elements as follows:

- inadequacies in the existing health care system;
- behavioral factors or unhealthy lifestyles;
- environmental hazards; and
- human biological factors

and since studies have shown in the United States that as much as one-half of all deaths iun 1976 were due to unhealthy behavior or lifestyle, it is recommended that Alaska's health planners and agencies take that fact into consideration and gear much of its perspectives on plans and budgets for the 1980's to reflect priorities in dealing with behavior and lifestyle as substantial contributors to disease and death. It is further recommended that, since 20% of all deaths are related to environmental factors, 20% to human biological factors and only 10% to inadequacies in health care, such health facts play a more important role in the priorities of health planning agencies and organizations in the state.

14) Since a strong new emphasis on prevention at all levels of government and by all our citizens is of emerging crucial importance and since such prevention saves lives, improves the quality of life and can save dollars in the long run in an era of runaway health costs, preventive action should become the No. 1 priority in the new strategies for the 1980's.

MENTAL HEALTH & DEVELOPMENTAL DISABILITIES

Historical Perspective:

The present Division of Mental Health and Developmental Disabilities was created in 1957 in territorial Alaska. The Division at that time contracted with Morningside Hospital in Oregon and Haven Acres in Oregon for mental health institutional services. With the advent of statehood in 1959, three community mental health clinics were developed in Anchorage, Fairbanks and Juneau. Several years later the first two federally funded community mental health centers were established in Ketchikan and Kodiak.

Current Status:

In 1962 the State built its own Alaska Psychiatric Institute in Anchorage and Harborview, a facility for the developmentally disabled, was built in 1967 in Valdez. This basic system has grown to a statewide system of 21 community mental health centers, 12 community programs for the developmentally disabled and two institutions.

Directions:

Several emerging trends will influence the future. Those trends include the growing number of aged in the population, the expected acceleration of population growth as the development potential of Alaska becomes realized, and the national trends toward wellness and prevention of illness. The movement toward universal national coverage in health insurance may affect Alaska. Alaskans will recognize that a large proportion of the physical diseases in Alaska treated by the general medical community are behaviorally based in that accidents, alcoholism, suicide, and homicide are the leading causes of mortality. These diseases of infection may, in the main, be defeated and be replaced with diseases of stress adaptation. There will be a movement toward merging of professional disciplines toward a new professional entity with more general knowledge of the peculiar problems of Alaskans, and with the realization that traditional healing and treatment methods have value. Finally, there will be continued growth in our bio-chemical sophistication in schizophrenia and depressive disorders.

By 1990, the Division of Mental Health and Developmental Disabilities should emerge into a more holistic, comprehensive service delivery system which recognizes the multiple needs of persons and families. Comprehensive services should integrate physical, mental, public health, social, and correctional services. The community mental health system should take a more central role in this development because of its historic experience in the role of case manager and the highly trained professional staff. (In FY 1978, 5,445 Alaskans were served in the community mental health centers.) The local and regional general hospitals will take a more active role in the treatment of acute psychiatric conditions at a regional or community level. We should also see the balancing of institutional and community residential services as we realize fully that the chronic alcoholic, the chronic mentally ill and the old do not require exclusively full scale acute services, but a structured, comfortable environment in which to live. Alaska's Pioneer Homes of today may represent, in general, a possible model for future institutional provision for such needed services.

The Alaska Psychiatric Institute and Harborview Developmental Center may come to be utilized in the future primarily for the criminally insane, the profoundly developmentally disabled, and the acute, difficult to manage patient. Small regional juvenile and adult residential facilities should be considered. Services will expand in comprehensiveness with more energy and time spent in community education, prevention, and self-help instruction.

Developmentally Disabled:

Current services for mentally retarded and developmentally disabled persons whose handicaps are severe enough to preclude the possibility of independent living are directed toward three major areas: institutional services, community residential services, and services that support the client and family while the client is living at home or in community settings. These services are being provided to about 500 clients and families. Because of increased attention on the rights and capabilities of this population, advances in behavioral technology, and increased attention to the cost and benefits of programs, it is expected that future services will emphasize the application of behavioral technology in the home or in home-like settings, the provision of specialized work-related training, and the provision of respite-care services to support the family in fulfilling their basic responsibilities. Because of increased awareness of the public and population trends, we anticipate that services will be provided to 1,000 clients and families by 1990.

Recommendations:

1) That Alaska encourage all third-party insurance payment mechanisms to cover mental illness in much the same way as it covers physical illness at the present time.

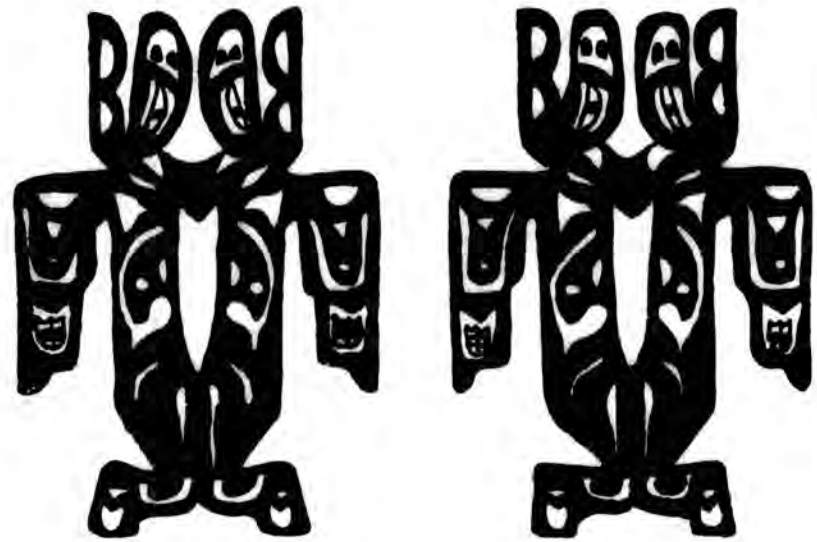
2) That the health planners in Alaska at state, regional and local levels join with the private medical providers to launch a major study into the nature of accidents, alcoholism, suicide and homicide with special reference to the behavior which leads toward such occurrences in mortality, and that strategies be developed to move toward a greater degree of prevention of those occurrences.

3) That federal, state and local planners for the delivery of health services develop mechanisms to integrate physical, mental, public health, social and correctional services toward individuals and their families and reduce fragmentation which currently exists within the delivery system of such services.

4) That public policy in Alaska be directed toward more extensive utilization of the community mental health centers and that such centers be extended and improved from the viewpoint of financial undergirding and staff improvement and development.

5) That Alaska consider the creation of several small regional juvenile residential facilities for the mentally disturbed juvenile.

6) That an extensive review of the programs of the Alaska Psychiatric Institute and Harborview Developmental Center be instituted in order that their future roles in the mental health delivery system in Alaska may be determined and that options be presented for the future of those institutions as related to smaller community based facilities with special emphasis on services available through improved community mental health clinics and staffing for such clinics.



FINANCIAL ASSISTANCE PROGRAMS

Aid to Families with Dependent Children (AFDC):

A. Unemployed Parent Option:

Historical Perspective:

The Aid to Families with Dependent Children is available to meet the needs of single parent families with minor children who are at abject poverty levels. **An AFDC Program option available but not taken by the State is assisting families where both parents and their children face a severe financial crisis.** Historically the State has considered but has not adopted this program to assist these intact families because of the costs. It is assumed that many intact families dissolve due to economic factors, and not necessarily social factors.

Current Status:

Pending federal legislation (HR 4904: passed House; pending in Senate) has taken a crucial step in resolving part of this question by mandating all states to offer an AFDC program for destitute families **with both parents in the home.** The Department's support of this concept has been restricted by cost factors.

B. AFDC Concept Levels:

Historical Perspective:

A related issue in AFDC is whether the current state payment levels to those persons eligible for assistance are adequate. Payment levels in AFDC currently are set by the Alaska Legislature. For a mother and one child, the present maximum payment is $350 monthly. However, this compares very unfavorably with the maximum monthly assistance level of $608 for two persons under Old Age Assistance, Aid to the Blind, and Aid to the Disabled.

urrent Status:

The current maximum payment for a mother and one child is inadequate in providing a healthy standard of living. In addition, this payment precludes a single parent from seeking other avenues of self-improvement, such as independent job training, night school, and job seeking as the amount of funds precludes the financial support necessary in achieving these activities—child care, school supplies, transportation, appropriate clothing. As a result, the parent and child are economically restricted to a world of current basic survival. Future plans, goals, and objectives are unrealistic.

In the 1979 session, the Legislature considered the cost of living increase for the AFDC Program and will once again consider this issue in the 1980 session. The Department of Health and Social Services feels that it is critical that this issue be reviewed from a human services perspective as well as a financial one. Emphasis on the current rehabilitation and future needs of a family would, in the long run, be both economically and practically advantageous.

C. Eligibility, Caseloads and Current Payment Levels

Families eligible for AFDC must include children who are:

1) under 18 years of age (unborn children are not eligible)
2) living with a relative as specified in federal regulations
3) deprived of the support and care of one or both natural or adoptive parents as a result of death, continued absence, or physical or mental incapacity
4) without adequate income or resources available to meet their basic needs
5) in possession of a social security number, or have made application for a number.

Relatives who apply for assistance themselves, as well as the children in their care, must meet the following criteria:

1) They must assign to the State all their rights to child support or other similar support for the children, such as military allotments
2) They must register for the Work Incentive Program (WIN) when appropriate
3) They must have or apply for a social security number
4) They must cooperate in verifying their income, resources, living arrangement and the children's parental deprivation. Also they will be asked to cooperate in identifying and locating the absent parent(s) of the children for whom assistance is requested.

Caseload total and program payments in September 1979 were:

AFDC recipients	14,697	
Projected Need FY 80		$26,182,400
Total Monthly Payments		1,771,620
Average Monthly Payments Per Recipient		$ 120.54

Medicaid, Catastrophic Illness, Violent Crimes Compensation:

Covered in other sections of this document. See Contents.

General Relief and General Relief Medical:

The purpose of General Relief (GR) is to provide assistance for obtaining the necessities of life for families who temporarily have absolutely no other personal, private or public resources available to meet their needs. To be eligible for GR, the applicant:

1) must be in financial need
2) must have inadequate resources to meet their basic needs
3) must be 19 years old or be an eligible minor
4) must have a specific unmet need for a subsistence item
5) must be physically present in Alaska at time of application

GR can pay up to $80 per month per person for certain needy high school students and older persons who have no other resources and who have applied for regular cash assistance from other programs. Normally, GR provides assistance for such needs as rent, clothing, heating fuel or electrical bills in amounts not to exceed the maximum of $80 per household member. Also, under certain very limited circumstances, indigents who are recent arrivals in Alaska can be provided with one-way tickets to their last place of residence. Certain burial costs can be paid through GR for indigent persons who are eligible by virtue of having no resources available to meet their needs. FY 80 projected expenditures—$650,000.

The purpose of General Relief—Medical (GR-MED) is to provide for payment of providers of medical care and emergency dental care for low-income persons. To receive benefits under the GR-MED program, persons must meet the following criteria:

1) They must be in financial need
2) They must have inadequate resources, including insurance, to provide the necessary care
3) They must have a specific medical need.

GR-MED provides care for most medical needs and for dental emergencies. Most optional medical care, such as cosmetic surgery, is not provided. Travel to appropriate facilities for care can be provided through GR-MED if necessary. Abortions are also covered under this program. GR-MED is a last resource to provide medical care for needy persons, and it covers only those needs that cannot be met by other programs. FY 80 projected expenditures: $11,088,700.

Food Stamps:

The purpose of the Food Stamp program is to provide assistance to low-income households in purchasing food. The objective is to raise the level of nutrition of recipients. Recipients of food stamps must meet the following criteria:

1) They must reside in Alaska
2) They must be a citizen of the U.S. or have permanent alien status
3) They must be within certain resource limits
4) They cannot reside in commercial boarding houses or institutions
5) They must meet the work registration requirement (when applicable)
6) They must submit a completed application for the program.

Caseload and program payments in August 1979 were:

Food Stamp Households	7,050
Average Allotment per Household	155.00
Total Monthly Allotments	1,094,451.00
FY 80 projected expenditures:	$14,976,000

Adult Public Assistance:

Adult Public Assistance (APA) has three components. They are:

Aid to the Blind (AB)
Aid to the Disabled (AD)
Old Age Assistance (OAA)

These programs provide cash assistance to needy adults who are unable to provide for their own basic needs. All adults who qualify for APA, in addition to being either blind, or 65 years of age or older, OR physically or mentally disabled, must meet the following criteria:

1) They must be in financial need
2) They must have inadequate resources to meet their needs
3) They must reside in Alaska
4) They must submit a complete application, or have one submitted in their behalf

Recipients of APA automatically qualify for Medicaid. Caseload total and program payments in September 1979 were: (For APA recipients, payments are made both by the federal government, through SSI, and the State of Alaska.)

APA Households 4,588
Average Payment Per Household $124.57 (State portion only)
Total Monthly Payments $571,549.00
Projected Expenditures FY 80: $7,667,500.00

Unemployment Insurance, Vocational Rehabilitation Services, Workmen's Compensation payments, Veterans Benefits:

These programs, under the Departments of Labor and Education of the State of Alaska and the federal Veterans Administration, assist Alaskans who qualify under the various criteria for those programs.

Federal Poverty Guidelines: Alaska:

Federal poverty guidelines serve several functions. They are used to establish eligibility for participation in a variety of programs based on financial need. Also, the number of poor people found in various states pursuant to these guidelines is used as a factor influencing the distribution of federal funds.

Federal legislation authorizes the Office of Management and Budget (OMB) to establish the official poverty line. The OMB has recognized the significantly higher cost of living in Alaska by establishing poverty guidelines 25% above those for the Lower 48 states. Unfortunately, this **understates** the **actual** difference of cost of living by **35 - 75%**. In order to reflect comparable purchasing power to the Lower 48, the Alaska poverty guidelines must be set at an absolute minimum of 160% of the current national standard. (Such an adjustment would still fail to provide adequate recognition to the dramatic **intra**-state differentials in cost-of-living and "cost of doing business.")

This change would not require Congressional action. The OMB has authority required to make the adjustment reflecting Alaska's high cost of living, as evidenced by the 25% adjustment already in place. However, in spite of the support by the Alaska State Legislature, State and private agencies for such a change, OMB has not responded. More than 15,000 poor Alaskans (measured by the actual purchasing power of their incomes) are prevented from participating in programs which Congress authorized to meet their needs. In any other state except Hawaii, people with such limited purchasing power fall below the poverty guidelines. Alaskans are penalized, not for Alaska's uniqueness, but because of the federal government's failure to recognize our unique situation.

If the 1980 Census is published using **125%** of the Lower 48 poverty guidelines for Alaska, the deception and the inequity will persist for ten more years. At a minimum, a table should be included to allow comparability of data on the poor between Alaskans and residents of other states. Data for at least 160% of the Lower 48 poverty guidelines should be secured, tabulated, published and defended.

The Alaska State Legislature should act to insure the opportunity for our low-income people to be eligible for federal programs to fight poverty. If the federal government fails to act, the State should consider adjusting its payments to insure the opportunity for Alaskans to participate in the program in a more equitable degree than at present. The matching share should be appropriated by the Legislature, but targeted toward low-income residents excluded by federal neglect.

Recommendations:

1) That the State of Alaska, through the executive and legislative branches, have prepared detailed fiscal impacts of the federal legislation known as HR 4904. That legislation which, as of November 1979, had passed the House of Representatives and pending in the Senate, mandates coverage under the AFDC program and assistance to destitute families with both parents within the home. In contrast, the present program covers one-parent families with children. It is

estimated that the present AFDC caseload could possibly increase by as much as 100% if two-parent families are covered by the Aid to Families with Dependent Children program under the mandate contained in HR 4904.

2) That the State of Alaska provide for detailed analyses regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the Aid to Families with Dependent Children program. Concurrent with the review as to whether the AFDC amounts should be increased, the Division of Public Assistance and others in the Department of Health and Social Services should seek ways and means to improve the quality control and the abuse surveillance of the AFDC program. Taxpayers may be willing to assist at a more realistic level those who are found to be among the neediest of our population if at the same time the public can be assured that any abuses are determined and removed.

3) The General Relief Program can pay up to $80 per month per person for certain needy persons in the state. Eighty dollars per month per household number is not a sufficient amount to deal realistically with the needs of those for whom the General Relief program originally was designed. A detailed study should be conducted to determine whether or not through the passage of the years the General Relief and the General Relief Medical programs may be emerging as a continuing type of monthly relief rather than a one-time-only assistance for those who could not otherwise meet certain short-term needs. The General Relief and the General Relief Medical program should not become an on-going permanent form of assistance for recipients but should remain an extremely short-term, preferably one month only, type of aid.

4) That the executive and legislative branches of government seek ways to remove the present disparity between the payment levels of a mother and child under AFDC and two persons under Old Age Assistance, Aid to the Blind, and Aid to Disabled Programs. (Under AFDC, $350 payment monthly for mother and child vs. $608 for two persons under Old Age Assistance, Aid to the Blind, Aid to Disabled.)

5) Since the federal poverty guidelines discriminate substantially against the poverty level citizens of Alaska, it is recommended that the Alaska Legislature take the strongest possible action to encourage the Office of Management and Budget of the federal government to establish an official poverty guideline for Alaska which is realistic considering the costs and other financial realities in Alaska. Only in this way could the destitute people of Alaska begin to realize equity as related to citizens of other states in the union.

SENIOR CITIZENS

I. **Current Policy and Programs:**

Alaska's policy at present is to provide economic incentives to remain in own homes or communities. This is accomplished in part by:

A. Longevity Bonus
B. Home Tax Exemption
C. Reduced Transportation costs
D. Free Nutritional Meals, served in homes or at congregate settings
E. Bond Issue to build housing in selected communities
F. Stimulate local initiative to declare tax exemptions for local sales taxes
G. Various discounts

II. Provide Alternatives to Institutions

A. Home Health Care
B. Home Chore Services
C. Periodic Health Screening
D. Nutritional Education
E. Information and Referral to services available from all agencies
F. Access to Legal Servic es
G. Employment (part-time)

III. Other Perspectives

A. Federal Government Programs assisting Alaskan Senior Citizens:

1) Social Security
2) Medicare
3) Title XX (Social Services)
4) Title XIX (Medicaid)
5) H.U.D. Housing
6) Energy Relief and Assistance
7) Bureau of Indian Affairs Programs
8) Alaska Native Corporation Programs/Indian Health Service

B. Other State Services

1) Pioneer Homes
2) Senior Centers

IV. Directions

Initiatives underway at present are directed toward unified federal-state-local policies and programs to be coordinated, preferably from one central agency.

Recommendations

1) That a review be made of the current public assistance levels of payment under Supplemental Security Income program to determine whether current levels of state supplement payment, when added to federal share, represents an equitable and sufficient amount to assure an adequate standard of living in accord with intentions of Alaska Statutes.

2) That the Alaska Legislature provide for an updated, comprehensive study of the status of Alaska's elderly population, with special emphasis on the effect of inflation on "fixed incomes" of the retired. The only comprehensive study made to date was approximately seven years ago.

3) That the State make adequate assistance availabled to financially needy elderly for unmet and otherwise unmeetable dental needs.

4) For the elderly, often minor services can help people maintain their independence. All agencies of government and private sector should join forces to encourage programs and services to help avoid unnecessary institutionalization. It is recommended that all agencies join forces to assure all senior citizens access to:

a) safe and affordable housing;
b) dietary assistance;
c) communication/transportation;
d) recreational/educational opportunities;
e) homemaker/visiting nurse;
f) reading aides;
g) access to advice/services from health professionals;
h) affordable legal services and advice;
i) services outlined above, available at times in some regions.

REFORMATION OF OFFENDERS

CORRECTIONAL INSTITUTIONS AND PROGRAMS

Alaska has been reluctant to give up its convenient dependence upon the federal authorities and institutions for housing its criminal offenders. As a result, after 20 years of statehood, 20% of all Alaska state prisoners continue to be housed in federal prisons outside of the state; all but a few of the rest serve their sentences in limited Alaskan facilities.

The State correctional institutions at Fairbanks and Juneau, although opened as recently as 1968 and 1969, were designed and constructed with little attention given to accepted standards of confinement for longer term offenders. Thus the State's two "major" institutions were outdated almost before they were ready for use and have been overcrowded almost from the day they opened.

Some impressive moves toward development of a modern correctional system for the State were begun in the early 1970's. The correctional facility at Eagle River was completed in 1974. It has been recognized throughout the country as an outstanding example of efficient and functional correctional architecture.

The probation staff was substantially increased during the 1970's, and services were expanded. Some valuable research was done and a number of promising initiatives were made with respect to the use of community based corrections.

In 1975 when several incidents occurred which persuaded the news media, and perhaps most Alaskans, that a certain amount of permissiveness had come to characterize correctional practice in the State, this resulted in the public's not having the protection it deserved. There followed a period during which the concerns of security were stressed and the development of correctional programs was limited during that period.

In 1978 a concensus had been reached to move ahead toward a modern and responsive correctional system. The State committed itself to the development of a Master Plan for Corrections. Moyer Associates, together with the American Foundation and the National Center for Juvenile Justice, were engaged by the State to develop a comprehensive master plan study. It was recognized that Alaska faced the prospect of a growing offender population and increasingly limited resources in terms of personnel, programs and facilities.

In developing the Master Plan study, the consultants worked closely with a Master Plan Advisory Committee and other Alaskans familiar with criminal justice problems in the state. Thus, the conclusions reached and the recommendations made were based on careful evaluation of the factors involved from the standpoint of outside the state expertise as well as from the perspective of a number of people who are knowledgeable about the criminal justice concerns which may be unique to Alaska.

The philosophy enunciated in the Master Plan study is summarized by the following salient points:

1) **Incarceration** of both pre-sentence and post-sentence offenders should be used as a **last resort**, and then for as short a period as possible, only for offenders who present a demonstrable risk to public safety and/or who are convicted of crimes for which society demands punishment through imprisonment.

2) In the interest of promoting offender reform and reintegration while holding costs to a minimum, **community corrections programs** (including probation, parole, work release and restitution) should be utilized for the **maximum** possible number of offenders, consistent with protection of the public.

3) Resources and support should be focused on **community corrections programs** so that all possible means of maximizing diversion from incarceration can be explored.

4) Renovation or replacement of existing Alaska corrections facilities as necessary to provide normalized, humane and secure environments for all Alaska inmates.

5) Provision of a broader spectrum of work, training and social service opportunities for the benefit of both inmates and community corrections clients.

A number of measures toward implementation of the Master Plan have already been taken by the Division of Corrections, some of them in accordance with the Master Plan consultants' recommendations; others of them representing departures from the specific recommendations, although generally in accord with the philosophy and thrust of the Master Plan document.

The Commissioner of the Department of Health and Social Services, Helen Beirne, has endorsed the Master Plan document but has further indicated that neither she nor Director of Corrections,

Charles Campbell, is in complete accord with all of the specific recommendations offered by the study. The Commissioner has made it clear that the Master Plan effort initiated in 1978 should be viewed as an ongoing process. She has invited key decision makers within the State to offer their observations and help.

The Division of Corrections has moved ahead in several significant ways:

1) A major reorganization has been initiated which will provide better capacity for detailed planning, and for the development of correctional programs.

2) The youth services function of the Division has been separated from the probation service and is under the direction of an Assistant Director for Youth Services.

3) The emphasis in Youth Services is on bringing children who have been housed in out-of-state facilities back to Alaska and on using alternatives to institutionalization wherever possible.

4) Stress has been placed on the finding of adequate foster homes, on returning certain children to their own homes under appropriate supervision and guidance and, to a limited but significant extent, on the use of a wilderness adventure based program presently being developed by the Department of Community and Regional Affairs.

5) Efforts are being made to upgrade the basic conditions of confinement within the adult institutions. The Division of Corrections has been handicapped in this regard because of the inadequacy of the facilities and the shortage of staff. It is believed, however, that key legislators and others in government presently recognize the need to provide help in both of these areas. The Division of Corrections has been subject to several court suits and there are indications that more serious and far reaching court action will be initiated if the State does not move to overcome a number of deficiencies with respect to conditions of confinement.

With the increase in the Alaska prison population during recent years, the State's dependence is likely to continue for several years. The Division of Corrections, however, is presently committed to a course of action which will reduce the use of federal prisons. The practice of sending Alaskans, especially those from the rural areas of the State, to sophisticated penitentiaries many thousands of miles from their homes, is not in accord with good correctional practice and is clearly contrary to the best interests of the state.

The Division of Corrections has submitted a capital expenditures program which, at the cost of $22 million, will largely alleviate the problem of so many Alaskans being confined in federal prisons. There will have to be an emphasis on the expansion of present facilities rather than construction of additional prisons. The rationale behind this approach is that institutions of no more than about 100 inmates are not cost effective and are not likely to provide the level of services needed if reasonably effective correctional programs are to be maintained.

The revision of the Criminal Code which goes into effect in January 1980 is likely to result in greater numbers of Alaskan offenders being committed to some form of confinement. The strategy which has been developed by the Division is to make every effort to identify those offenders who are viewed as not dangerous, and to work with as many of them as possible in minimum custody facilities and at work release centers throughout the state. Further emphasis will also be placed on pre-trial release programs.

It is possible that the impact of the Criminal Code revision, together with a growth in the state which could accompany a gas line construction project, will result in the need for an additional correctional facility at some future time. At present, however, we continue to have hopes that by expansion of our current facilities and by prudent utilization of community based correctional program options, we will be able to serve the needs of the State in the least costly and most beneficial manner.

A recent survey indicated that the State of Alaska ranks seventh among all states in its use of imprisonment. Studies further indicate that heavy use of imprisonment does not correlate with the reduction in criminal activity. Because of the destructiveness and wastefulness inherent in imprisonment, it is reasonable to depend on imprisonment primarily to protect the citizens of the State from dangerous offenders rather than as a means of retribution, whereby basically harmless offenders are held hostage to our frustration over the problem of serious crime.

Recommendations

1) That the Alaska Corrections Master Plan, when in final form and available for public study, be made available, especially in summary form, to wide representatives of the public with requested comments, additional recommendations and broad support by the public in order that Alaska's correctional facilities and programs receive the deserved support.

2) That educational, counselling, art, self-esteem development and vocational development programs be given high priority and financial support during the 1980's in the institutions.

3) That the **New Start Center** concept and present program be reviewed for its demonstrable efficiency and rate of success in assisting ex-offenders; that adequate staffing and other program financial support be made available to the New Start Center programs, both current and new ones, as need develops and funding is made available. It is in the interest of every citizen of Alaska that ex-offenders be assisted in developing new life patterns free of crime.

SOCIAL SERVICES

Historical Perspective:

The Division of Social Services came into being in August 1975 when the Division of Family and Children Services was divided, creating the Division of Social Services and the Division of Public Assistance. Prior to that time, social services (counselling, foster care, institutional care, adoptive services) were provided in the same agency that provided financial and medical care to indigent families (Aid to Families with Dependent Children, Old Age Assistance, Aid to the Disabled and Blind, Food Stamps and nursing home care). Several state agencies nationwide made similar divisions, based on the philosophy that said, in effect, those who privide counselling services should not also control financial payments because of the possibility of coercion: controlling people's lives through the threat of withholding life sustaining financial support. On the whole, the establishment of the two divisions has been positive. Separating these disparate functions has been particularly helpful to management; both Divisions are now more effectively administered than they were when under one administrative unit.

As the State attempts to consolidate services, permitting Alaskans to avoid seeking services at a bewildering array of agencies and locations, the separation of the Division of Social Services and the Division of Public Assistance may appear to run counter to this approach. Because Social Services increasingly provides services to all socioeconomic levels, while Public Assistance concentrates on the needs of low income families, the separation appears to be growing in validity.

Current Status:

The Division of Social Services, with 206 employees in 35 offices, provides services to approximately 10,000 Alaskans. About 6,000 of these services are directed at children in need of protection. Abuse and neglect account for the great majority of these cases. It is the policy of the Division to provide services to its clients in the least restrictive setting possible. The best setting is in one's home. Sixty percent of all children receive services in their own homes, chiefly through social worker counseling. Fifteen percent receive services in foster homes and only four percent in institutions. (Other types of care include emergency homes, group homes and homes of friends or relatives.) Adult services include in-home counselling, support services to those seeking employment (the WIN program), in-home homemaker support, and non-medical residential care.

Additionally, the Division contracts for preventive and early intervention services which reach more than 4,000 people beyond the 10,000 cited above. These contracts enable people to avoid being caught up on the governmental "system" altogether. Examples: family violence shelters in five communities, prevention and diversionary programs for youth in Kotzebue, Nome, Craig, Petersburg, and Barrow; public awareness and educational programs regarding child abuse and neglect in Anchorage and Fairbanks; a private counselling agency for runaways in Anchorage.

Directions:

The Division is committed to providing services to Alaskans in settings which inhibit as little as possible freedom of choice and action. Over the next several years, the budget will reflect more and more emphasis on prevention and early intervention programs, with the concomitant effect of reducing the need for more restrictive, and therefore more costly, programs.

Long predominantly a child welfare agency, the Division hopes to expand its adult support services. A continuum of expanded adult services is envisioned which will implement the "least restrictive setting" philosophy: moving from least to most restrictive environments, the continuum is as follows:

1. In home services
   a) counselling
   b) homemaker support
   c) day care centers
2. Foster home care
3. Residential care, Level One (ambulatory, non-medical)
4. Residential care, Level Two (non-medical, but supporting the more severely handicapped)

As of now, the Division provides homemaker support and Level One residential care, the latter on a limited basis.

Together with least restrictive care services, the Division plans to concentrate on not only getting these services as close to home communities as possible, but to have them provided by the communities themselves. This will be accomplished by increasing the number of direct service contracts.

The Bureau of Indian Affairs and some of the Alaska Native nonprofit corporations also deliver important levels of social services to Alaskans in need of such services.

The State of Alaska does not operate any child care institutions for social services, but limits its state-operated juvenile institutional services to McLaughlin Youth Center in Anchorage for children determined to be delinquent.

The private sector operates 24 child care agencies under a "purchase of services' arrangement provided by Alaska Statutes.

These institutions serve both children "in need of aid" and "delinquent" children. The State budgets approximately seven million dollars annually for purchasing services from these institutions. Other agencies and others also may purchase services from them.

Recommendations

1) Although the Division of Social Services and the Division of Public Assistance offices should not be recombined administratively, human services centers in various communities throughout the state should be developed. By housing the field offices of the separate Division of Social Services and Division of Public Assistance together, as well as those of Health, Mental Health, Alcoholism, Probation and other human service agencies, the public could be served much more effectively and rationally. The need exists both in urban and rural Alaska. Such co-location is recommended.

2) Older citizens often find it difficult to remain in Alaska despite a desire to do so. Expanded services for in-home care would make a substantial contribution in meeting that desire. Increased appropriations, in the coming years, for homemaker support, foster care and day care centers would be especially beneficial and is recommended.

3) Alaska, geographically, is the giant among the 50 states. AT the same time we are smaller in comparative population. We will always pay more than others for services per capita. Alaskans should not be denied the level of human services as provided in the other states. Since we can afford it, Alaskans should have a comparable, high standard of social services. It is recommended that comparable reviews be made as to standards of social services available nationwide and ways be sought to bring Alaska's social service standards at least as high as those in other states where a difference is found to exist.

4) It is recommended that the Department of Health and Social Services, the private child care institutions and other parties at interest develop alternative, improved mechanisms for reimbursement for institutions under "Purchase of Services" statutes with appropriate amendments to present statutes to cover the **actual full cost of care** for those children for whom the State of Alaska has assumed responsibility and for whom private institutional services are deemed the best placement option for the children.

5) It is recommended that "levels of care" deemed necessary for children in State custody be defined by the State; that all institutions be classified as to level or levels of care they are capable of delivering; that rates of reimbursement be determined by the level of care needed and purchased on an individual child basis.

DIC

THREE APPROACHES TO NATIONAL HEALTH INSURANCE

	Pres[illegible] Carter	Senator Kennedy	Senator Long
COVERAGE	*All employees [illegible]milies under private insura[illegible]tem *current medic[illegible]nd expanded medicaid population, under public insurance system	*universal	*employees and families and others who buy coverage *expanded medicare
BENEFITS	*catastrophic payments after first $2,500 incurred by the family *catastrophic payments to medicare population after first $1,250 incurred by an individual *national minimum benefit standards under medicaid to families earning less than 55 percent of the national poverty index *prenatal, delivery and first-year services to all mothers and children	*full coverage for physicians and hospital inpatient services, physician costs, home health care, X-rays and lab tests *limited mental health coverage *all out-of-hospital prescripition drug costs for chronic diseases for medicare recipients	*catastrophic coverage after first 60 days of hospitalization for an individual and after first $5,000 incurred by a family
ADMINISTRATION	*catastrophic through private insurers	*consortium of private insurers or federally qualified HMOs, under federal supervision	*catastrophic through private plans *medicaid federalized
FINANCING	*under private plan, employers must pay at least 25 percent of total costs *under public plan, federal subsidy through a private contractor, with cost sharing by recipients maintained	*employees pay up to 35 percent of premium costs *premium costs linked to income, subsidized by state and federal government for medicaid recipients *no cost sharing for the poor, aged or disabled	*through employers, with tax credits for those who purchase coverage
COST	*phase one: $18.3 billion	*total plan: $35.7 billion	*estimated range: $5 - $10 billion
COST CONTROLS	*sets limits on hospital revenues and capital expenditures *reforms physician reimbursement *sets negotiated fee schedules for medicare-medicaid	*standardized fee schedules for physicians *immediate controls on hospital and physician services *prospective hospital budgeting	*none
TIMING	*first phase only announced; implementation to be phased in between 1983-1990	*implementation beginning in 1983; schedule not announced	*immediate

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ALASKA'S DISPOSABLE REVENUES

by
Mike Bradner

The term "disposable revenues" implies that there is a margin of revenue available beyond historically established levels. The implication is that the parent institution has a number of choices concerning such disposable revenues, including:

1. Reducing those revenues to more traditional levels by revenue adjustments;
2. An increase in revenue allocation to *historically established services.*
3. Funding of new services beyond those historically offered by the institution, and;
4. Simply allowing accumulation of funds with no present day application.

Depending on circumstances an institution, in our case state government, could select any one of the above choices, or any number of combinations of the above.

The evolution of this paper will attempt to arrive at some conceptual picture of the kind of unusual "revenue-disposal" crossroads at which the state government now stands. However, initially some historical foundation should be established, and especially, since Alaska is already well along the uncharted pathways of handling excess (disposable) revenues.

In establishing a basis for beginning discussion, several general premises must be established concerning the unusual nature of the Alaska situation.

First, the Alaska condition of increasing disposable, or perhaps better termed, excess revenues, is entirely outside the experience or the possibility of most other states. In fact, few remotely similar models can be found among the democratic systems of the world. Most systems that we identify as sophisticated and affluent do not have significant margins of disposal revenue, nor do they have any hope of any. The most significant perimeter of policy policing democratic systems might therefore by suggested to be: ". . . not enough disposable revenue," with revenue disposal policy having to be hammered out among this natural discipline of competing interests. *Therefore, in considering excess revenue policy, it must be considered that this fundemental and universal policy policeman IS NOT PRESENT, and may, or may not, be able to be replaced by a natural or artificial creation.* It may be at this precise point that the Alaska policymaker must step into some rather dark and uncharted pathways.

Second, the Alaska condition is likely irrevocable unique, not necessarily in that it will always have excess revenues, but in that it was created with a unique inheritance in terms of features of the 1958 Statehood Act and State Constitution that has cast the state into two creations. The State of Alaska exists as a traditional creation and deliverer of familiar services, *and also as one of the largest and most diversified resource corporations in North America.*

It is not the point here to belabor this issue, but it is an oddity that the state's unique inheritance was constructed by a Congress who feared for its financial viability *in delivering the basic services of government* among so sparse a population spread across such a giant landmass. It was precisely because of this concern they so constructed the base that puts the state in the posture of being a resource corporation. The state was given a 90% cut of even federal mineral revenues, plus its land entitlement, an ownership of coastal waters amounting to 60% of the coastline of the nation, and special quasi-public access to North America's richest coastal shelf and fishery resources.

Hence, not only is the simple posture of excess revenues unique in relation to other governments, but the state's de-facto position as a resource corporation compounds the state's unique policy circumstance. It must also be kept in mind, that today it is not a case of deciding what is the proper role of the state in terms of a traditional service entity versus a corporate resource manager, *but of recognizing the structure that was constructed for us almost a quarter-century ago and which is not maturing to demand complicated policy of us today.*



A final set of comparisons demonstrates the state's primary and alter-role: It is Prudhoe Bay and Cook Inlet oil reserves which generates our so-called excess "disposable revenue," but it is also these same reserves that *makes Alaska one of the several single largest petroleum reserve owners in the entire United States.*

Far be it to suggest here that the state should be a direct business operative, because the accusation will be quick to follow that government has a hard time running a string of stop-lights. Nevertheless, a policy for disposing of so-called excess revenue at minimum must acknowledge the existance of the state's two "ego roles" — as a deliver of services and as resource corporation (manager).

Initially, a very sweeping generalization might challenge that the state must decide is, how, and perhaps to what degree, it might choose to divide investment of its revenues between its two egoes *— between Alaska Government Services Inc. and Alaska Resources Corporation Inc.*

Obviously, the first duty of government would appear to be to deliver certain established services agreed upon over time by its citizens. In America these services have been Education, Transportation, and Health and Social Services, generally in the order. Of course, on the federal level exception exists in terms of the service of "national security." The State of Alaska, of course, inherited those common American assignments of government, and with statehood set about attempting to deliver those services on *a very questionable revenue base.*

Statehood: The First Ten Years

The first ten years of statehood found a struggling young government seeking to provide education, transportation, and health and social services. The job was one of filling an unsatiable set of needs with little revenue.

The early statehood years were funded by federal transitions funds and the proceeds of the very generous 90% cut of federal revenues granted the state being derived from Swanson River Oil Field production which was just beginning. State coffers were also bolstered by the proceeds of state oil and gas bonus sales in Cook Inlet in the early 1960's. And, the debate of oil dependence is not new, since that also was one of the main financial issues of the early 1960's. The state also moved to lay an independent financial base with a package of state taxes in 1961, with the result that the composition of the legislature *changed "markedly"* in 1962.

During the non-inflation and pre-big oil years of the 1960's the state budget doubled and tripled. The state devoted itself to traditional spending: education, transportation, and health and social services, in that order. However, even then the state was virtually ignoring heavy educational obligations in rural Alaska, struggling to makeup long neglected transportation needs, and trying to do what it could to transfer funds to the benefit of local governments to dampen a very high level of municipal taxes. It seems a safe premise to suggest that Alaskans had high hopes for self-determination and statehood to fill perceived long unmet needs, and were finding those dreams expensive in municipal areas and virtually impossible in urual areas. In the early 1960's rural Alaska was still the exclusive province of the federal government. However, the elections of 1966 focused on the rural high school issue, and the urban voters of Alaska in that act declared fiscal responsibility for the basic needs of their rural brothers and sisters.

By 1967 the state needed more money, and that appetite for revenue focused on the by-then established production of the

Swanson River and Cook Inlet Oil Fields. In 1967 and 1968 the legislature quadrupled oil and gas taxes, but even then there was little room for spending beyond the traditional services.

By the eve of the Prudhoe Bay oil discovery in late 1968 the Alaska statehood dream was a bit tarnished. Efforts to bring municipal services up to minimal standards had left many Alaska local governments almost at the legal limits of their taxing authority. Taxpayers were growing restless and disappointed and the private economy remained sluggish and precariously narrow. The state's rural poverty had become recognized and accepted, and the state's first super-issue since statehood, the native land claims issue and the land freeze, was tearing urban and rural Alaskans into separate camps along embarassing racial lines.

The 1969 legislature came to Juneau only weeks after the discovery of oil on the North Slope. A later confirmation well defined the world scale dimension of that discovery. As a result the legislature began planning for the disposal of expected "excess" disposable revenues that would come from a bonus sale of the remaining unleased tracts in the Purdhoe Bay Field. The $900 million product of that sale would not come until late in 1969, and therefore available for disposal in 1970, but actions of the 1969 legislature charted the basic thrust of spending, that would mark the state's first effort at dealing with excess revenue.

In anticipation of some margin of excess revenues, the 1969 legislature acted to provide badly needed relief by enacting a municipal revenue sharing plan and a major increase in state support for local school operations, both of which had the effect of relieving local property tax pressures.

The $900 Million Spending Years

In 1970 the legislature came to Juneau with $900 million in excess disposable revenue in its pockets.

Essentially, the legislature and administration acted to program expenditure of those funds in approximately six years between 1970 and 1976. A margin of the excess "disposable" funds each year were added to income of normally recurring revenues to fuel the expanded state budget. Depletion of excess funds would hopefully coincide with the beginning of a major tax and royalty revenue flow with completion of the Alyeska Pipeline.

Further, the legislature made the firm decision to spend by its very *baseline enactments of 1970.* The decision was also to spend in the most traditional service areas of government — education and transportation, and to a lesser extent health and social services. It should also be noted that the commitment to education, committed the legislature almost *inalterably to continued future spending to maintain such support levels.*

The decision to spend followed closely the conclusions of the 1969 citizen-Brookings Conferences, convened by the Legislative Council as an advisory function for the legislature. The decision to spend appears to have been a very definitive one, one geared to helping the state catch up with perceived unmet needs, and one geared to making the Alaska statehood dream financially managable for the Alaskan citizen.

The 1970 Legislature committed the state to ongoing support and policy enactments that perhaps are better discribed as something clearly "beyond" being major policy changes. They included:

1. A giant revision of state support to local schools, setting support at *90% of basic need.*
2. State payment of 50% of local school construction *past and future* debt.
3. Major state spending increases on state operated rural schools and the University of Alaska.
4. A major state revenue-sharing programs for non-school local governments.
5. State support programs for *local* sewer, water, hospital, and local road construction.

These policy commitments actually locked the state into allocation of more than $500 million of the $900 million over the next five to six years, and it is important to note that almost the entire amount went to the number one American/Alaskan traditional priority of education, and went to *OTHER GOVERNMENTS* for spending.

The state programs were aimed largely to have impact on the local level. Educational support for Fairbanks and Anchorage in-

creased by a factor of six within 10 years, and by three within a three year period. Property taxes fell in the Fairbanks borough/city area from 26 mills to a tolerable 15 mills, and in the Anchorage city/borough area from about 23 mills to 19 mills. Additionally, Anchorage was able to live through a period of almost uncontrollable accelerated growth, and finance that growth, and at the same time keep property taxes basically level and without using its full arsnel of taxing powers (no sales tax). The benefit of the $900 million to Anchorage may have also been to spare the community the nasty and negative effects of a major citizen tax revolt that often follows explosive urban growth.

The $900 Million Policy Concepts

No one neatly writes down integrated political policy. Political policy is written in the process of enactment, piece-by-piece, and the penmanship of that policy writing is in the ink of often bloody issue conflict among competing interests. *Hence, we are left to "surmise" the essential thrusts and integration of the policy by looking at the final end-product.*

In previous discussion we have painted some picture to give the enactments of 1970 some historical perspective. However, in looking back with the convenience of 20-20 hindsight one important addition is needed to provide a more accurate picture of the policy environment of 1969.

In late 1968 and 1969 the future burden of the National Environmental Policy Act was still in process of enactment, and it would be until the end of 1970 before even environmental-advocates realized the full dimension of NEPA for such large projects. Hence, there was little reason to believe that the pipeline would be delayed and that there would not be a timely completion, flow of oil and flow of state royalty and tax dollars. After all, no such giant projects had ever been brought to their knees, and Alaska's Walter J. Hickel as Secretary of Interior had the power to grant the permit. Today we are used to delay, but is must have been a shock even to the Secretary of Interior to discover he really no longer had the power to simply grant the pipeline permit.

The *enviroment of early 1969 excess revenue planning* had no reason not *to assume additional excess revenues* with pipeline completion and oil flow in 1974 or 1975. Additionally, there were possible bonus sales of adjacent Prudhoe Bay lands.

The net result was that the legislature:

—Decided to spend the $900 million in an annualized drawdown basically for traditional services, and largely *for education*.

—Decided that to directly benefit Alaskans the state must *transfer revenue to local governments*, since that is the government that most *"directly" serves the citizen*.

—Decided the most urgent tax relief needed was to property tax payers, requiring transfer of funds to local government, and allowing those local governments the flexibility of deciding how much money would go *for expanded service and how much for tax relief*.

—Decided to make this support program *a major effort comparatively to other states*, and to go almost to the threshold where they feared local control might be infirmed.

The legislature did also spend in other areas, some of which also went directly to "others," as opposed to state operations. The state loans programs were greatly expanded, and the programs allowed to draw directly from the pool of excess revenues in the treasury, instead of having to work beneath an annual established ceiling of legislative allocation. The size of the state police was essentially doubled, since some of Alaska had virtually no police protection, including large sections of Anchorage and Fairbanks. Two small departments of state government were also established, the Department of Community and Regional Affairs and the Department of Environmental Affairs. The only really radical social program established was the "Old Timer's Bonus," a $100 a month payment to pioneer Alaskans. The philosophy was that only happenstance of time created Prudhoe wealth at a specific time, and there was merit to the tenured citizens of Alaska sharing some benefit along with "future generations."

The Extended Policy of the $900 Million

The $900 million policy likely went well beyond the programing of the first bonus money, which now after the burdens of a decade of double digest inflation appears to have been of some merit in terms of money value. *There was a hidden agenda of that first excess revenue effort that runs straight into the policy deliberations of today.*

The extended policy called for programing the bonus money in catching-up. Next pipeline completion would then pick-up the burden with annualized oil revenue.

Many contributors to the early 1970's policy assumed an early completion, and that oil flow might even find $200 million to $300 million remaining of the $900 million. Under such a circumstances such money might then be partially allocated to a permanent fund and possibly at the same time be used to underwrite the state loan programs.

A further extension of policy, perceived that shortly after completion of the Alyeska Pipeline, that a Beaufort Sea sale would take place. There was a perception among some that this second "nest egg," would be then used to add to a permanent reserve, but also to then go beyond the narrow traditions of government spending and use such funds to develop Alaska's resource base and to help reconstruct the state's economy.

The extended policy also tied into perceptions some had concerning state oil and gas revenue policy.

—The "cash pre-payment" of the Prudhoe Field would bring basic services up an enviable level.

—Oil tax and revenue payments would support those services, and being a "reserve" along with remainder of the $900 million.

—The reserve would be used against the future but concurrently meet a broadbase of Alaska present day needs, such as housing and hospital financing, municipal bond bank, and etc.

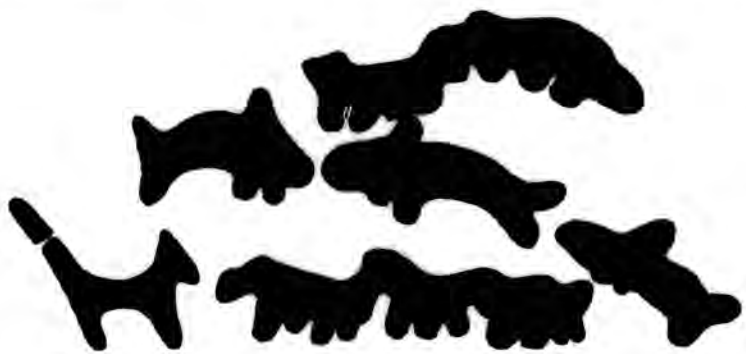
—A future sale of Beaufort Sea leases, or other adjacent lands, would provide a second "cash pre-payment," and this payment could be used to address Alaska's *problems of private economic expansion and geographic economic equity.*

—Once the "cash" bubbles had provided the basic assets of services, and later for "economic initiative," then the state's leasing policy might shift to minimizing front-end payments in favor of downstream revenue.

The first task, spending to underwrite expanded services would be the easy task. The pending areas were traditional and the institutions well established. The loans program would be a middle-ground. But *the real difficult task* would be the use of cash excess beyond service needs for doing two things:

1. Developing Alaska Resources Inc., left in our laps by the Statehood Act and Constitution, and;
2. Using both the natural resources of Alaska Resources Inc., and cash assets beyond service needs to pay dividends of *a reasoned geographical economic equity.*

The evolution of the previous scenario was disrupted and perhaps shattered by the events of the early 1970's. Pipeline delay brought a disallusionment. It was the second great magna-issue to descend on the state since statehood, the first being the land freeze and land claims. However, the statehood issue was a positive issue, the latter two were negative issues that tore at the policy soul of the state. Oddly, one of the issues in the form of the pipeline, was to help resolve the other issue in the form of land claims, but only to bring the third great magna-issue in the form of d-2 down on the state's head.



Pipeline delay brought a retrenchment of the state budget in 1971, and an effort to keep that budget level for the next three years, which even then brought on a nervous race between depletion of the $900 million reserve and pipeline completion. The private sector also suffered in the pre-pipeline slump, since many small businesses had over-invested.

The conditions of the mid-1970's left little room for considering the hidden-agendas of excess revenue policy. The new game was just to maneuver to survive at the expanded level of basic services, and a certain related function of oil tax levels geared to ultimate pipeline flow. Nevertheless, the middle-ground area florished even under the precarious circumstances of the mid-1970's, with the loans programs growing at a rapid rate.

Under the conditions of the mid-1970's spending became a major negative issue in the state, an issue further cemented by the anti-government and spending attitudes that came washing in from the lower 48 states on the outwash of Watergate and Vietnam. Additionally, politics often finds the easiest route is to espouse simplistic negatives, so the $900 million became quickly articulated as "squandered" by the Alaska politican riding the difficult negative outwashes coming in from the outside. The $900 million was an easy targe, since being largely transferred to "other governments," the issue was to complex to be defendable. The net combined effect of the political storms of the mid-1970's was the long-range conceptualization of policy surrounding Alaska Resources Inc. and excess revenue were largely obliterated.

About the best that the politican and the public could manage was the "shell" of the permanent fund, a good basic concept but *negatively instigated by articulation of the squandering of the $900 million,* and which has been on policy-shoals ever since as to whether such funds should have *present day usefulness* to Alaskans while being "reserved," or whether we should *dig a hole and bury it* for sole future need. The latter concept of burying the money for sole future purpose gets a first-blush public support in these days of government hate, and it also leaves the New York banders and Harvard economists dancing in the streets, since obviously only they are the present day beneficiaries of buring our money for future use beneath the canyons of New York City.

This paper does not wish to take sides between the more definitive pending concepts, but the alternate present/future loans concept has had the effect of preserving the excess revenue issue to the present day and for the consideration of forums such as the "Future Frontiers Conference."

Present Crossroads of Excess Revenue Policy

The state now stands at the crossroads of excess revenue policy, and the decisions at the crossroads will not be comfortable. I would also suggest, while the extended-policy of the $900 million policy was shattered by the events of the mid-1970's, it perhaps is not invalid but only delayed and/or misplaced.

The fundemental core of the state's service package is likely filled to the gunnels with funding. This is not to suggest that programs in marginal rural areas are not needed, or that new support efforts in extreme cost areas of municipal support (such as neighborhood streets), do not have validity.

However, basic to the current crossroads of public policy relating to excess revenue is the answer to the questions:

1. Is the state now spending in the service area almost to the maximum?
2. In many cases would further spending distort basic policy institutions, such as local control?
3. Is the state's current and future fundemental problem one of government service needs (as it likely was in 1969)?

A substantially affirmative response to the previous question, then means the issue must be faced of disposal of remaining accumulating excess revenues. The funds can be: 1) carted away to New York and invested for the highest interest at the greatest security, 2) invested in the middle-ground area, meaning loans, Alaska bonds, etc., and 3) may be used to participate more actively in the Alaska private economy and for developing Alaska Resources Incorporated or policy can *incorporate portions of all of the above.*

I would suggest that it is obvious that a portion of the state's

excess revenue should be invested in a manner that provides some hedge against the future. It is not the dictates of conservative economics that spells this reality, but only the nervous reality of being single resource based, with special reference to government having a high revenue dependence on that single resource.

Therefore, i would suggest the challenging issue is the margin of excess revenues, and the means by which those excess revenues, can be applied to *the benefit of present as well as future Alaskans*.

In other words, are we going to accumulate from $10 billion to $75 billion in excess capital, and allow our economy to exist basically in its current form: A form of 1) a series of a few prosperous urban economies in a sea of rural depression, and 2) with even those urban economies with a narrow government boom/bust vulnerable base?

Further, at this juncture, it might be prudent to realize that under the United States Constitution and the restrictions of the Commerce Clause, that the state is hardly a "sovereign" in its ability to protect its *home-based labor or its commerce*. Despite political mumbo-jumbo about local hire and Alaska-business, the ability of the state to protect and impose controls is extremely limited. However, the ability to function via Alaska Resources Incorporated in a positive manner, can allow the state to use positive instruments rather than government controls to influence beneficial growth in the Alaska economy.

The current crossroads are not comfortable. It is easy to shy back on "philosophical grounds," and seek comfort in concepts of traditional government spending. However, what is suggested here is that is revenues are genuinely "excess" beyond a doubt, then there is no way of avoiding the difficult problems of finding means of using state funds as active-dollars to benefit the private economic lives of Alaskans.

The converse perhaps is more demonstrative. How long do we think an Alaskan public, business or labor, conservative or liberal, democrat or republican, will allow Alaska to slip into difficult conditions with tens of billions of dollars idle in New York Banks?

Future policy then may focus on state partnership in private initiative in a number of possible forms:

1. Public projects that facilitate expansion of the private economic base.
   — docks — airfields — hospitals — utilities in marginal areas — city facilities for possible sub-lease in marginal communities (mini-industrial development)
2. Private loans to the individual in capital short regions and catagories, possible related programs.
   — homes — small business — fishing vessels — coop loans — agricultural loans — possible special programs, such as fire insurance corporation for rural facilities.
3. State investment as a debt holder, bond facilitator, or an equity holder in projects offering common-ground with state economic goals.
   — with private corporations — with native corporations — no state lands — relating to use of state leased resources — in high unemployment and high economic need zones.
4. ALASKA RESOURCES INCORPORATED: This term is not a proposal but merely a name applied to the state's unique circumstance as a resource owner (and disposer). However, in the end the state might well create some entity to facilitate large resource dispositions in which the state retains some "hold" in terms of economic spin-offs.

   — large debt relations like was proposed for the Northwest Industrial bonds.

   — Possible equity interests, such as proposed in purchasing the BP-Alaska excess interest in the Alyeska Pipeline.

   — Possible retention of equity interests, either purchased or retained, which involves major state resources where there is a continuing downstream economic interest.

   — Possible holder of interests in possible situations that mandate the state and native resource interests must be developed concurrently.

   — Possible holder of an interest of debt or equity acquired by the state from "cash" investments, and which are not related to a resource (a manufacturing plant loan, etc.).

— Possible source to transfer even small business loans to, and possibly hold those loans until they can be sold to and incorporated into something like an AGSOC unit at future enrollments (every three or four years), with the state then recovering its "direct" dollars. Note: By such a means small projects could be collected together over time, put together with several large projects, and packaged into one unit for a future AGSOC, or successive AGSOCs.

The point here is not to make precise proposals, since obviously the next step is to argue over the detail of this or that program and get totally lost from the strategic thrust and concept.

What I am suggesting in policy of excess revenue is that it be assumed that there is enough excess to fill service needs, and that there is enough to set a margin aside at a higher security, and then assume that something significant is left, and that there is more to come, and *THEN LETS DECIDE WHAT TO DO WITH A TRUE EXCESS.*

It is this latter excess that takes us into new territory. And, as previously indicated in the earlier portions of this paper, it is not a territory where you can look to see what others have done. The fact is few others have been there within the reference of government resting on a democratic base that must be genuinely sensitive to citizen response, not only in the "present," but also in terms of what citizen response will be in a future under varying circumstances.

Secondly, Alaska has likely reached a certain growth threshold, where its underlying role as a resources holding corporation, and all that implies, dovetails together with the excess revenue situation. The two functions have a relation to each other and can be devoted to the same purposes.

It is also worthwhile here to suggest that there are two basic ways a political entity approaches "new territory" in a highly democratic system. The issue can be openly confronted and the public prior to a suggestion that we are putting our feet or some new pathways, or the politican entity can proceed piece-meal down the pathway, pretending it isn't really going down that path while really "it is". I would suggest the first more direct mandate is usually the product of crisis times, of policy geared to war, depression, and the like. The unfortunate general pattern is to tip-toe down the path in a hap-

hazard pattern and not quite tell the public, since the public might misunderstand. I am suggesting we face the issue now, bring it into the open. The issue at the end of the road is state "economic participation" in the private economy.

In the simplest possible terms I am suggesting that *a margin of "economic participation" by the state in Alaska is inavoidable.*

The fact is:

— The state is a primary resource owner.

— The state has special access, and controls access to other resources.

— The state has excess cash to dispose of.

— The state has narrow economy needful of depth.

— The state has large *geographic distortions in economic equity.*

The critic of economic participation is also right in many criticisms, and entry into the arena demands caution and prudence. It is likely that state excess capital should supplement and encourage adjacent private capital — not supplant such capital.

Likewise economic participation challenges the narrowness of so-called renewable resources, since such resources may not be where people need economic development. Additionally, it is likely the term "renewable resources" is likely just a comfortable word coined by the politician to justify the first steps on the path of economic participation, because "they" were unsure of public acceptance and *the word was acceptable.* Renewable resources can also be finite, as per example the woodcutting and fur industry of Interior Alaska. The fur and wood is still there, currently the need for it is not. Hence, economic participation must be broadly applicable to all form of economy.

Alaska already has experience with excess revenues, and the debate has been maturing for some years, regardless of the philosophical standoff current in the legislature. The current debate has perhaps been in part possible because of the relative prosperity

of the state's urban islands. The urban side of the permanent fund debate has therefore been prone to the luxury of the academic.

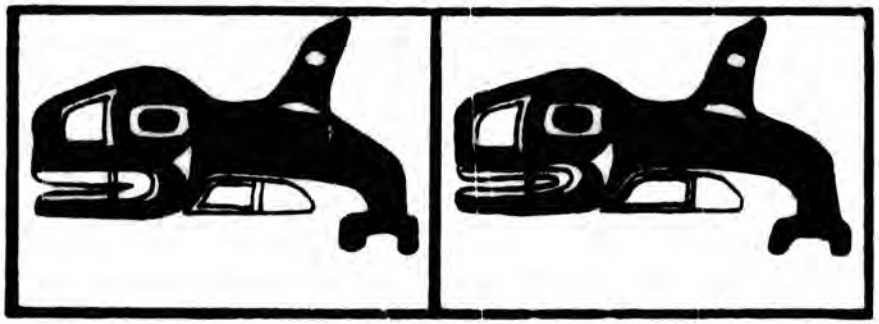
The philosophical fight can be fought to the extreme, and the net result scarred by years of rear-guard fighting. Or, as occassionally happens, a critical minority, while questioning a new conceptual direction, recognizes it is "in fact" going to happen, and therefore opts to help develop and police the development.

The thrust of this paper has been to suggest that Alaska Resources Incorporated "exists" whether some like it or not, that excess revenues "exist," and that the Alaska economy is in need of "depth and breadth." The issue of *ECONOMIC PARTICIPATION* is before is by inheritance and circumstance, not by *CHOICE*. The fact is we have the "disposable revenues" that go beyond our traditional service requirements.

Our recognition of economic responsibilities inherent in our rich inheritance in a positive manner, may in fact allow us to heed the worthy advice of critics, and steer clear of "misuse" of our inheritance in using it sparringly and prudently for our citizen stockholders.

Biographical Sketch

Michael D. Bradner: Member of the Alaska Legislature 1966 to 1976, former Speaker of the House. Twenty five year resident of Alaska, graduate of the University of Alaska, journalist, editor of Alaska Economic Report; Alaska Series, Special Reports for Management, and Legislative Digest. Formerly worked on the staff of governor's office in early 1960's on rural economic problems, and presently functions as a consultant for rural oriented organizations.



NOTES

LONG TERM INVESTMENT AND FUNDS LEVERAGING

Prepared by
David A. Rose

This paper centers around three principle themes. It discusses Alaska's "capital-poor" status and the need for the importation of capital. It will cover the state's short-term positive fund balance and the need for an intelligent investment of this positive balance in such a manner that it may provide a long term rate of return. Also discussed are some of the techniques involved in funds leveraging in order to maximize the use of state wealth.

Importation of Capital

Alaska is on the threshhold of becoming a wealthy state; a major transition from its historical capital-poor status. In dealing with the problems of new found wealth it must not approach these problems from the standpoint of its capital-poor past. It must, in a sense, approach its difficult "wealth problems" as if it were comfortable and familiar with wealth and experienced in its management. If the state can approach its problems from the philosophical viewpoint of a "have" as opposed to a "have-not" the *long term* interests of the state and its people will be well served.

Current discussions and approaches are generally short-sighted and proposed by well intentioned individuals who unfortunately can only relate to our "have-not" past. The approaches are simplex and short term and involve benefits today as opposed to investment for tomorrow. Some of these approaches involve an elimination of income tax without regard to the consequences of destroying political-economic balances. When the politician is not held accountable by the taxpayer he engages in largess with public funds without the necessary check and balance. Another recent proposal is the subsidy of small business loans in a financial atmosphere that would indicate that many of these loans would not ordinarily be acceptable in the competitive marketplace. Others suggest increases in certain capital improvements without regard to the life cycle cost of such improvements and their inherent burden in terms of operating costs. There are others who proclaim that there is an urgent need for an increase in state services and thus a need to increase our expenditure of operational dollars and investment in an expansion of our state work force. All of these approaches have merit in the very short run, but none seem to meet the long range need to build a strong and diversified economy and one which can sustain us after the golden Prudhoe years.

It is clear that the state operating and capital budgets are growing rapidly and at a rate far beyond a level that can be sustained as the Prudhoe curve declines. It is true that the permanent fund offers a nest egg for the post-Prudhoe years; but it will not sustain the state long at the current rate of growth of our present expenditures. But even today's wealth — and that projected for tomorrow — is not sufficient to stimulate industry and build the infrastructure needed to support it.

When one examines the vast amount of funds required to meet our capital, operating and housing needs, it should be clear that there simply will not be enough money generated within the state to do everything we desire or require. Clearly we must depend upon the importation of capital to accomplish our goals. In order to facilitate capital importation we must be able to impress those in the national money markets that we not only have financial substance and wealth but that we have strong financial management ability. We must also convince financial rating institutions such as Moody's Investors Service and Standard and Poor's Corporation that we have the financial and managerial strength worthy of improved debt ratings.



Investment of State Funds

Alaska finds itself in the unfortunate position of converting the world s fastest appreciating commodity (oil and gas) into currency. This at a time when perhaps the very best investment is in oil and gas reserves still in the ground. The conversion of this commodity into currency demands that the currency be transformed into some other asset which will offer a rate of return superior to the rate of inflation. Safe investment in securities of the United States and its agencies, and securities offered by major corporate entities will not provide rates of return equal to that of inflation. We do not have the option — in view of national energy policy — of leaving our oil and gas in the ground and so we are faced with seeking an alternate investment with a comparable rate of return. As mentioned earlier, the investment in tax reductions, small loan subsidies, increased operating budgets and certain one-time capital improvements are not necessarily investments at all but simply the dissipation, consumption, and expenditure of wealth. I would be naive to expect that there would be no dissipation of wealth but would strongly argue that it should represent only a minute portion of state assets; preferably income stream rather than base dollars. It appears to this writer that true investment must be seated in entities which provide a definable rate of return. It is this type of investment upon which there must be a major focus.

In seeking a viable rate of return investment it may make sense to analyze that industry which offers the greatest potential in the context of international demand. It would seem that investment should be made in a product which is somewhat inelastic in economic terms; a commodity that will be utilized despite increasing cost. Perhaps the answer to our search can be found in the very derivation of our own wealth. Perhaps that answer is *energy*. I would propose that we closely examine transforming our currency (liberated oil and gas energy) into hydroelectric energy in such a manner that Alaska maintains its unique position of being a storehouse for energy for the North American continent. If we can retain and *expand* our renewable resource energy sources, we will indeed be guaranteed a long term saleable commodity and long term wealth. Public power ownership in the form of a statewide hydro generation utility can provide both in-state and export power for decades at an acceptable rate of return. The development of mineral reduction plants in Alaska using Alaska hydro generation not only provides a tax base and employment but represents the export of energy in a finished rather than raw state. Additionally, raw energy could be wheeled to the continental United States through Canadian grids or new transmission facilities. The distribution of in-state energy (it can be oil, gas and coal in addition to hydroelectric) can provide a diversified base for home-grown industry because as fuel costs increase, Alaska may attain an economic comparative advantage. That energy which is retained for in-state use can be utilized to stimulate major petrochemical processing as well as mineral reduction. Thus, it is the opinion of this writer that the best long term investment of state wealth derived from fossil fuels can be found in the development of local, high consumption industry and the export of power.

Leveraging of Funds

The point was made earlier that despite the great wealth which would accrue to Alaska's benefit as the result of Prudhoe oil and gas, there would not be enough funds to meet our operating and capital construction costs. Additionally, development of highly intensive capital projects such as hydroelectric will more than utilize available funds. Thus, it is imperative that we seek a methodology whereby the state could increase the power of its existing and soon-to-be-realized wealth. It is clear to this writer that this can be achieved through the use of leveraging techniques many of which are currently being utilized by state agencies involved in the importation of capital.

Reserve Funds

National money market lenders can be induced to invest in Alaska through the establishment of state reserve funds. In this scenario the state places in the hands of a trustee, funds equal to one years' maximum debt service not to exceed fifteen percent of the debt. This money remains with a bank trustee and is invested in direct United States Government obligations or its agencies. The money is not dissipated or consumed in any way and resides in the trust simply as a pledge against debt. If, for any reason, debt service can not be met from its projected source, these funds are accessed and used to cover debt service payments until such time as problems with the projected debt source can be overcome. This technique is currently employed by the Alaska Municipal Bond Bank

Authority which leverages the importation of outside capital on a ten to one ratio. Using a similar reserve system the Bank imports ten million dollars for every one million dollars its trustee holds on reserve.

Another reserve fund technique involves the capitalization of reserves through the sale of debt. In this scenario more debt is issued than is required. The overage is placed with the trustee and held in reserve to meet debt service payments in the event of default. As in the case of a funded reserve the capitalized reserve is placed under investment and is neither dissipated nor consumed. Typically, the capitalized reserve (which really represents debt) is repaid to debt holders as part of the final maturity of long term bonds. This method is also applied by the Alaska Municipal Bond Bank Authority in that it markets five percent more debt than it requires, holding this overage through the life of its bonds and repaying bond holders in the final maturity year.

Insurance Pools

Another method utilized to induce the investment of outside capital in Alaska is use of the insurance pool. Here, a finite sum is provided by the state to insure loans. Although the pool is diminished by the occurrence of defaulted loans, it is reconstituted by a surcharge on newly insured loans. The insurance pool method is currently being utilized by the Alaska Housing Finance Corporation. However, the Alaska Housing Finance Corporation has not found it necessary to either draw down or supplement its pool by surcharge even though it has the ability to do so. It has similar applicability with respect to the state small loan program. Here, rather than continuing the state's present practice of using its liquidity to fund loans on a dollar for dollar basis, it could use insurance pooling as an alternative. It need only appropriate funds to insure state loans and act as an agent in the packaging and sale of loans to replenish funds utilized by banking institutions. Again, the insurance pool money is placed in trust, earns investment income and is only consumed by bad loan losses offset by new loan service fees.

Subordinated Loans

Many projects, particularly expensive hydroelectric dams which have present large unused capacity, cannot produce pro forma financials which indicate an immediate ability to repay debt. In cases such as these, reserve funds alone are insufficient to leverage one hundred percent of the cost of the project. It may be necessary to loan funds to the project, on a subordinated basis, to bring the amount of debt to be raised down to an acceptable figure. The subordinated loan is junior to the debt secured on the national money market and is repaid by the project upon retirement of the senior debt. Or, it can begin to be repaid when the project approaches maturity rather than when it is in the embryo state. In some cases subordinated loans can be viewed as equity capital since it serves almost the same role in terms of projects which are state-owned. The subordinated loan approach was successfully used in funding the Green Lakes hydroelectric project in Sitka, Alaska. Here, a state loan was made to that city thus reducing the level of bonded debt. Sitka indebted itself at the lower figure and was able to complete its financing because the loan from the state was subordinate to bonded debt.

Income Stream Guarantees

Income stream guarantees have not been utilized by the state or its agencies. They can play a vital role both in increasing Alaska's management stature with debt rating services and inducing confidence and thus investment by participants on the national money market. In this scenario, a major portion of state wealth is diverted from the State General Fund (and potential legislative expenditure) and placed in a separate restricted fund. The *income* from this fund can be dedicated automatically toward the repayment of debt service on state bonds. Contributions to the corpus of the fund can be made periodically as state debt increases. In utilizing this approach attention mus be given to insuring that there is no abridgement of the state constitution and that state debt does not become arbitrage bonds. This concept offers the advantages of: improved bond ratings, leveraging new capital, and removal of major resources from the executive and legislative spending mainstream.

Conclusion

An attempt has been made to point out the fact that Alaska has historically been capital poor. As a result, our plans for newly accumulated wealth should be directed in two directions. First, the *expenditure* of income stream earnings and a small amount assets to assist our present population, and second, the *investment* of the

of our wealth on sustaining, long term projects which will both a viable rate of return and accomodate new and diverstry.

esis continues that *investment* should be in the form of ned public utilities which earn a rate of return above inflationary levels. These utilities should deal with the mmodity from which we have derived our wealth since that ty — energy — offers the best rate of return in terms of national and international demand.

r to fund the necessary investment, it will be necessary to llars from the national money markets. Different leveragrios have been portrayed which, collectively, enhance our g capacity, improve our funds management reputation and d liquidity.

, it should be noted that this proposal has a greater chance ss if the state — as part of its Statehood Land Selection — to select potential hydroelectric sites as part of its entitle-

se is the Executive Director of the Alaska Municipal Bond Bank, Executive the Alaska Industrial Development Authority and an assemblyman from ality of Anchorage.



NOTES

STATE OF ALASKA AND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

John T. Shively
NANA Development Corporation

Introduction

The Alaska Native Claims Settlement Act (ANCSA P.L. 92-203 (85 Stat. 688; 43 U.S. 160 *et. seq.*) was signed into law on December 18, 1971. The act has become a vital and intregal part of fabric of the State of Alaska. It directly affects some sixty thousand of Alaska's citizens and indirectly affects virtually every citizen of the State.

Indeed, no Alaskan leader should consider the development of economic or land management policies without considering the ramifications of the Alaska Native Claims Settlement Act and the over 200 corporations formed pursuant to that act. Successful implementation of ANSCA should be a vital concern to Alaska's political and economic leaders. Such success is very much dependent upon policies developed by the State of Alaska in the areas of education, government, communications, transportation, land management, agriculture, tourism, fisheries, energy, and many other areas of concern to the *Future Frontiers* conference. The claims Act will make major contributions to some of these areas and require major changes and readjustmens to other areas. The corporations formed under Settlement Act are some of the most important tools that the State of Alaska has to better the lives of all the citizens of this State.

Historical Perspective

The signing into law of the Alaska Native Claims Settlement Act was the culmination of six years of hard lobbying by Alaska Native leaders to obtain a settlement of the claims that Alaska Natives had on most of the land in Alaska. In many senses, Public Law 92-203 is landmark legislation for the American Indian and Alaska Native community. It is an entirely new approach to dealing with claims of American Natives and requires a major commitment of money and the relinquishment of some land selections by the State of Alaska. The legislation has also represented a starting point for other Native groups to press their claims against governments in Canada and Australia.

The Alaska Native Claims Settlement Act is important not only because it represents a departure form the traditional American government settlements with American Natives, but also because it represents a settlement which has forced Alaska Natives to face many complex legal issues as a result of the act. It is important to note that many of these issues remain unresolved and many will not be resolved without expensive and prolonged actions in the United States Court System. However, because ANCSA is a piece of Federal legislation, it can be amended and fine tuned by Congress. In fact, Congress has already amended ANCSA a number of times including the Acts of January 2, 1976, P.L. 92-204 (89 Stat. 1145); October 4, 1976, P.L. 92-456 (90 Stat. 1934); and November 15, 1977, P.L. 95-178 (91 Stat. 1369). Congress is also considering a series of amendments to ANCSA as part of the Alaska National Interest Lands Legislation (H.R. 39, S. 9.)

I think it is important to understand some of the legal and political history behind ANCSA. The United States has always recognized that American Natives had some form of title to land. However, our government's history of treatment of Indians is well known and the solutions to Indian land ownership were, in most cases, criminal in nature.

The general concept of aboriginal rights of Indians, based on use of such lands for centuries has been recognized since the early 1500's and was first applied in the United States by the Supreme Court in Johnson v. McIntosh, 8 Wheat (21 U.S 543) (1823). This decision was consistent with the application of a principle established in Canada and South America that only the sovereign, and no private party, could extinguish or convey such rights. In addition, there is further legal foundation for the Settlement Act. The first indication of Alaska Native land rights appears in the Treaty of Cessions (Treaty of March 30, 1867, 15 Stat. 539) which was signed with Russia at the time of sale of Alaska to the United States. The Treaty did not extinguish Native title but subjected it to such laws as Congress might pass affecting "uncivilized tribes."

Alaska Native land rights were protected in virtually every congressional Act passed effecting land title in Alaska, including the Organic Act of 1884 (Act of May 17, 1884, 48th Congress, 1st Session, 23 Stat. 24, "An Act Providing for Civil Government for Alaska") which stated that Alaska Natives should not be disturbed in their use and occupancy of the land, or claims on the land, but reserved for Congress to decide at a later date exactly what land rights Alaska Natives actually had. (See also Act of June 6, 1900 (31 Stat. 321 et. 3301). The Alaska Statehood Act (Act of July 7, 1958, P.L. 85-508, 72 Stat. 339, *as amended,* 73 Stat. 141) and the Alaska constitution also contain language protecting Alaska Native land rights.

It was not until the middle 1960's that the Alaska Natives finally organized to make the major push for the Settlement of their claims. There is no question that there were some key elements which contributed to the effort of the Natives at that time. One important element was the Section 6 of the Alaska Statehood Act which allowed the State of Alaska to select 104 million acres of land. It became clear early in the 1960's that the State of Alaska would be selecting land that had traditionally been used and occupied by Natives. Another contributing factor was the oil and gas leasing on the Tyonek reservation which resulted in $13,000,000 of royalty payments. This payment sparked the interest of other Native groups in the potential benefits of owning land.

As various Native groups filed claims and protests against conveyances to the State, thus asserting Native ownership to virtually all of Alaska, a couple of other important events contributed to the eventual settlement. One event was the decision by the Secretary of Interior Udall to put a land freeze on the conveyance of all public lands in Alaska until the Native land claims question was settled. This meant that the State of Alaska could no longer receive title to land and other developing entities, such as the oil companies found land which they wanted to develop, such as the North Slope tied up until the claims were settled. It became clear to the oil companies that until the Alaska Native Claims were settled, the oil development would most likely not take place. (See Native Village of Allakaket, et. al. v. Morton, Civil Action No. 706-70, U.S.D.C. - District of Columbia; see also Alaska v. Udall, 420 F.2d 938; 9th Cir. 1969). Therefore, the oil companies lobbied for a settlement of the claim and played an important role in the eventual settlement. All this activity culminated in the passage and signing of the Alaska Native Claims Settlement Act on December 18, 1971.

It should be noted that in 1969 when the Legislative Council and the Bookings Institution hosted "A Conference On The Future of Alaska," the Native Claims issue was still unresolved. It was very touchy political issue, and it is interesting to note there were only minimal references to the issue in the final report of this conference. The 1969 conference participants either did not have the foresight to see the tremendous impact that a settlement of the Native Claims could have, or they were fearful of the political consequences of being involved in a very heated controversy. Whatever the reasons were for this unfortunate ommission ten years ago, it is clear that the participants in the "Future Frontiers" conference must deal with the Claims Act as a major influence on the future of the State of Alaska.

Current Status

The Alaska Native Claims Act will celebrate its 8th anniversary on December 18th of this year. Unfortunately, those eight years have largely been characterized by disappointment, frustration, and conflict involving the Native shareholders of the corporations, the State of Alaska, the Federal government, and various other interest groups affected by ANCSA. In order to understand why the high expectations expressed by many in 1971 have not been realized, it is first necessary to understand the complexity of the structure of the Claims Act.

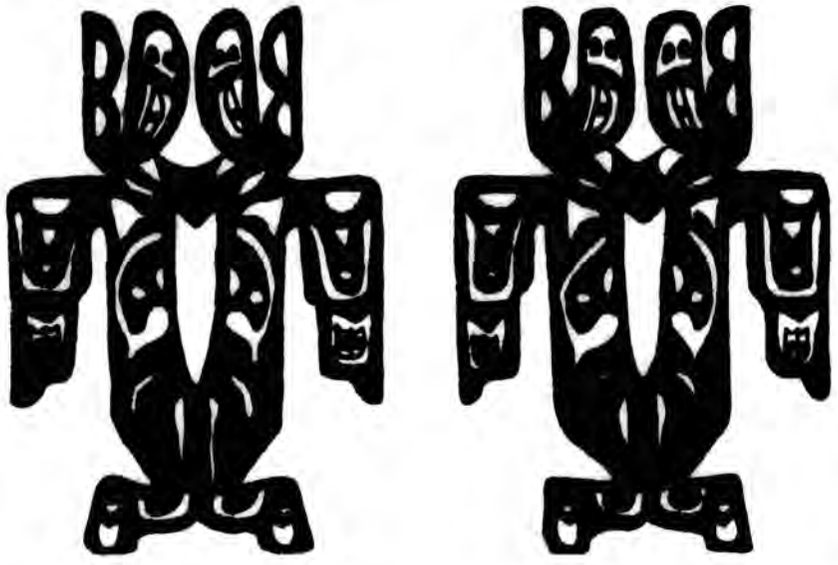
A. **Structure of the Act**

In the past, the Federal land settlements with American Indians generally have been administered by tribal governments. Very often these tribal governments have had the dual responsibility of managing the monetary and/or land assets of the tribe and also of providing government services. The tribal governments have a special trust relationship with the Federal government, who oversees the activities of the tribe.

ANCSA provides a totally new structure for Native claim settlements. Thirteen regional profit-making corporations and two hundred ten village corporations have been set up under the

provisions of the Act. The twelve regional corporations which serve Alaska were set up by the middle of 1972 and are now functioning and carrying out their responsibilities under the Settlement Act. A thirteenth region was established later for some Alaska Natives living outside our State. The regional corporations are geographically based, and boundaries were determined more or less by boundaries of the old regional Native associations.

Alaska Natives of one-quarter or more Native blood and alive on December 18, 1971 were eligible to enroll to one of the thirteen regional corporations, and could also enroll to a village corporation. Enrollment into a corporation entitles the individual to 100 shares of regional corporation stock. As provided in Section 7 (h) and 8 (c) of ANCSA, this stock for the most part is inalienable and cannot "be sold, pledged, subjected to lien or judgment execution, assigned in present or in future, or otherwise alienated." A non-Native may obtain stock through inheritance, but until 1992, that stock would carry no voting rights if it was inherited by a non-Native. As of September 30, 1979, 79,825 Alaska Natives have been determined eligible to receive benefits under ANCSA.



Most eligible Natives enrolled in both a regional corporation and a village corporation, but a sizeable number of Natives felt they no longer had ties to a village and chose "At-Large" status which increased their direct monetary benefits from the Act, but left them owning stock in just a regional corporation.

Village corporations had the option of becoming either profit corporations or non-profit corporations. Every village corporation in the State chose to be profit-making in nature, because profit-making corporations can make individual cash distributions to shareholders whereas, non-profit corporations cannot make such distributions to members. Thus, although it is the opinion of many that many of village corporations may not be able to make profit because of their limited capital base, it was beneficial to those corporations to retain a profit-making structure so that they can distribute payment to individual village members if they so desire.

Although the village corporations are incorporated independently of the regional corporation, the regional corporation does have some oversight responsibilities transactions (P.L. 92-203, Sections 7 (1), 8 (b), 12 (b), 14 (c) (5). For instance, the regional corporations had the ability to veto village corporation budgets until the end of 1976, and can exert certain budgetary controls for some time to come. Also, the region has the right to review any land transactions made by a village corporation through 1981.

This situation can obviously lead to serious conflict. Village corporations may naturally resent the "big brother" approach. Also, some regions have wanted to use village funds for investments which at times have gone sour. In addition, villages and regions may have very different corporate philosophies.

In 1975, Congress passed legislation (P.L. 94-204) which allowed village corporations to merge either among themselves or with their regional corporations. NANA has merged with ten of its eleven villages. Groups of villages in some areas such as the upper Kuskokwim and the middle Yukon have merged among themselves.

Those villages which, prior to the Settlement Act, were on

reserves or reservations had a separate option to take the surface and subsurface title to the land on the former reserves. As discussed later in this paper, village corporations generally are entitled only to surface rights. Village corporations on a reserve who took this option, would not participate in any of the monetary aspects of the Act. Six villages with a population of 1,522 Natives living on four reserves took this option because the four million acres of land to be received by taking the reservation option was considerably more than what the village would have been entitled to under the regular provisions of ANCSA. In addition, the Metlakatla Indian reservation in Southeast Alaska retained its trust relationship to the Federal government at the request of its residents and to resolve the difficulty which resulted from previous compensation to the Tribe for the loss of aboriginal rights.

B. **Monetary Benefits**

The Settlement Act provides for the payment of $962.5 million to Alaska Natives. $462.5 million is appropriated by Congress to the Alaska Native Fund over a period of eleven years.

The other $500,000,000 in payment for settlement of the Alaska Native Claims come from a 2% "overriding royalty" on all minerals that are subject to disposition under the Mineral Leasing Act of 1920 that are developed in the state of Alaska on State or Federal lands, primarily coal, oil, and gas. The State and Federal governments are required to pay such funds into the Alaska Native Fund until a total of $500,000,000 has been reached. As of September 30, 1979, $500,884,000 of the $962,500,000 has been distributed to the Alaska Native Fund.

The money in the Alaska Native Fund is distributed quarterly to the regional corporations based on the number of shareholders enrolled to the region. The regional corporations in turn are required to make the following distributions: for the first 5 years - 10% to individuals; 45% to villages; 45% remaining with the regions. After the first 5 years, the region distributes at least 50% to the village corporations and retains the other 50%. After 5 years, no mandatory individual distributions are required except to "At-Large" shareholders.

An example of the amount of distribution to individuals can be seen by reviewing the distributions which have taken place so far. A village shareholder received about $430 for his share of the Alaska Native Fund for the first 5 years. An "At-Large" shareholder has received about $4,500, thus far.

C. **Monetary Benefits - Regional Revenue Sharing**

Section 7(i) of the Settlement Act provides that "70% of all revenues received by each regional corporation from the timber resources and sub-surface estate patented to it pursuant to this Act shall be divided annually by the regional corporation among all twelve corporations organized pursuant to this section according to the number of Natives enrolled in each region pursuant to Section 5." The intent of this section is to assure that there is some distribution of resource revenue among regions. Congress felt that it would be unfair if one or two regions became very wealthy because of resource development while other regions suffered because of lack of resources.

Section 7(i) of the Act is probably the most controversial section enacted by Congress both because not all regional corporations are enthusiastic about sharing income from their lands and because there have been strident differences of opinion as to how this provision should be implemented. The difficulty comes in defining revenues. There have already been two court cases on this subject and there is every indication that there will be many expensive legal battles before the courts determine who shares what.

D. **Land**

The land entitlement in ANCSA breaks down as follows:

Section 19 (former reserves)	4 million acres ±
Section 12(a) & (b) village surface, regional sub-surface	22 million acres
Section 12(c) (regional corporations)	16 million acres
Section 14(h) (misc. selections)	2 million acres
TOTAL	44 million acres ±

Villages selected surface land which generally is close to the village. They are required to select all available land within the township in which the village is located and other selections must be compact and continuous to the original township unless broken by third party interest, navigable waters or other land which in unavailable for selection. Villages will receive land under the following formula: 25 to 99 enrolled shareholders - 69,120 acres; 100 to 199 - 92,160 acres; 200 to 399 - 115,200 acres; 400 to 599 - 138,240 acres; 600 or more - 161,280 acres. The villages were to have filed their selections by December 18, 1974 and some conveyances to village corporations have already been made.

In addition to the subsurface estate received under village corporation land selections, the regional corporations have 16 million acres of the 44 million conveyed by Section 12(c) of ANCSA. The major difference between regional selections and village selections is that the regional selections are based on what is known as the "land lost" formula. Regional entitlement is arrived at by determining each region's percent of the land base of Alaska exclusive of Southeastern Alaska which is covered by each of the eleven regional corporations excluding the Sealaska Corporation. (Southeast Alaska is excluded because this region is covered separately in the Act). The entitlement due each region under this section also takes into account the amount of land conveyed to the village corporations in each region as it relates to the 38 million acres to be conveyed under Sections 12(a), (b) and (c) of the Act.

The net effect of all these calculations is that only six regions receive lands under the region selection section of ANCSA (Section 12(c)). Of those six regions Doyon receives over half of the sixteen million acres and Arctic Slope receives another third of the sixteen million.

Because the Tlingit-Haida Indians of Southeastern Alaska received a cash settlement in the mid-60's as a result of the Tlingit-Haida Court of Claims case (Tlingit-Haida v. U.S., 147 Ct. Cl. 315, 177 F.Supp. 452; 182 Ct. Cl. 130 and 382 Fed. 2nd 778), the villages in Southeastern receive land on a different basis than the villages in the rest of the State. Ten villages in Southeastern Alaska will each receive 23,040 acres of land or approximately one township with the regional corporation receiving the sub-surface rights. The regional corporation is entitled to no regional selection under Section 12, but will receive some land under Section 14(h).

Section 14(h) allocates two million acres of land for special purposes. These purposes are cemetery sites, historical sites, groups of Natives (locations have less than 25 enrolled Natives), land for persons enrolled to Sitka, Juneau, Kenai and Kodiak, individual Natives whose primary place of residence is separated from a village, certain Native land allotments, and a "floating" selection right for the remainder of the two million acres after the specific purposes have been satisfied. Many of the Regional Corporations are using the floating selection right to obtain potentially valuable timber and mineral lands.

It is obvious from the above discussion that the land selection process is fairly complex. Both the Settlement Act and the Bureau of Land Management land selection regulations (43 C.R.R. parts 2650-2654) provide for a number of eligible village corporations, the enrollment to each village corporation and regional corporation easement identification third party rights existing at the time of passage of ANCSA, navigability determinations, reduction of existing federal withdrawals, third party rights established by the State of Alaska on tentatively approved land, and overlapping selections between villages and between villages and the regions. Because of these problems, the Bureau of Land Management has conveyed 9,803,186 acres of land of the 44 million which they are due to convey to Alaska Natives.

Generally, most Native lands will be conveyed initially with an interim conveyance document. This document is comparable to (but probably more secure than) tentative approval of State land selections, for those familiar with that concept. Interim conveyance of land gives Natives all the rights of a land owner. However, the actual boundaries of land are subject to final survey. Surveys of Native lands may take as many as 20-30 years because of the complex survey problems existing in Alaska. After the land has been surveyed, the Native corporations will be issued patent to the land.

Native corporations have the right to sell, lease, or otherwise

commit their land immediately upon conveyance. ANCSA provides on restrictions on the alienation of land. However, Native Corporations, for the most part, are not inclined to sell the land as they consider it a cultural resource which must be protected for future generations. Therefore, most Native corporations will be interested in issuing leases or use permits rather than in selling their land.

E. Summary

The Native corporations set up under Alaska corporate law have the same functions and responsibilities as any profit-making corporation. In other words, the Native corporations are in business to make money for their shareholders. They have no legal responsibility to provide health, education social or legal services. The corporation's only legal responsibility in these areas is to pay taxes as do other profit-making corporations.

This does not mean, however, that the Native corporate leadership can ignore social and cultural problems. Because of the structure of the corporation, and the fact that the shareholders are almost entirely Native, there is no question that the regional Native corporations will be more aware of social and cultural issues than are most profit-making corporations in this country. The shareholders of these corporations are primarily low income persons, many of whom do not speak English as their first language. The majority of shareholders live in small rural communities and are dependent on subsistence hunting and fishing for much of their livelihood. Thus, investment and land use decisions of the Native corporations must reflect the concerns of their shareholders, even though many of these concerns are social. Native shareholders want more than just a dividend. They want protection of the subsistence lifestyle, jobs, access to their corporate leaders, enhancement of their culture, and other considerations which seldom, if ever, are discussed in the board rooms of profit making corporations.

It is obviously too early to tell whether or not Native corporations can overcome the complicities of the Act and the economic and cultural conflicts which are inherent in the settlement. Some Native corporations have already experienced unfortunate failure while others are off to a somewhat better but perhaps not too secure start. It is abundantly clear to me that Native corporations will need the cooperation and support of the State if they are to survive and prosper. It is obvious that should the Claims Act fail in it goals to increase Alaska Natives standard of living while still protecting their culture, Alaska Natives will become both an economically and culturally deprived people. Such failure would be a major disaster for the State of Alaska and would be extremely costly both in economic and social terms.

Other Perspectives

The Department of Interior is the Federal government agency with the major responsibility for implementation of the Alaska Native Claims Settlement Act. Within the Department of Interior, the Bureau of Land Management is primarily responsible for those portions of the Act dealing with land. The Bureau of Indian Affairs is responsible for other activities such as enrollment, certification of villages, and certification of cemetery and historical sites.

Unfortunately, the Department of Interior took a very antagonistic attitude towards the implementation of the Settlement Act in the early years of implementation. This attitude was most notedly present in the long and bitter fight over the identification of easements on Native land but also prevaded the entire land selection regulation process as well as many other activities in the Department.

Equally, unfortunately the State of Alaska often participated in the vigorous attempts to undercut the congressional intent of the Claims Act. Some of the State's belligerency is understandable as many State officials felt that the State never should have participated in the Claims Act on either a monetary basis or by having to relinquish certain land selections. It is interesting to note that the attitude towards the Claims Act has changed drastically over the last several years. This is somewhat as a result of the three lawsuits which were brought regarding easement on Native land. Those lawsuits essentially were decided in favor of the Natives, and there was a finding by the court that the Claims Act was to be treated as a piece of "Indian Legislation." Thus in instances where there was a doubt as to the interpretation of an issue, the issue would be decid-

ed in favor of the Natives. It is my belief that both the Department of Interior and the State of Alaska now view ANCSA as a piece of "Indian Legislation" and are much more supportive towards ANCSA.

Evidence of this exists in the through review of the Claims Act which was undertaken by Secretary Andrus and his staff early in his administation. Also, under the auspices of the Federal State Land Use Planning Commission a total review of the Claims Act was made to determine what amendments might be necessary to strengthen the Claims Act. Both the State and the Department of Interior were participants in this process. As a result, a whole series of amendments has been proposed to the Settlement Act. These amendments have been included in the various versions of the d-2 land legislation presently before Congress.

The other major outside influence on the Claims Act is the United States Congress. It is important to note that the Congress has been very receptive to making changes to the Claims Act when necessary. Generally, in order to get a change in the Claims Act, the Alaska Natives, the State of Alaska, and the Federal government (usually in the guise of the Department of Interior) must agree to the changes. This receptivity to change in import because, as the government and the Native corporations gain more experience with the Act, it is clear that certain changes are going to be needed if the Act is to be successfully implemented. Equally important is the cooperation of the Federal government and the State government in any process which results in changes to the Settlement Act.

Directions

The number of areas in which the State might benefit Native corporations is practically limitless. However, I will confine my recommendations to a few major areas of potential assistance.

1. **Land Exchanges**

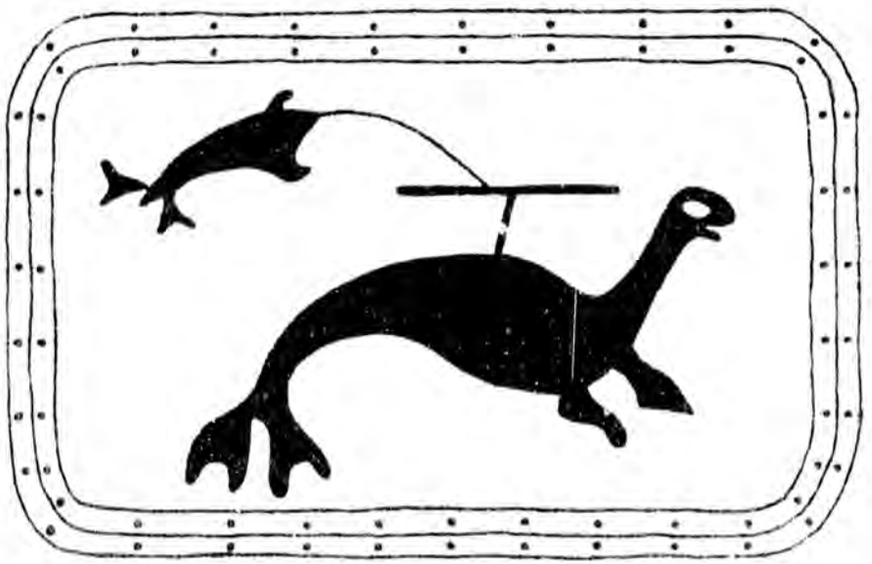
Once Native conveyances have been more or less finalized and once the State of Alaska receives full entitlements to statehood land, there should be a number of opportunities to make land exchanges in order to consolidate land holdings. The State may want to review its present statutes regarding land exchanges. One possible area of refinement would be to allow exchanges on other than equal value basis. In some cases, it might be more beneficial to the citizens of the State to have certain Native lands placed into recreational use while trading away State owned lands with economic potential to be developed by a private corporation. The monetary values here would clearly favor the Natives, but the public interest values might well favor the State.

2. **Cooperative Management**

There will be a number of opportunities for cooperative management between Native Corporations, the State of Alaska, and the Federal government. The State has considered cooperative management legislation but the legislature has never taken final action on any of the various proposals. If the d-2 legislation passes Congress, there will be a cooperative management section in the bill and the State may want to look at modeling their legislation after the federal bill.

3. **Economic Developments**

Native Corporations have an important role to play in the economic development of the State. This is particularly true in



the area of renewable resources, although the Natives will be developing non-renewable resources on their lands also. Any State loan programs designed to benefit Alaskans should be tailored so that Native Corporations are eligible. In addition, the State may want to consider special grant programs to Native corporations for experimental development in areas such as agriculture. There might also be grant programs to assist Native corporations in developing businesses which are marginal profitable but which provide employment to people in rural areas. Tax incentives for experimental business development or employment related programs are another possible tool that the State would use.

4. **Land Bank**

The various versions of the Alaska lands legislation presently being considered by Congress all contain a provision for a land bank for private lands. Placement of lands in the land bank would provide for mandatory cooperative agreement between the land owner and the State or Federal government. In return, the private land owner would receive protection from the imposition of property taxes as long as the land was not developed. The legislation provides that the Federal government will run the land bank program unless the State of Alaska develops comparable legislation. It is my recommendation that the State begin to develop such legislation.

5. **Easement Management**

Although the Federal government will have the primary responsibility for easement management on Native lands, the State could play an important role in assisting the Native corporations, the Federal government, and the public to understand the various uses of these easements. The major problem the State may have to address is that of trespass. Unless there is proper easement management, there is going to be a good deal of misunderstanding about potential misuse of Native land, and it is clear that the State can assist in the public information program which will be necessary in order to limit confrontations between land owners and land users. In addition, the State may be able to negotiate with Native corporations for some of the recreational easement which the State felt that Natives should give away for free.

6. **Education and Technical Assistance**

It would seem that the University of Alaska could play a very important role in both educating Native corporation shareholders to take advantage of the many employment opportunities which are occurring because of the Claims Act. The University has already begun some special programs in rural areas to meet these needs. However, the University has only scratched the surface in terms of the educational needs of potential corporate leaders and corporate workers. In addition, the University could provide important technical assistance to developing corporations. This is particularly true of village corporations. The State may want to consider developing a program either through the University or in conjunction with organizations such as the Alaska Native Foundation to increase the assistance available to these young and struggling corporations.

Conclusion

This paper was not meant to be definitive either in its discretion of the Claims Act or in its presentation of potential actions that the State might want to consider in order to help implement the Alaska Native Claims Settlement Act in a successful manner. However, the ideas presented here are meant to spark discussion of how cooperation between the State and the Native corporations can be beneficial to everyone concerned.

There is no question that successful implementation of the Act is very important to the State's future. The new direction that the State has taken recently to cooperate in the implementation of the Act is an important one. The positive relationship which has developed between the State of Alaska, the Federal government, and the Native corporations should be continued, nutured, and enhanced. The State should keep in mind that Alaska Native corporations for the most part invest in Alaska, and the profits go mostly to Alaskans. One of the best investments the State of Alaska can make is to foster the growth and development of Alaskan owned Native corporations.

Biographical Sketch
John T. Shively

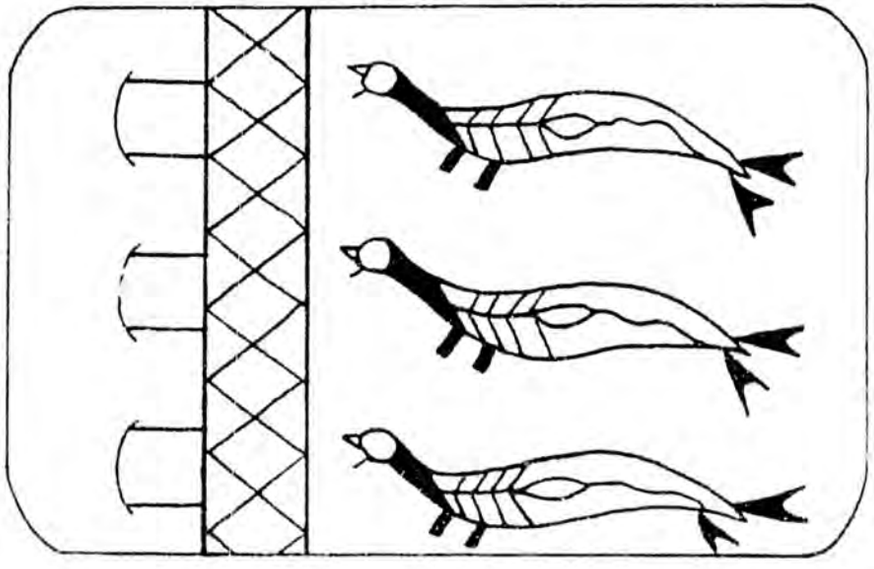
John T. Shively is the Vice President of Operations for NANA Development Corporation, the business holding company for NANA Regional Corporation, one of the thirteen regional corporations established pursant to the Alaska Native Claims Settlement Act. He is responsible for overseeing NANA's business operations which include a hotel, a construction company, a reindeer herd, a jade mining and processing facility, and a number of services to the oil industry. He is also responsible for working with the State of Alaska, the Department of Interior and the United States Congress. Mr. Shively has lectured to a variety of groups on the Settlement Act and has taught a college level course on the subject. He has a B.A. Degree in Political Science from the University of North Carolina - Chapel Hill. Prior to working for NANA, Mr. Shively was Executive Vice President of the Alaska Federation of Natives.

Acknowledgement

Much of the information and some of the text contained in this paper comes from a paper entitled "Alaska Native Corporations and Native Lands" written in 1976 for and copyrighted by the Rocky Mountain Mineral Law Foundation.

Dedication

I wish to dedicate this paper to Mr. Joseph Rudd who provided the inspiration and guidance for the writing of "Alaska Native Corporations and Native Lands."



NOTES

RURAL ECONOMIC DEVELOPMENT

by
Michael Deman

Alaska is geographically and psychologically remote from the rest of the United States. Although Alaskans, by and large, like their isolation, they depend upon the "lower 48" for many of the necessities of life and most of the material luxuries as well.

Much of rural Alaska *is as foreign to its urban residents* as the state itself is to a New Yorker, for example. The distance from eastern portions of the state to western regions are so great that traversing it involves four time zones, four or five hours by plane and great expense. More often than not, Natives and non-Natives alike live in one region and have never seen much of the rest of the state. Just as Alaska is dependent on the rest of the country for supplies, its rural areas are dependent on urban Alaska, e.g., for medical, legal and governmental services, and for consumer goods.

In many ways, civilization has brought something less than advantages to all Natives. For 40 percent of the Native population the White Man's world has brought extreme poverty. Alaska Natives, who for centuries provided for themselves through subsistence living, now see the resources on which they depend seriously threatened. The use of firearms, easier access with power boats and snow machines, and new population growth all contribute to depletion of Natives' precious subsistence resources. The location of schools, public services snd medical facilities has altered the settlement pattern of villages, creating the need for year-round housing and sanitation facilities, all of which require cash and all of which contribute to the present conditions of poverty.

The Senate report on the Alaska Native situation presented in conjunction with Native claims legislation, drew the following picture for rural Alaska Natives:

> In an economy based importantly in a pattern of life of subsistence fishing and hunting, the large majority of these Alaskans are unemployed or only seasonally employed. Though some of the families have incomes of $5,000 or more annually, the bulk of them live in dire poverty — the poorest of America's poor. Village family income for those who have any income, averages less than one-quarter of the family income for non-Native Alaskans ... Largely because they lack cash income and because the costs of purchased goods and services are high, most Natives live in small, dilapidated or substandard houses under unsanitary conditions ... Another dimension of the contrast between the Native and non-Native sector of the population is *that of the lack of opportunity for economic advancement among most Natives.*

The sharp contrast between rural and urban Alaska is illustrated by the extent of poverty in these two areas. According to the 1970 census, two-thirds of Alaska's population lives in urban areas, yet of Alaska's 35,614 people classified as poor, 71 percent live in rural areas. Seventy percent of the rural poor, or 17,809, were Alaska Natives. Hence, most of Alaska's poor are Natives living in rural areas.

The conditions presented are not new; they were recognized long ago. The Land Claims Act provided a hope for future change and as an aside, a structure and methodology for a rural Alaska development strategy. The word "strategy," however, inherently implies a unified direction and implementation, which has not "naturally occured." Alaskans, residents of "The Last Frontier," are highly resistant to the great and benevolent planners in Juneau or Washington, D.C., but central, dedicated support is badly needed to implement this "strategy."

Hope is present in the potential of the village and regional corporations established under the Alaska Native Claims Settlement Act of 1971. Under the terms of that act, profit-making corporations were established in each eligible Alaskan Native village (a total of 206 in all).

The Alaskan Native has been treated somewhat differently under the terms of this act than has any other aboriginal group in the U.S. In all other cases of aboriginal claim, sovereign title has been granted to a protion of the lands occupied by Native Americans. The

balance was placed in the public domain and the aboriginal titles extinguished after payment of "fair" value to the aboriginal group.

> "Alaska was not made sovereign, but instead was transferred to private ownership. In return for extinguishing Native Claims, the U.S. agreed to pay Native Alaskans $962 million and grant them 44 million acres of land (or approximately twelve percent of the State)."[1]

Under the terms of ANCSA, a twenty year moratorium was placed on taxation of any of these lands. The intent of Congress was that during this twenty year period, the corporations established under the act would become economically viable entries in rural Alaska.

This entire notion, however, is a double edged sword. While on the one hand the resources, in the form of cash and land, are provided to achieve economic viability for Native Alaskans, and indeed rural Alaska, the requisite managerial capability does not yet exist within these corporations.

> "At the time of ANCSA's passage, Native Alaskans were ill equipped to understand or effectively deal with the many complicated provisions of the Act. Living in remote settlements which had only become permanently estasblished in the last three or four generations, Natives were totally unfamiliar with the concepts of corporations, investments, and other attributes of a modern economy which the Act thrust upon them. Even today, most Native Alaskans do not live in a cash economy as we know it in the Lower 48."[2]

Despite these problems the truth of the matter is that these corporations, taken as a whole, represent the most viable potential for rural Alaska. These corporations possess not only capital, but significant assets, i.e. land. Further, they have access to a vast labor pool: village residents. *No other entities exist in rural Alaska which have these qualities.* The single most apparent lack within these corporations is the technical ability to successfully manage their assets (capital, land, labor) in a way which is consistent with traditional rural Alaska lifestyles and cultures *and* which is economically sound.

Contrast this change with the rural Alaska of only a short time ago. The economy was totally subsistence based. Hunting, fishing and gathering provided all sustenance. Villages were non-existent. Temporary camps and settlements existed, and changed depending on the season. Only a few short generations ago permanent settlements came into being, mostly at points of white contact. With those permanent settlements came the rapid transition from a nomadic subsistence lifestyle to the current mixed dependence on subsistence activities and cash economy. The transition has been rapid and difficult, and is still in process.

As the villages have moved into a cash economy, they have, in effect, become conduits for this cash. Cash has come from three primary sources: the few relatively stable jobs which are common to most villages (postmaster, school custodian, health aide, etc.), transfer payments, and the income brought home by various types of seasonal, temporary, or sporadic employment opportunities (firefighting, construction of the pipeline, etc.).

Because there is no significant manufacturing or industry in the villages, most of the cash which enters the village economy turns right around and exits: with exception of the few foods, some fuel, and certain clothing materials provided by subsistence activities, everything villagers need must be purchased elsewhere. The school custodian, whose salary brings cash into the village, orders his family's clothing from a catalogue and sends money out of the village to cover the cost of the purchase. The firefighter, who brings his summer's wages home, buys food at the village store - and the storekeeper buys his stock from an urban wholesaler. The examples are endless and the results are obvious: what cash does come into the village goes out again for imported goods and services.

A number of authorities are of the opinion that the rate of outmigration of villagers will continue to increase, in part because of the scarcity of local sources of income. If this occurs, village economies will suffer. Nonetheless, the villages are essential to those who are not willing or able to make the transition to urban life, and a number of recent studies indicate that many current village residents would prefer to remain in their villages. A recent survey conducted by the Alaska Native Foundation in Ruby and Galena found that most residents of these two villages not only want to continue living right where they are, but that they would rather have jobs in the village then to leave for temporary employment

elsewhere. The Ruby/Galena study results have been confirmed by other data indicating that despite the continuing out-migration many if not most village populations have actually increased in size over the last decade.

Assuming, however, that those predicting an increased out-migration are correct, and that (as some fear) the village resident will be primarily the old, the young, and the unemployable, then it becomes critical that some infrastructure be developed to support these people. This possible eventuality presents an even greater challenge to the corporate leadership if they are to avert the potential despair and squalor which could lead to the complete collapse of village Alaska.

Whatever the future holds for the villages, one thing is certain: the village corporations hold the key and therefore must assume the responsibility of stabilizing the village economies.

At the risk of over-generalizing, we can define three types of villages, each of which can respond to the present challenge in a different way. Of course, there are villages which fall into more than one of these categories, and which therefore have greater options.

1. One group of villages will have indigenous resources of one sort or another — resources which are, or will be, in demand outside of the village itself. For instance, it is estimated that as much as ten billion barrels of oil and 19 trillion cubic feet of gas exist beneath the surface of Native-owned lands.[3] These resources, and others, fall into the extractive category, and will be developed primarily at the initiative of big outside businesses who are interested in the particular resource. These villages will most likely develop a rather conventional export-based economy. Their corporatons can play some sort of reactive, passive, or accommodating role: they can make land available, can build facilities, and can undertake training programs to enable village residents to take advantage of the local employment opportunities which may evolve as a result of the extractive industry. In such cases, the necessity for entrepreneurship on the part of the village corporation itself is minimal, but the potential for disruption of village life and the depletion of village life and the depletion or destruction of corporate assets is magnified, as are benefits if such development is successfully managed.

2. Another group of villages may be favorably situated, have buildings of particular historic or aesthetic significance, or have a unique and commercially-valuable handicraft tradition. These assets would make such villages of interest to tourists — an industry which will create some employment and will inject varying amounts of cash into the local economy, depending, of course, on how the industry is developed.

3. However, the vast majority of villages are unlikely to ever have a commercial economic base in the traditional western sense: very few will have items which can be exported on a competitive commercial basis and which would therefore create jobs for local people and bring cash into the local economy. The corporate management in these villages is faced with a different challenge, on which can perhaps only be met by the development of cottage-type industries which produce goods and services for local or regional consumption only. This approach would create local jobs and would keep more the cash within the local economy. This approach has been described in the recent federal-state Land Use Planning Commission study, "The Evolving Pattern of Village Alaska:"

> "The ideal industry for the region may be described abstractly: it should use local materials, it should produce output with a high value to weight ratio, it should be labor intensive, it should be capable of high productivity at small scale of operations (perhaps even cottage industries), and it should be counter-seasonal, to complement the higher levels of activity in the summer."[4]

We are, of course talking here about import substitution, the residual effects of which are obvious: each dollar not spent outside of the community remains within the community and has a multiplier effect.

> "Mathematically, the multiplier is the inverse of the propensity to import, so that if investment can improve the local economy's ability to provide locally what had previously been imported, each dollar that comes in from the outside will cycle longer with in the local economy and provide more local jobs and income. In the developing countries, and economic strategy of increasing the multiplier has been called an import

substitution strategy. If village Alaska cannot devise exportable production, it can probably find ways to increase the local bank from the buck of its outside income by developing its capacity to serve its own population."[5]

The import substitution idea can be applied to labor as well as goods: construction is a good example in Alaska. For instance, the State of Alaska has identified the need for rental or lease housing, overnight facilities, offices, warehouses, and laboratory space in a total of 55 rural villages.[6] No doubt this need will eventually result in contracts for construction, a service which could be provided by village corporations.

In March of 1978, the State Department of Administration let a request for proposals for the design, construction, maintenence and renting of facilities in 11 rural villages. Again, another opportunity for village corporations. Such requests are common and frequently are awarded to contractors from the urban areas who bring work crews in with them. While this has some positive economic effect on the village, it is not nearly as great as it could be. Regardless of the type of village involved, the corporations have only one real choice: they must take full advantage of the opportunities which exist for their village.

The potential is there for the development of a sound economic base in rural Alaska. The possibilities abound. Strategies need not be as grandiose as may be required in the urban lower 48. The problems are different, the people are different and the scale is certainly different. The addition of only a handful of jobs in a rural Alaskan village can have a significant impact on the economy of that village. That theme, repeated throughout rural villages can go a long way to assuring a continued and healthy economy in rural Alaska.

Clearly solutions can be found. And they will be, *if* the new managers of the new village corporations are given the technical assistance they need to help them determine what kind of solution is appropriate to their village.

Finding the proper solution is half the battle. The other half is making the solution into a lasting reality. Management expertise, accounting expertise, planning expertise — all these things can be bought, for a price. But the village corporation management themselves must at the very least know how to select the right kind of experts, how to direct them, monitor their efforts, and evaluate the results. Given the current lack of experience in such matters, an immense effort is required — management personnel and the corporate board members must be given the kind of training which will make them capable of fulfilling their mandate and meeting the needs and desires of their shareholders — the village residents.

The approach we are suggesting will take policy decisions by the State of Alaska and the Federal government to assist and build the village corporations in basic ways. Other groups, like the Alaska Native Foundation, may serve as the cutting edge of such decisions, but the powerful weight of government must be applied to make a REAL difference. Failure to do so will result in a continuation of present rural Alaskan conditions and will require *public,* not private, development dollars, and that will increase the tax burden on everyone.

The corporate success itself, of course, must be two-pronged. The corporations must provide a return to their shareholders, most of whom are villagers and who therefore will spend at least some of their dividend earnings in the village. This influx of cash will function to bolster the economy in much the same manner as any indirect income transfer. In addition, the corporations have an implicit responsibility to solidify an economic infrastructure if they are to meet both Congressional intent as expressed in ANCSA and the obvious needs and desires of their shareholders. Each prong of corporate success will impact the village economy. In combination, the impact will increase geometrically.

Any use of surplus state income must be used with an eye both to the kinds of investments (renewable, non-renewable) it makes and the uniqueness of the Alaskan development structure, which has been put in place and which must survive if a full measure of benefits is to be gained by the state.

Biographical Sketch

Michael Deman is Vice President of the Alaskan Native Foundation. While at the Foundation he has directed the Donner Project, the OCS Management of Change Project, Kellogg Manpower Training Project and Village Management Assistance Project as designer and first director. Mr. Deman presently works on rural economic issues with several state and federal policy groups.

Footnotes

[1]T.J. Smith. "Native Alaskan Economic Development: Issues and Recommendations;" Economic Development Law Project Report. January/February 1978, p. 22.

[2]*Ibid* p. 27 and 28.

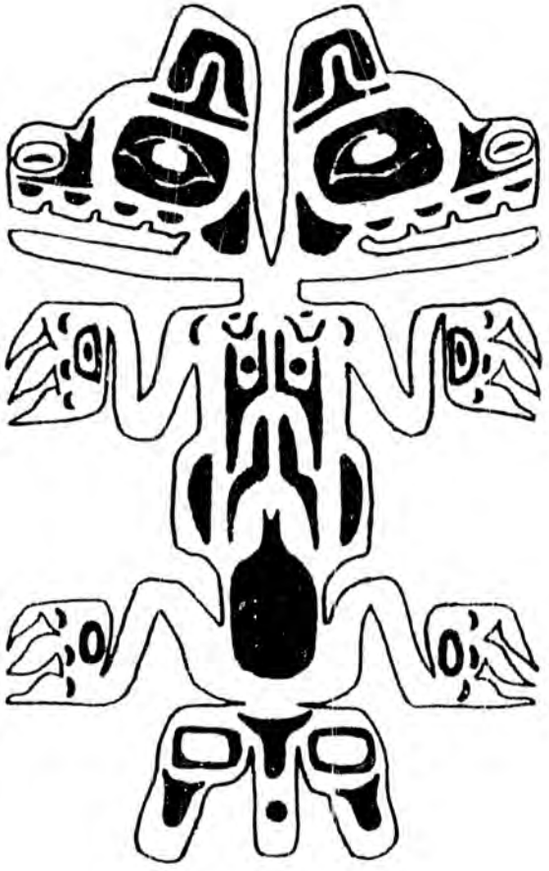
[3]*The Alaska Native Management Report,* June 1, 1977.

[4]W. Alonso and E. Rust. "The Evolving Pattern of Village Alaska, Federal-State Land Use Planning Commission for Alaska," *A Commission Study 17*: March 1976, p. 37.

[5]*Ibid* p. 39.

[6]Letter from B.B. Allen, Commissioner of Administration, April 5, 1978.

[7]*The Alaska Native Management Report,* July 1, 1977.



NOTES

ENERGY EFFICIENT CAPITAL CONSTRUCTION

Prepared by
Mark Fryer

Abstract

Alaska's building industry is treated in overview with emphasis on the constraints to reducing energy consumption in new capital construction. Some generic areas of the industry are cited for examination by the conference, specifically, the financial environment and the human resources needed to reduce energy consumption in new capital construction.

Energy Efficient Capital Construction

Although all capital construction consumes energy, both in initial fabrication and life cost, the greatest opportunity for reducing energy use in capital construction lies in the design and operation of buildings. I speak now on the level of construction. In the planning sphere, the institution may be able to save energy by selecting means other than through constructed facilities to deliver services, but once the decision is made to build, the opportunities for reducing energy consumption appear to be in building design and operation.

This paper is intended to give a brief overview of buildings as energy intensive capital construction and suggest some specific elements of that industry that the people of the State may wish to address in a formal manner.

A Brief Overview

Over the next 25 years, about 150 million square feet of new buildings will be constructed in Alaska.[1] Two-thirds of this space will be residential, the remainder will be a mix of commercial, institutional, and industrial space. If we construct and use this space in the same manner as we have in the past, by the year 2005 we can expect this new built space to consume 39 trillion BTU's of space heat and 1.5 billion kilowatt hours of electricity.[2] The *total* energy consumption, combining thermal and electric systems for this new increment of space, is estimated to be about 84 trillion BTU's.[3]

If we make the assumption that all energy sources combined will have an average cost of say 90 percent, the cost of U.S. fuel oil, and further assume fuel oil prices will inflate at an average anual rate of 7 percent over the next 25 years, the annual fuel bill for the new buildings constructed between now and 2005 would be about 2.4 billion dollars ($16,800 per family per year assuming per capita cost of $6,720 per year).[4]

It is not the purpose of this paper to make economist's projections of energy costs. The foregoing is but a setting meant to suggest the impact of the energy consumption character of new buildings. Let us, for these purposes, compare 1980 energy costs with 2005 energy costs to the consumer. The most graphic example of this comparison is in Anchorage. If the 1980 average natural gas price to electric producer, residential and commercial consumers is $1.50 per million BTU's, the annual average per capita bill of energy would be $355 per year.[4]

Although the dollar at 6 percent inflation will, by 2005, be worth 23 1980 cents, the 2005 energy dollar for the Anchorage citizen will only be worth about five 1980 cents. That is to say, in relative terms, the price of energy will have increased by a multiplier of nearly 5 times. For Fairbanks, the energy cost change will be less dramatic with the 2005 energy dollar being worth about fourteen 1980 cents. This example is not a forecast; it only purports to extend into the future our history of energy use and cost.

The Building - Time House of Involvement

In the free market place, *today's* economics influence the character of the construction. Builders still use electric heat; 2" x 4" wall construction is still the norm in southcentral and southeast Alaska. The market place sets the standard. To change the criteria for design we must persuade the banker, the builder, the designer, and the owner that they are all better off by reducing building energy use. This is currently difficult because all of these interests are short term:

The Banker: The banker, upon financing the building "sells his paper." Within 12 months of longterm financing arrangements, the banker is out of the picture, his job has been performed.

The Builder: Obviously he is "out" as soon as the owner accepts the building. Usually within a month or two after completion of the building.

The Designer: The designer's job is usually done when construction starts, however, in some cases, he will see the job to final owner acceptance. Although his job is to look after the owner's interest, it is the owner who perceives the place in the economy for the building, sets design goals, goals that relate to his (the owner's) interests. Thus, economics questions related to energy are usually resolved with cost/benefit equations that are quantified in terms of years to pay out. The higher the inflation rate, the larger the investor's expected return on investment, and the shorter the payback period required for a "good" investment.

The Owner: The character of "the owner" could not be uniformly simplified. The public owner takes on the character of the administrator whose responsibility it is to get the facility built. Some want as much area as can be squeezed from the budget, some want quality construction, some want only hassel free projects with little egard to the end product. These "owners" are influenced by political and administrative forces rather than market place economics.

The private owners are a mobile lot with time frame of involvement ranging from a year or so, to perhaps five years. Exceptions are the business and industrial people whose buildings house longterm business investments (i.e., hotels, fabrication shops, etc.).

The graphic illustrated in figure 5-1 indicates the different incentives offered by differing time frames of involvement of the owner. A $5,000 expenditure for energy conservation for the five-year owner (using 12½ percent money) can result in an energy savings of 225 million BTU's per year, while the same expenditure need only be worth 110 million BTU's per year to be a "good deal" if the owner were to take the 25 year view. For the developer (the guy who is "in-and-out" in 18 months) energy conservation can not reasonably be an issue except as it may affect finance and selling opportunities.

Maintenance Aspects of Energy Consumption

The building, once constructed and in use, starts to consume energy. The rate of that consumption is now, not only a matter of original design, but is affected by use patterns and maintenance and service factors as well. Here again, the time frame of involvement is important. The owner of leased space enjoys tax incentives that minimize his interest in energy consumption. Because of our tax structure, many commercial and industrial building owners work to turn the property over every five years or so. Because of cash flow requirements, the regular maintenance and service costs are usually minimized at the expense of energy consumption and the general condition of the building. Inflation works to increase the value of a property while accelerated tax write-off artificially devalues the building. The net result is the owner takes a tax loss while building deterioration and inflation work so that the dollar value slowly increases (i.e., deterioration is less than inflation). The incentive to spend cash to maintain the facility in new, or near new, condition is mitigated by the tax structure. Thus, buildings of this ownership, together with their energy system deteriorates over the long term.

Maintenance of the housing stock is affected by the economic situation of the owner. In the case of owner occupied housing, psychological factors, not quantifiable in this paper, are at work. Rental residence operation is influenced by economics that govern other commercial lease or rental space.

The institutional owner, as is his habit in designing buildings, is driven by factors political and administrative rather than marketplace economics. Let us use a positive example of what can be done to reduce energy consumption in existing buildings just through the maintenance and operations level. The experience of the University of Alaska - Fairbanks is graphic 7.

In 1973, that institution started a vigorous electric energy conservation program. That program is continuing today. The results to date are:

Peak demand during the winter of 1972-73 was about 3.0 megawatts.

Peak demand projected for 1973-74 was 3.25 megawatts.

Because of their program, peak electric demand *realized* during 1973-74 was 2.4 megawatts.

* A 26 percent reduction in peak electrical demand.

Total annual electric use since the program was started is about 25 percent below the 1972-73 level, yet services have grown over this period.

Since the University's physical plant system includes a coal fired heating plant, containing electric generation features, they were able to reduce their dependence on the local electric utility. Those measures reduced purchased electricity (generated from petroleum fuels) from 18 million KWH per year to 3 million KWH.

* A reduction of 83 percent.

The primary conservation moves employed and responsible for the large reduction in electrical use were:

1. Dedication to the program by operations personnel.
2. Changing custodial work from night work to day work.
3. Relamping buildings.
4. Cycling ventilation equipment to match building activities.
5. Improved waste heat utilization.
6. Replacement of water cooled refrigeration with air cooled equipment.

Note: Operating costs were decreased, because of this program, by over $500,000 per year.

It should be carefully noted that this dramatic example of energy conservation occurred in the institutional setting. Although it was cost effective, the motivations of the people responsible were (and are) not those that control the private market place.

The Technology

Regardless of our motive and dedication to reducing energy consumption in capital construction, we must not forget that people are required to actually carry out the work of conserving energy. In the case of the University of Alaska, the Director of Physical Plant has degrees in mechanical engineering, engineering management and process engineering. He is experienced with all phases of physical plant operations and directs a staff of highly skilled journeymen craftsmen.

Modern buildings contain computerized controls, sophisticated equipment and are generally one-of-a-kind designs, therefore, knowledge of how one building operates does not necessarily give the operation deep insight into the rationale for design of other buildings.

About one-third of the cost of new buldings resides in the energy consuming systems contained therein. The systems are complex, requiring innovation in design and high skill levels in operation. Even though this is obviously the case, time a again we see "custodians," "building engineers," and "janitors" who have little or no technical training left to operate million dollar physical plants. For example, in the case of fan energy consumption (see note on page 4), 8,00 KWH per year, and several hundred dollars annually, could have been saved had the "custodian" known that he should change air filters regularly.

Acquiring the services of well trained and experienced building mechanics is difficult. The condition and problems of physical plants located in rural Alaska is a case in point. Although the maintenance people may be skilled in some disciplines, energetic and intelligent facilities all too frequently fall into disrepair merely because no one knows how the mechanical and electrical plant was designed to operate.

On the professional level, a similar lack of talent is apparent. My firm, Professional Engineers, specializing in the design of energy systems, has been unsuccessful in its attempts to recruit talented, experienced engineers who specialize in this area of the profession. We perceive a nationwide shortage of such people.

Summary

1. Energy costs will inflate several hundred percent over the next 25 years.

2. Population pressures will demand a growth in built space at the rate of over 400 square feet of built energy consuming space for every new citizen.

3. The business climate discourages energy consumption through tax structure, entreprenurial motives, regulation, and the fluidity of our society.

4. Energy consumption in new buildings can technically be reduced by as much as 60 percent with little lifestyle or social impact.

5. Energy consumption in existing buildings can practically be reduced by as much as 25 percent with little or no social impact.

6. There exists in Alaska an acute shortage of energy technicians and professionals. The people are required to do the actual work of reducing energy consumption of new or existing facilities.

Recommendations and Conclusions

Since the predominate stock of energy consuming builds resides in the private sector, the greatest energy conservation opportunity resides there. Market place economics will be the primary force affecting energy conservation. The steps required to affect this sector could be in the form of incentives that affect:

1. Interest rates.

2. The time frame of involvement of the various professions to building, design, construction, and operation.

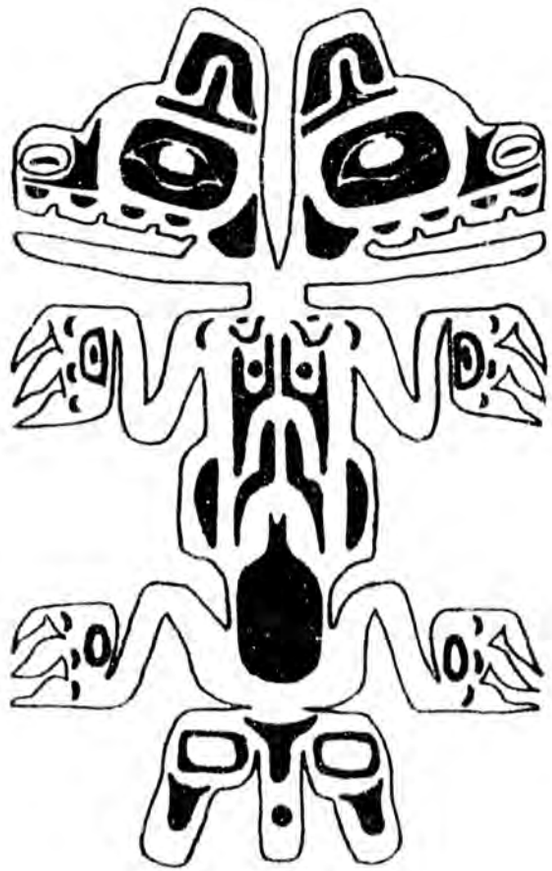
Energy machines are, by their very nature, technically sophisticated machines. Since we now lack an adequate stock of energy specialists (engineers and qualified building mechanics) we should undertake a vigorous training and education program aimed at the development of Alaskans capable and willing to become expert in these disciplines:

1. Expand and intensify community schools, colleges, and trade programs to produce skilled energy knowledgeable journeymen.

2. Expand and intensify mechanical and electrical engineering programs with specialty course work deferred in the applied fields of energy systems design.

3. Develop graduate degree programs in applied energy systems design, both in mechanical and electrical engineering disciplines.

Finally, no attempt to alter the direction of the past can happen without the complete dedication and support of the people.



APPENDIX OF NOTES, REFERENCES AND CALCULATIONS

1. The assumption is made that population will increase at a constant 2½ percent over the next 25 years. Further, each new citizen will require 425 square feet of space to house and support him (this is the figure accepted by the New Capital Site Planning Commission for construction of the Alaska new capital city).

   2005 population = $414{,}500 \times (1.025)^{25}$

   768,500 = $414{,}500 \times (1.64)$

   New citizens = $768{,}500 - 414{,}500$ = *354,000*

   New space = $425 \frac{\text{sq. ft.}}{\text{capita}} \times 354{,}000$ population

   = *15,000,000 sq. ft.*

2. Refer to table 2-1:

   Electric energy use $0.667 \times = \frac{4 \text{ kwh}}{\text{sq. ft.}} \times 150 \times 10^6$ sq. ft.

   $+ \quad 0.333 \times \frac{280{,}000 \text{ BTU}}{\text{sq. ft.}} \times 150 \times 10^6$ sq. ft.

   = *1.5×10^8 KWH*

   Thermal energy use = $0.667 \times \frac{250{,}000 \text{ BTU}}{\text{sq. ft.}} \times 150 \times 10^6$ sq. ft.

   $+ \quad 0.33 \times \frac{280{,}000 \text{ BTU}}{\text{sq. ft.}} \times 150 \times 10^6$ sq. ft.

   = *39×10^{12} BTU*

3. Total Energy Consumption:

   For Thermal: $\frac{39 \times 10^{12}}{0.6}$ = 65×10^{12} BTU

   Note: Assuming system efficiency at 60 percent

   For Electric: $\frac{1.5 \times 10^8}{0.9 \times 0.3} \times \frac{3413 \text{ BTU}}{\text{KWH}}$ = 19×10^{12} BTU

   Note: 90 percent transmission efficiency.
   30 percent conversion efficiency.

   Total Fuel = $65 \times 10^{12} + 19 \times 10^{12}$ = *84×10^{12} BTU*

4. The cost of hardware, operation, and transmission from energy sources to end use is ommitted from the calculation.

5. "Pay Back" examples: If an institution pays 7 percent for bonds of 30 year duration, a $5,000 investment costs $402.95 per year in debt services.

   A good investment will then be an annual savings of 65 million BTU's[a] per year of 8,000 KWH per year.

   The investor in a home that he will keep for the duration of the mortgage at 10-½ percent for 20 years will look at his $5,000 as $400 today and $480.60 per year. If our home buyer has the $400 in the bank, his investment is really about $572/yr or equivalent savings of 93 million BTU's or 11,400 KWH.[a]
   a. Assumes 85 cent per gallon oil or 5 cent per KWH electricity.

6. A building requiring 8,000 cu. ft. of air per minute of ventilation:

   Case 1: Let the fan run 24 hours per day, 365 days per year, with poor air filter change: Electric fan energy = 38,000 KWH/yr.

   Case 2: Same as Case 1, but clean filters. Electric fan energy = 30,750 KWH/yr.

   Case 3: Same as Case 2, but with automatic fan shut down when building is not in use. Electric fan energy = 10,425 KWH/yr.

   Case 4: Same as Case 3, except system is designed variable air volume. Electric fan energy = 5,850 KWH/yr.

7. Personal Communications with E. Staples Brown, Director of Physical Plant, University of Alaska - Fairbanks.



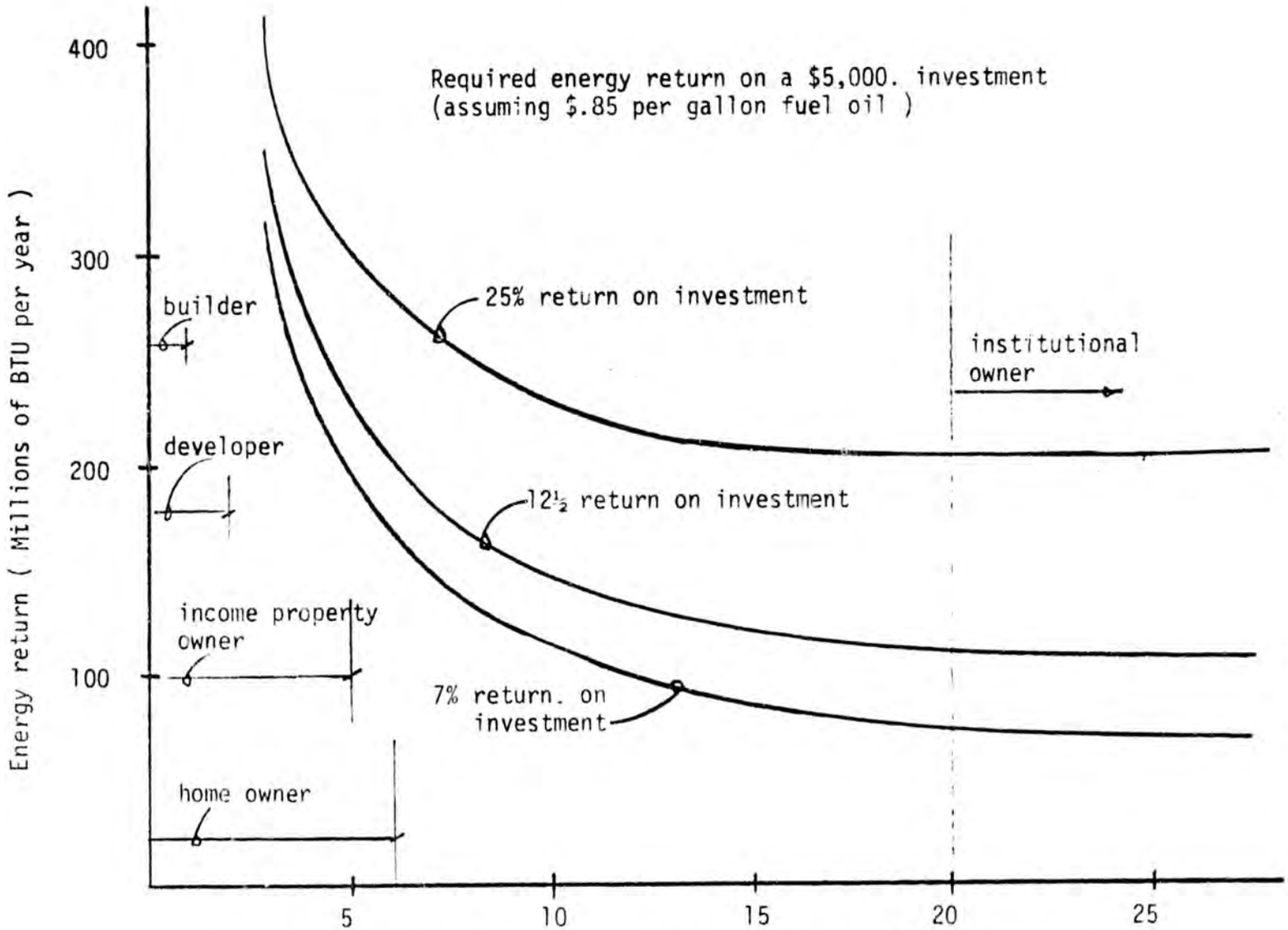


Figure 5-1 The Relationship between required energy savings and time frame of involvement

Table 2-1

Annual Energy Consumption of Buildings — Past, Present & Future

	Electric KWH / sq. ft.	Thermal BTU / sq. ft.
Existing Buildings		
Residential	4.0	250,000
Commercial and Institutional	22.5	280,000
Buildings Constructed During the Late 1970's		
Residential	4.0	190,000
Commercial and Institutional	24.5	200,000
Buildings Constructed During the 1990's[a]		
Case 1:		
Residential	3.5	110,000
Commercial and Institutional	19.0	90,000
Case 2:		
Residential	3.0	50,000
Commercial and Institutional	15.0	90,000

a. Case 1 assumes market place influence on energy consumption.

Case 2 suggests technically and socially attainable goals for energy consumption.

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NOTES

PROPOSED TAX STRUCTURE FOR ALASKA DURING A BUDGET SURPLUS

prepared by
Ken Gain

Introduction

During the decade of the 70's Alaska's burgeoning oil production, increased taxes on the petroleum industry, and the rapidly accelerating price of petroleum due to inflation and the high prices established by the O.P.E.C. cartel have produced substantial unanticipated revenue to the State of Alaska. As a result the State will be entering the decade of the 80's with surplus revenues in the range of $2-4 billion. In view of this large surplus, it is only appropriate that Alaska review and perhaps modify its existing tax structure.

History

Since Statehood, the tax revenue needed to support state government has come primarily from the following sources:

(1) Severance taxes on petroleum extraction, and ad valorem taxes against petroleum related facilities;
(2) Excise taxes levied primarily on the sale of gasoline, tobacco and alcohol;
(3) Gross business tax levied against the gross receipts of Alaska business; and
(4) Corporate and personal income tax.

At the beginning of the 70's, the principal source of State revenue was the corporate and personal income tax. However, during the decade, a series of new and larger taxes levied against the petroleum industry as well as the increasing production of and price of petroleum, have increased the revenue from petroleum related taxes to the point where they constitute over 65% of the State's current tax income. This increased income from petroleum related taxes as well as the State's royalty income from the sale of State owned oil, has been responsible for creating the large unanticipated surplus.

Current Status

By 1978 it became obvious that the State would begin accuring surplus income from oil taxes and royalties and therefore, certain modifications of the tax structure were adopted by the 1978 Legislature. As of January 1, 1979 the gross business tax, which was an extremely unpopular tax with business people, was repealed. In addition, the net cost of the personal income tax to Alaska residents was reduced through enactment of an "Individual Income Tax Credit." This resident tax credit allows a tax credit of $100 per taxpayer ($200 for joint returns) against taxes otherwise due in 1979 and will increase to $300 per taxpayer ($600 for joint returns) in 1981.

As a result of the unanticipated surplus, considerable discussion has been generated in recent months on the subject of abolishing or significantly reduing the personal income tax. Although it would of course be possible to reduce other taxes, no substantial support has developed toward reducing them. It is considered highly unlikely that anyone but the petroleum industry would support a reduction of taxes against that industry and therefore the author will address only the probabilities of reduction or elimination of some of the other taxes. Because alcohol and, to a lesser degree, tobacco create substantial public health costs as well as other social welfare costs (related to alcohol), the current taxes on these items do not yet offset their social costs. Therefore, repeal of these taxes would meet with substantial opposition. The increased price of petroleum, which is responsible for the unanticipated surplus, has also greatly increased the cost of gasoline to the Alaskan consumer. Therefore, support could be generated for a repeal of the excise tax against gasoline which would thereby reduce its cost to the Alaskan consumer. However, in terms of the overall current price of gasoline and the future anticipated cost, the elimination of this tax would not make a substantial price difference. Moreover, it is the opinion of this author that price is the ultimate answer to the conservation of petroleum products and therfore elimination of the excise tax against gasoline would only delay petroleum conservation in Alaska. Based on the foregoing, it therefore appears that the prime candidate for reduction or elimination is the personal income tax and the corporate income tax.

Putting the Income Tax in Perspective

In analyzing Alaska's personal and corporate income tax, it is important to understand the relationship with the Federal income tax. The regulations for the Alaska income tax closely parallel those for the Federal income tax and is based upon a percentage computation of the Federal tax. There is, however, one significant difference. Federal income tax rules provide that State income taxes are an allowable deduction for taxpayers who itemize deductions on their Federal Income Tax Return. Therefore, an Alaskan taxpayer, in the highest Federal bracket (70%) may deduct 70% of the amount of State income tax he pays from the amount of Federal income tax he pays. This means that for the highest income brackets, the net cost of the State income tax is only 30¢ on the dollar. For a person at the lower end of the income bracket (14%), the net cost is a sharply increased 86% of the actual tax. For the person who does not itemize deductions on his Federal tax return, the amount of Alaska income tax paid has no affect on the amount of Federal income tax paid, and therefore the net cost to him of the Alaska income tax is 100% of the amount paid. In almost all cases, it is usually advantages for persons who own homes (due to the fact that mortgage interest and real estate taxes are itemized deductions), or who have high incomes to itemize their deductions on the Federal return. Therefore, it can readily be seen that the persons who pay the highest percentage of net dollars (although not necessarily the most dollars) in State income tax are those persons who rent or who are in the lower income tax brackets.

In analyzing the income tax, it is also important to analyze just who is really paying that tax. In a recent talk, Governor Hammond indicated that the gross revenue from the personal income tax was approximately $130 million, of which amount $30 million is paid by non-residents of the State of Alaska.[1]

It must be remembered that most projections indicate that th income from petroleum taxes and royalties will sharply diminish within fifteen years unless there are additional oil discoveries. Therefore, the projected level of state spending will begin resulting in deficit budgets. Any elimination or reduction in taxes to Alaskan residents is likely to be temporary in nature.

Before enacting any new tax, four basic questions which must be answered are as follows:

(1) Is the tax reasonably fair?

(2) Is the tax reasonably easy to administer?

(3) Is the tax reasonably related to the ability of taxpayers to pay?

(4) Will the tax have an undue negative affect on the economy? (Since government is not as efficient in its utilization of capital as private enterprise, higher taxes will always have some adverse economic impact.)

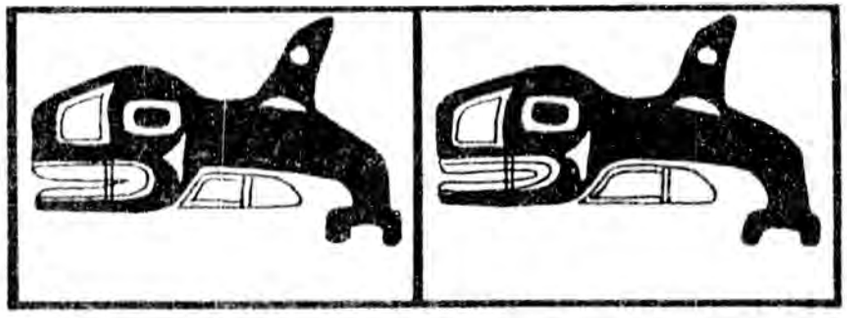
Therefore, when consideration is given to the reduction or elimination of the tax, it is only reasonable the same criteria should be applied.

One Alternative is to Simply Eliminate or Reduce the Current Income Tax

In analyzing the pros and cons of the alternatives the criteria which would be used for imposing a new tax will be applied.

Pros

The reduction or complete elimination of the income tax is incredibly simple to administer. With taxes reduced, it is a simple matter of reprinting the tax schedule. If they are eliminated it would be relatively easy to disband that portion of the Department of Revenue dealing with the income tax. It is certainly reasonably related to the ability to pay since no one would be paying any income tax. On the one hand it can be argued that it is very fair, since those persons who will benefit are those persons who are paying the taxes in the first place. However, a sub-



stantial argument can be made that the reason the tax can be eliminated is due to the profits derived from Alaska's natural resources, and that since these resources belong to all of Alaska's residents, all of them should share in an equitable manner. Unfortunately, the matter as to which approach is the most fair is pretty much a matter of individual philosophy and should be the subject of a book on philosophy rather than a brief paper on tax structure.

Cons

The negative arguments against complete elimination of the income tax begin with a discussion of whether or not it is fair which, as discused above, is a matter of individual philosophy. The overwhelming argument, and of this author's opinion, the key issue against eliminating the tax is the economic impact on the State of Alaska. As discussed earlier in this paper, any reduction in the Alaska income tax will, for the taxpayer who itemizes his deductions, increase his Federal income tax. Therefore, a significant portion of the amount of reduction in Alaska income tax will be offset by a corresponding increase in Federal taxes. Although the author does not have at his disposal hard statistics as to the percentage of Alaskans who itemize Federal returns and their averge Federal tax rate, it is reasonable to assume that since approximately 50% of all Alaskans are homeowners, approximately 50% do in fact itemize deductions on their Federal tax returns. Based on examination of Alaska's per capita incomes, it is reasonable to assume that the average Alaskan who itemizes his Federal tax return would conservatively be in the 30% Federal tax bracket. Therefore, complete elimination of the $100 million in State income tax paid by Alaska residents (Governor Hammond's figures) would amount to a corresponding increase of $15 million in Federal income taxes (50% x $100 million x 30% = $15 million). Considering that $30 million of the total $130 million in income tax is paid by non-residents, the complete elimination of the personal income tax would result in only $85 million (or approximately 65% of the loss of revenue to the State) in the pockets of Alaska residents. While an additional $85 million at the personal disposal of Alaska residents would certainly enhance the economy, it is this author's opinion that we should strive for a higher return.

The Recommended Tax Structure

It is this author's opinion that the State would better be served by keeping the income tax in force and providing a series of tax credits which will either reduce, eliminate, or provide a negative tax based on a series of tax credits related to the high cost of living in Alaska. This proposal would be based on continuation of the current "Individual Income Tax Credit" with additional credits equal to the amount of real property taxes and heating and electricity paid, or indirectly paid as a renter, on a permanent residence within the State of Alaska. Obviously, ther would have to be some limitation as to the amount of such credits. These credits could easily be established, year to year by the Legislature, depending on the amount of revenue needed to operate the State. Assuming that it is the intent to completely eliminate the $130 million collected in income tax, it wuld be possible to calculate these credits as the maximum of the actual total (i.e., sum of the current individual credits, plus the cost of real estate taxes on the residence, plus the total cost of the heating and electricity for that residence) or say $325 per family member, which is the approximate per capita amount based on $130 million income tax revenue. Since a portion of this recommendation is to allow an actual negative income tax, it is important to separate the tax structure from the welfare system. It is therefore recommended that an additional maximum limitation be established as 50% of the taxpayer's gross earned income.

To allow renters to take advantage of credits for taxes and utilities, which they indirectly pay through the owner of the property, it will be necessary to place a certain administrative burden on owners of rental property. To offset their cost in providing this service to tenants, it is proposed that owners of rental property be allowed to deduct as tax credits the amount of credits for real estate taxes which would be attributable to vacant units. As an illustration of how this would work, assume that a taxpayer owned a four-unit apartment building on which the real estate taxes were $1,200/year and that throughout the year he averaged a vacancy of 25%. In this instance, the renters of each unit would receive a $300 credit and the owner would receive the remaining $300 credit. The renters would, in addition to the credit for real property taxes paid, receive credit for their pro rata share of the utilities.

Relief to corporations paying the corporate income tax could be provided by allowing tax credits to help offset the high cost of doing business in Alaska. While it would be possible to establish corporate credits for real estate taxes paid, and utility costs, it is this author's opinion that a more beneficial type of credit should be related to the number of Alaskans employed. It is therefore recommended that corporate income tax relief be related to Alaska employee credits. Under this system each corporate taxpayer would be allowed a tax credit, equal to an amount established by the Legislature, for each employee who is an Alaska resident. By utilizing this form of credit, there would be greater incentive to those types of industry and business which are labor intensive and therefore provide greater benefits to more Alaskans. It would even be possible to allow higher credits for certain industries, the development of which the Legislature would like to encourage.

Since these credits are likely to be temporary in nature, and may vary from year to year, the most efficient method of administering the credits is to prepare an additional schedule to the current income tax form. After the taxpayer completes his normal income tax computations, he would then prepare the form for his credits. So that the taxpayer realizes that he will ultimately pay for any new government programs enacted, and that the credits are in fact temporary, the form should have a label such as "Temporary Tax Credits Due to Surplus Petroleum Revenues." By utilizing this method, the amount or limitation on the credits could be varied from year to year, depending on the State's revenue needs, while at all times maintaining a high level of consciousness with the taxpayer that he is ultimately responsible for the cost of government programs.

Pros

The recommended alternative is fair if the reader subscribes to the philosophy of fairly equal distribution of the benefits among the entire population. Because it spreads the amount of tax reductions more evenly through the populace and is related to cost of living and doing business in Alaska, it is more related to the ability to pay than the alternative of a complete elimination of income taxes. With the exception of credits which would accrue to non-resident corporations employing Alaskan residents, all of the credits would accrue to the residents of Alaska and therefore would provide a greater dollar impact on our economy. Because of the broader distribution and the allowance of a negative income tax, the benefits would accrue more heavily to persons who do not itemize their Federal income tax returns, and therefore will reduce the amount of the tax reduction benefits, which would be lost through increased Federal taxes.

Cons

An argument against this recommendation is, of course, the element of fairness which again depends on philosophy. Another argument against the proposal is that it would be more complicated to administer than a complete elimination of the income tax. On the other hand, the mechanism already exists for administering the income tax and with the exception of providing regulations for determining the amount of credits to renters, it should not be significantly more difficult to administer than the present law. Since owners of rental property would be receiving some benefits in exchange for calculating credits to renters, they should be quite cooperative.

Summary

In summary, it appears that the recommended course of action is preferable to complete elimination of the income tax in that it directs more dollars into the Alaska economy, and will benefit more Alaskans, particularly those currentle receiving no reduction in Federal taxes for the amount of State taxes paid. It also has the benefit of providing the greatest tax reduction for those businesses providing the most jobs for Alaskan residents.

While adoption of this tax structure would leave some higher income Alaskans still paying income taxes, it must be remembered that these higher income persons are already receiving substantial credits against the amount of their Alaska income tax through reduction in the amount of their Federal income tax. Therefore the issue of fairness does not seem to be an overwhelming one.

The major objection against the recommended tax structure, as opposed to the alternative of eliminating income taxes, is that there is no cost or effort involved in the elimination of income taxes. However, it is likely that at some future date it will be necessary to again levy income taxes and the amount of tax reduction benefits lost to the Federal government and non-

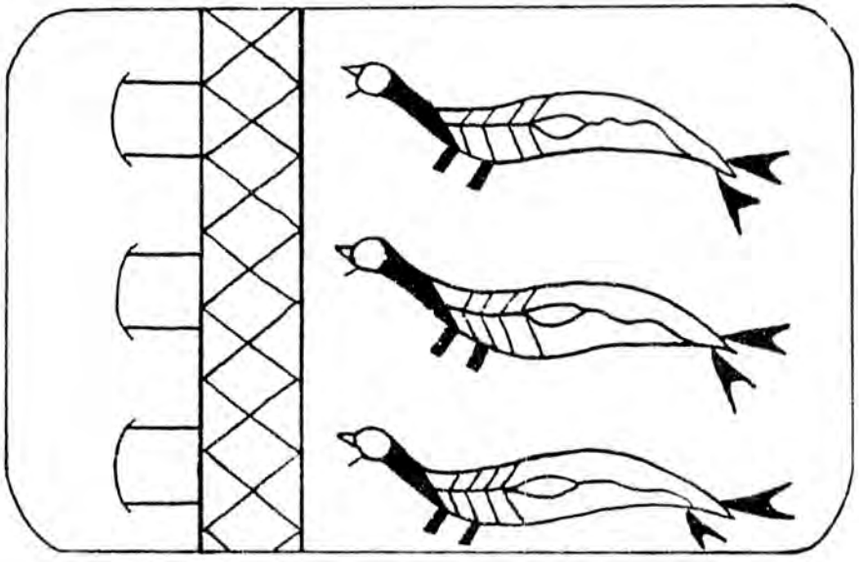
residents greatly exceeds the current cost of administering the income tax. In addition, the recommended tax structure will allow the Legislature to distribute benefits from our petroleum wealth greater than the amount of income taxes, but still retain the necessary mechanism to levy taxes which might be required in the event of some unforeseen change in petroleum revenues.

Footnote

[1]According to the Department of Revenue, actual revenue for fiscal 1979 from income taxes was $117,181,248.80 from personal income taxes and $24,828,170.87 from corporate income taxes for a total of $142,009,419.60. They were unable to, as of the date called, verify the amount paid by non-residents.

Biographical Sketch

Kenneth Jay Gain, MAI, SRPA, SRS, CCIM, is a 28-year Alaska resident who is currently employed as President of Professional Realty, Inc., and as Chairman of Real Estate Services Corporation, of Anchorge, Alaska. In his personal practice he specializes in counseling clients in achieving tax shelter through investment in real estate. He has also organized and currently manages some 15 partnerships designed to provide tax shelter for investors.



NOTES:

PERMANENT FUND

prepared by
Emmitt Wilson

Since it became apparent several years ago that Alaska would be able to accumulate a sizable surplus due to mounting revenues from the North Slope Oil Reserves, everyone and everybody has developed their plan for managing or spending these revenues. The past two sessions of the State Legislature have considered the idea of a permanent fund bill to establish the control of this apparent wealth.

In reviewing the report on the Brookings Institute Conference held ten years ago after the $900 Million oil lease sale, it is obvious that trying to predict and predetermine the actions and consequences of the next ten years will be nothing more than guesswork on the economists part. Throughout a history that has experienced the failure of four distinct economic systems, economists, for the most part, have only projected from current assumptions and later explained why their predictions failed. Ten years from now it is unlikely that my statements and recommendations will have stood the test of time but I offer them in the belief they would be good for Alaska today and well into the future.

The number one controversy that exists within Alaska at this moment is what to do with $1 to $4 Billion the State will apparently receive this fiscal year, over and above all operating costs-and the possible $45 Billion of such accumulated surplus by 1995. It appears we are now in the position that John Maynard Keynes would describe as having a budget balanced at naught on both sides, with the community starving to death because of inability to put itself to work. Theory and practice have lost contact.

At the very same time we are amassing these billions of surplus dollars, we are witnessing the failure of hundreds of Alaska businesses due to the lack of financing. Our homebuilding industry that is so vital to continued economic growth and expansion is being devastated because of the lack of mortgage money within the income limitations of the homebuyer. Moreover, hundreds of good people are being forced to leave the State because they can't be gainfully employed. What is holding us back? I think we need to answer at least four questions:

(1) Should Alaska continue to tie itself to the monetary policy of the Lower 48?

(2) What exactly is economic growth and is it desirable?

(3) Have we enough of it now?

(4) How can we get more of it, if we desire?

Should Alaska continue to tie itself to the monetary policy of the Lower 48?

By sharply increasing interest rates and adopting direct controls on the money supply, Chairman, Paul Volcker and the Federal Reserve Board have ordered what could be a long and severe recession with higher unemployment a certainty. This could be costly to Alaska's economy even if Mr. Volcker were right in predicting that it will bring inflation down, perhaps to 10% by the end of the year.

This is unlikely, however, since Alaska's unemployment rate is well above the Lower 48 and much of the inflationary boom is beyond the reach of monetary policy. The market power of big business to set wages and prices is a good example. So too is OPEC oil pricing, with another increase expected in December. A huge increase in social security payroll taxes in January will increase employer costs, drive up prices and reduce employee take-home pay, creating new pressures for catch-up wage increases. Higher interest rates are in themselves inflationary in the short run, since they increase the cost of money. Federal tax collections will decline with the Gross National Product and federal outlays for recession relief will rise steeply. The resulting increase in the deficit will be upwards of $20 Billion for each percent of unemployment. This deficit will have to be financed at the higher rates of interest decreed by the Fed, which will further increase the deficit.

Productivity, the lack of which is another cause of inflation, is not improved during recession. Factories have to be operated at less than efficient levels of capacity and investment falls off due

to the bad business climate. Lane Kirkland, George Meany's successor as head of the AFL-CIO, has called the Volcker package "the wrong move at the wrong time."

Since World War II there have been three recessions with nearly five million unemployed, with ratios rising to almost 8 percent. This is not an indication of healthy economic growth. The main problem appears to be the huge U.S. trade deficit we are acquiring due primarily to the demand for energy that last year amounted to $40 Billion and is estimated to reach $90 Billion in the coming year.

Alaska does not face such deficits. Instead, we are blessed with resources that insure tremendous increases in our Gross National Product." We have sources of continued cash flow, far and above the needs of prudent state government. Why then should we not return some of this income to the electorate in the form of tax relief, low interest loans and programs to benefit education and health? Instead, we are becoming part of an orchestrated recession being created by the Feds. We have the resources, the markets, the people and finally the money we have always lacked, until now, to build ourselves the best life and dynamic economy of any state in the Union, and of most countries, for that matter.

What is economic growth and is it desirable?

There are a variety of criteria for economic growth such as "the dollar output of goods and services," or some in the more abstract, such as "progress," "well-being," "higher living standards," etc. Measurements, meanwhile, can be in physical units, such as energy, tons, dollars, and also in human terms, such as the number of people employed and unemployed.

Affluent societies do not need to increase their tonnage of physical goods as much as they need to increase services, including the arts of living. Beyond the dollar totals, beyond full employment, lies this central question - *How well does the gross output serve the people who live in the economy?* Alaska is abundantly supplied with hard and soft minerals, water, forests, fish and money. We are seriously under supplied with job opportunities, schools, teachers, hospitals, housing, livable cities and many public necessities. We need to monetize our resources and our men and women.

Have we enough of it now?

Our economy is far below potential at the present time. We should never forget the fundamental goal; *to keep citizens employed and the community healthy.* Until every person who wants to work is working, until every housing unit has food, shelter, clothing, health services and education, we have not adequately managed our economy.

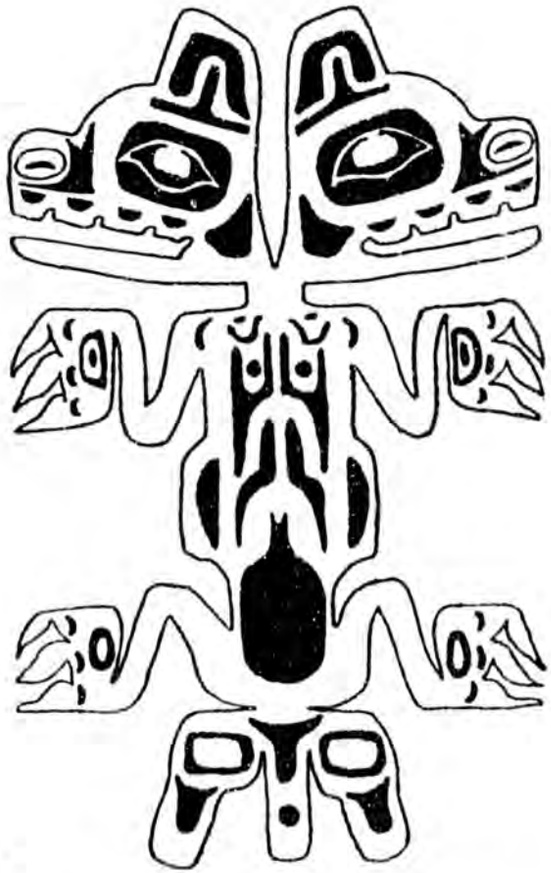
How can we get more of it (economic growth) if we desire?

It has never been done in an open society without increasing its debt. Our so-called free enterprise system is primarily a debt system, where bank money, which began as a debt of the borrower, is converted into new wealth. To increase the growth rate, money must go into the flow faster than it is taken out. The new money, it has been found, will also stimulate an increase in spending over and above the amount of the original addition.

John Maynard Kaynes was the first to draw attention to what is now generally known as the "multiplier." When money is motionless, as in a sock or a vault, nothing happens-except to the ego of its possessor. When it is spread around the market, the initial expenditure activates a series of waves, like a stone thrown into a pool of water, which continue to expand for some time.

Most of us assume that the initial spending is the only spending; we completely neglect the multiplier. Thus $1 Billion, borrowed from the banks and spent by the government to put a man on the moon might be regarded as a total loss, to some, money down the drain. Actually, owing to the multiplier effect, perhaps $2 Billion will be spent for food, shelter, clothing, health and education. The scientists, engineers and workmen spend their salaries and wages. The individuals who receive the money spend most of it, save some of it. Business firms also save some of it, as the dollars go around and around in the circuit.

Professors Canto, Joines and Webb of the University of Southern California, Graduate School of Business Administration, did a study on the effect of Proposition 13 in California. Proposition 13, which became law in July, 1978, placed a lid on property taxes at 1% of market value and dropped revenues on which counties, municipalities and school districts rely, from $12 Billion



to about $5.6 Billion. The $6.4 Billion cut in property taxes was approtioned as follows: only $2.3 Billion went to homeowners, with the landlords getting $1.2 Billion and commercial and industrial interests winning a $2.9 Billion cut.

The $2.9 Billion cut for the Business Community prompted Governor Brown to urge corporations to invest their tax savings in California to create more jobs and a "Buoyant Economy."

The report which was presented a year after the Bill was enacted showed there was a decline of 100,000 jobs in the public sector but a creation of 552,000 new jobs in the private sector. The unemployment rate in California declined from 7.6 percent to 6.2 percent while the U.S. rate declined from 6.1 percent to 5.8 percent; the lowest gap in 20 years for California.

To substantiate their evidence the professors found that personal income tax cuts in Puerto Rico in 1976 were followed by a drop in unemployment and a dramatic increase in the Commonwealth's surplus. Similarly, the professors noted that in 1962 and 1964 tax cuts resulted in the national economy experiencing "a period of unprecedented expansion," with unemployment declining from 6.7 percent to 3.8 percent in 6 years.

These examples illustrate the multiplier effect. It doesn't matter if it is in the form of a tax cut or *new* loans. If it allows an addition to current investment which would not have occurred otherwise, incomes will necessarily be increased and at a rate which will normally exceed the rate of the increased investment.

Money lenders, centuries ago, issued gold certificates to an amount greater than the gold in their vaults. They thus created money "out of the air," or more properly, created the means to finance an increase in production. They took a calculated risk that the gold certificates with inadequate metal behind them, would stimulate enough enough activity by the borrower so that he would possess new wealth, and could repay the loan and interest.

Keynes summarizes the modern process. A grant of bank credit, and the checks resulting therefrom, will tend to:

(1) increase the output of wealth,

(2) increase employment,

(3) improve wages, and

(4) raise the gross national product.

The bank credit comes "out of thin air" to begin with, but usually materilizes into useful economic events. Credit can be extended to a businessman, to a government, to an individual or to a charitable enterprise, for that matter. The businessman normally gives his note, the government its bond, or short-temr paper. Both help to create money or numbers never before in existence!

The only thing that has ruined this desirable process is infla-

tion, "The condition or state of generally rising average prices for like or equivalent goods or services. Inflation can be independent of, and is not necessarily correlated to, the amount of money or credit available."

We've been offered hundreds of contributing causes of inflation, most of which are really effects, not causes. In any viscious cycle, an effect becomes a cause, and vice versa. High interest rates are a case in point. Inflation requires high interest rates. Lenders are entitled to receive back at least as much value as they lent. If the dollar is worth less at the end of the loan period, equity demands that the lender receive enough additional dollars to make up for the loss in value of dollars lent, but interest costs are part of the expense of doing business, so high interest *resulting* from inflation in turn *causes* more inflations.

Until we completely change our U.S. corporation tax structure to a graduated rate (above $100,000 earned) we will not stop inflation. With a graduated corporate rate, price and profit increases would be as worthless to business as wage increases are to labor. As it is now, wage increases are just added on to the price, plus the profit on the increase, and passed on to the consumer.

A graduated corporate tax program that would achieve this end of price-wage spiral would be profitable to business, labor and the entire economy since each would gain more real buying power instead of dollars worth less all the time.

Martin J. Meyer and Dr. Joseph M. McDaniel, Jr. wrote a book entitled *Don't Bank On It*. In it they say "Believe it or not, any sum of money deposited in any Bank or Savings and Loan Association at any time during the past 10 to 25 years, after deductions of average income taxes on interest earned, would have brought more loaves of bread, more heads of lettuce, more rides on the subway or more copies of the *New York Times* with the original deposit than it will today will all of the compound interest added. Money must be made to multiply itself many times over in the span of a score of years if the thrifty are to keep pace with inflation."

The best Master Trust Agreements offered by the top banks and money managers with their "very *aggressive*" asset mix of 10% bonds, 80% stocks and 10% cash are expecting a rate of return of 11.8% over a five year period. Their "very *conservative*" asset mix of 80% bonds, 5% stock and 5% cash is projected at 9.3%. After adjustments for management fees and taxes (in the case of corporations and individuals) the net after tax return is more like 6.4% to 6.8%.

The State of Alaska, to my knowledge, has never had a net effective yield on its investments in excess of 8% annually. Meanwhile, an inflation rate of at least 10% is predicted for this year.

Under these conditions how can anyone argue that "Saving" our surplus money for future generations is the correct path to take when we are not even getting our own money back at the end of the year.

The State can, however, realize a much higher rate of return if we can obtain the direct results of the multiplier effect within our economy.

Take for example an 11% net return from a master trust agreement in comparison to an 8% - 30 year loan on a new home built in Alaska using a $100,000 principal amount. The 11% will make the State $11,000 in interest the first year. The 8% home loan will only return $8,000. How can we justify this? At least 50% of the $100,000 is labor that the economists say turns over 5 to 7 times before winding up in someones bank account. Let's be conservative and just figure 4 times, or $200,000 of direct benefit to the economy generated by the labor portion of this one loan. The land that was subdivided required permits from the municipality, soils tests, engineering, title reports, legal documents, utility design and construction, all before the lot was produced. The house, besides the labor, required the materials and equipment and tools, all of these things contribute to a continuous sequence of expansion and we call the multiplier process. And taxes are paid to the municipality and state each time the sequence occurs. The property tax at 9 mills on an $80,000 assessment would be $720 per year. The state income tax on $200,000 in a 9% tax bracket would be $1,800.

The difference between the 11% and the 8% rate to the homeowner would be $218.50 *less* per month. Assuming most of this

went back into circulation with the multiplier effect of 4-1 it would mean $10,488 per year additional benefit to the economy. Considering these compounding beneficial effects how could anyone say that "outside" investment is better for Alaska, unless you do not want growth or employment.

The similar advantages of providing superior rate financing to Alaska businesses would be just as dramatic. If you would pull 20 case files at random from the State Business Loan Section, that were made without bank participation, you would find typically a $100,000 loan at 8% for 10 years will provide that business $500 - $700 of new money per month that it didn't have before. Applying the multiplier effect to this, it should become obvious that just as the tax cut under Proposition 13 put new money into play, that created jobs and actually more than made up the tax loss, this same result could be accomplished in Alaska by just lending people their own money at reasonable rates.

I would strongly recommend that 50% of the Permanent Fund be allocated for investment in a revolving loan fund for Alaska homeowners and businesses.

From every indication, the abnormally high interest rates decreed by the Feds will be forced back down within one year. Treasury Secretary, G. William Miller, the administration's chief economic spokesman, in a recent appearance before a subcommittee of a House-Senate joint economic committee, assured them the administration is prepared to "offer alternatives" to the current policy. The Treasury-Secretary said he believes a two-tiered system of bank interest rates, with lower rates for smaller business "makes good sense."

Lawrence B. Simons, Assistant Secretary of Housing and Urban Development, on November 9, 1979 confirmed that they are about to ask Congress for money to buy single family mortgages at below-market interest rates. A 1974 law authorizes $10 Billion for such purposes.

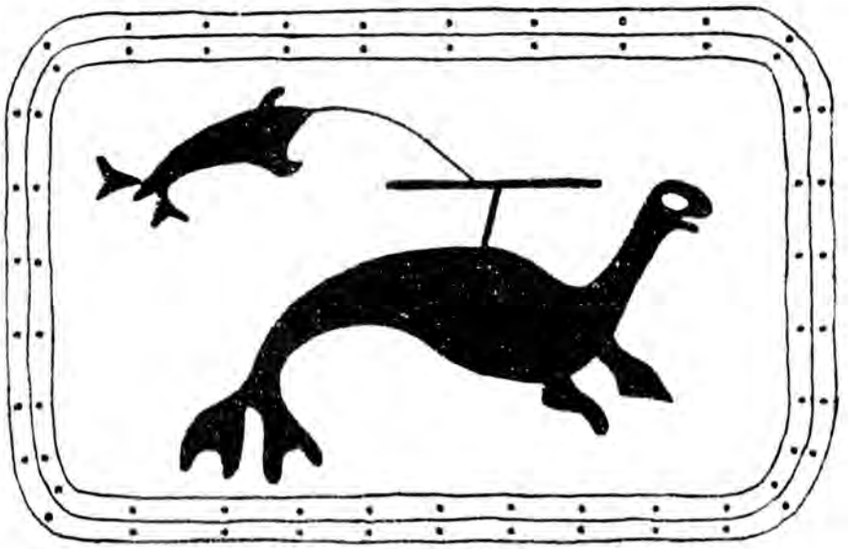
When the rates drop, Alaska could sell its mortgage portfolio or utilize the bond market "to create money," if it wished. In this manner the original funds could be leveraged to many times their original amount.

These loans should be available to all *qualified* Alaskans, regardless of income or mortgage amount limitations. The process for smaller business loans should be simpler and faster, and bank participation should be a choice of the borrower, not a compulsory requirement.

The Permanent Fund can provide the energy Alaska's economy has been waiting for...an adequate flow of money that can add millions of dollars of income and thousands of jobs.

Biographical Sketch

Emmitt Wilson is the director of the Alaska Teamsters 959 Credit Union.



ALASKA'S OIL AND GAS POLICY

by
Chancy Croft

Historical Perspective

The oil and gas potential of Alaska was known long before Alaska became a State. Oil seeps and their use by the Native peoples of Alaska were recorded prior to the turn of the century. Commercial production in fact was obtained in two different fields in Alaska prior to statehood; at Katalla in the Gulf of Alaska in the 1920's and 30's and at Swanson River on the Kenai Peninsula where Richfield, the forerunner of the present Atlantic Richfield Company, made a major discovery in 1957.

Nonetheless, at the time of statehood, oil was not as important to the State of Alaska as it is today and the attitude of State government reflected it. Until recently, no overall State policy toward oil and gas development existed. A leasing statute did exist, but there was no comprehensive leasing policy. The severance tax of 1% produced little revenue. There was no State authority to regulate pipelines and environmental concerns were for the most part nonexistent. Having said all that, though, it must be acknowledged that the State made one great accomplishment. Whatever disadvantages resulted to the State from the deficiencies were probably transitory and the result of the one great accomplishment of the State is more or less permanent. The State did select — as it was entitled to do under the Statehood Act — from the federal government — lands for the most part covering the great oil and gas basins of the State and thus obtained them for State ownership.

While others exist, the best example of the tremendous benefit of this policy is Prudhoe Bay. The State selected these lands in the early 1960s. As an oilfield, Prudhoe Bay was found in 1968. It remains to be produced, not discovered, at least 8 billion gallons of oil are recoverable under the present state of industry technology. An additional 12 billion barrels of oil exist in the reservoir. It is the largest oilfield ever found on the North American continent. Numerous dry holes had been drilled on the North Slope prior to its discovery. There are those in the industry who say that the discovery well was the last one to be drilled and if it had been unsuccessful, further efforts of North Slope exploration would have been abandoned for years. But now the odds are not 1 in 10 — the industry average for finding new fields; they are 1 in 1. In Alaska we are now dealing with certainties, not probabilities. Of immediate concern is development, as well as exploration.

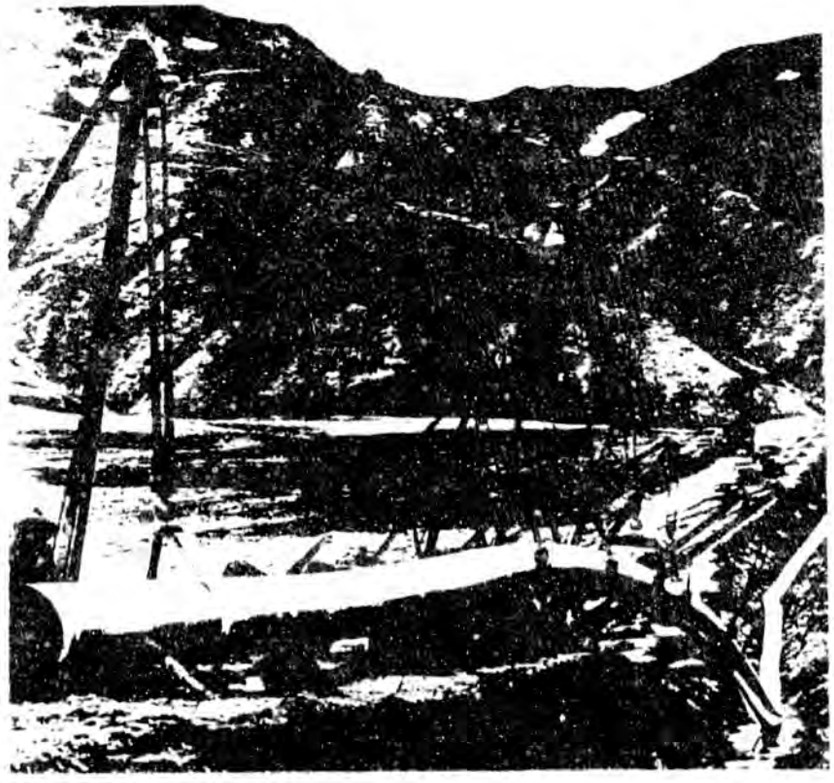
Prudhoe Bay has been leased. The State of Alaska has sold under its leasing program to the North Slope producers the exclusive right to 87½% of Prudhoe Bay production. The State has retained a royalty of 12½%.

In some ways, the history of oil and gas development in Alaska has somewhat paralleled that of other states, but in one very large aspect the State of Alaska is different and the State's policy must be a new and different one from that formulated by other oil producing states because of that factor. Those policies are often irrelevant to the situation in which Alaska finds itself. In Alaska the major areas of oil development are owned by the State. The Native corporations have lands with substantial oil and gas potential but all significant production now is on State owned land and this likely will continue for years. With some exceptions, oil production in the other states is owned by private individuals in those states and not the states themselves. While it is true that such states as Texas have some state-owned production, the vast majority of the production is owned by private individuals. As such, the State of Texas is in a position of deriving whatever benefit it can from a transaction to which it, at least initially, was not a party. Such is not the case in the State of Alaska, which is one of the two parties to the initial transaction. Stated another way, the State of Texas primarily derives its oil revenues from its taxing power; the State of Alaska will derive its oil revenues, if proper policies are followed, primarily from its proprietary power as owner of the oil itself. Because of this fact, the State of Alaska must develop an oil policy which is unique to the other oil producing areas of the United States.

CURRENT STATUS

Presently the State of Alaska derives the majority of its income from oil and gas operations, the largest single item being the royalty

of 12½% which is the traditional land owners share of oil production. In addition to royalty, the State receives a severence or production tax which varies with the profitability of a producing unit ranging from zero to one which can be comparable to the royalty rate on highly productive Prudhoe Bay wells. In addition, the State has an ad valorem tax on pipeline and transportation facilities and had for two years a tax on oil and gas reserves in place. The 1978 session of the Legislature revised the corporate income tax so that there is a separate tax applicable to the oil and gas industry, even though its purpose and effect is to simply insure that oil and gas companies pay the same corporate tax rate as other Alaska corporations. The Pipeline Regulatory Commission was established in 1972 by the Legislature but was not activated until 1974 by the State administration. The Interstate Commerce Commission — now a part of FERC — is a federal instrumentality created to regulate pipelines for the public interest. It has done a dismal job and is generally considered one of the weakest and worst of the Federal regulatory agencies. The purpose of the State Pipeline Commission was to establish a strong regulatory commission to protect both the Alaska public interest and the interest of the State of Alaska in a realistic wellhead value. Generally speaking State royalty and tax income reflects wellhead value — the higher the value the more State revenue. Transportation charges effect wellhead value since that is determined by deducting transportation charges — tariffs — from the refinery price. Thus the higher the tariff the lower the wellhead value and State revenues. Despite some aggressiveness, the State Pipeline Regulatory Commission has been for the most part inefective. The State has a good statutory framework with regard to leasing. However, between November of 1973 and July of 1979, there were no oil and gas lease sales in the State of Alaska. Now a major sale is scheduled in conjunction with the federal government in the Beaufort Sea in December, 1979. The State of Alaska has suffered from a lack of technical expertise with regard to the oil industry. Some expertise is being developed in the State government, mostly in the Department of Natural Resources and Revenue. The major handicap towards the formulation of the State's policy has been the absence of any expertise at the University of Alaska. There are two great exceptions — the Institute of Social & Economic Research and the Arctic Environmental Information & Date Center. All major oil and gas producing states have had Universities with first rate people involved in oil and gas matters — Texas, Louisiana, Oklahoma and California — but the State of Alaska does not. We do



have a couple of good vocational programs in Kenai and Seward Alaska.

But any evaluation of the current status of State policies must involve a consideration of several other factors.

The role of the State with regard to oil development is as a seller of a product. This involves a departure from the traditional role of government, which is to provide services or protection for its citizens which they cannot or should not provide by other means. Certainly, in at least one respect, it is no longer the arbiter of conflicting interests within its own citizenry, but is instead the marketer of products owned by it — on behalf of its citizens — to non-citizens.

As the seller of a product it is important to recognize that the State's most valuable product is vast areas of unexplored land with

great hydrocarbon potential; one of the few areas with that characteristic on the North American continent, if not the Western Hemisphere, and certainly the only such area in the United States. In contrast, of minimal value are such traditional governmental economic stimulants as favorable tax rates, industrial incentive, and the like. In short, it is the State's ownership of land and not its ability to use traditional governmental economic regulators which is the State's greatest asset.

Sellers are one-half of the parties to a sale. The direct purchasers of the State's products share some unusual characteristics themselves. In the first place, the Oil industry has enjoyed for a long period of time in the United States a very favored position with regard to governmental policy in general and tax policy in particular. Industry has obtained this favorable position because it constitutes — or at least did until recently — one of the most powerful economic and political interests in the United States. Secondly, the oil industry involves a vertically integrated regime. One company often controls the product from its initial extraction through all of the refining and marketing processes to the ultimate consumer. The company controls the exploration, discovery, production, transportation, refining, marketing and sale of the product; as such, the industry is in an extremely powerful economic position. On the other hand, the industry is, for the most part, undiversified. As such it is, ironically, in a vulnerable economic position.

In the third place, many phases of the product's handling involve monopoly or near-monopoly control of the product — probably the result permitted if not compelled by vertical integration and lack of diversification. No better example is available than the fact that for years to come the transportation of North Slope crude will involve one facility owned by a few companies. In this case the owners of the production and the transportation facility will for practical purposes be substantially identical.

In the fourth place, while the purchasers of the product are in a strong position, that position varies from company to company. Some companies are long on reserves and short on capital, others possess tremendous refining capacity but little production.

The character of the product itself is unique. In the first place, its value is subject to many factors beyond the control of the State. For example, the value of domestic oil production is probably more affected by OPEC prices than any other factor. While a greatly increased demand for the product is forecast if present trends continue, the whole future of the product as a fuel source is open to some question. In addition, the product is a non-renewable resource, and as such, regardless of vast quantities of oil on the North Slope, the quantity is still finite. The market may be long-term, but is certainly not permanent.

The oil industry must always be viewed by the State of Alaska as the purchaser of a product the State has for sale. As such, it is naive and unrealistic for the State to expect that the industry will voluntarily discuss with candor the value of the product the State is selling and the industry is buying. If the State's information as to the value of the product is limited to the value publicly attributed to the product by industry, the State will never have sufficient information to formulate valid State policy. Only an independent evaluation by the State, coupled with marketing techniques which themselves demonstrate the value, will provide the information regarding value from which the State can formulate a realistic oil policy.

Alaska's task of being an informed seller is a formidable one. The informational sources of the buyers are sensitive and accurate. In addition, while the industry can discuss and decide in private, the State must do so publicly.

OTHER PRESPECTIVES

A myriad of other perspectives can be brought to bear in determining the State's oil and gas policy. For example, the current fight between environmental and developmental concerns. Are we failing to take advantage of an opportunity because of fear? Are we losing our values for a fast buck? Probably the truth lies somewhere between the claims of both sides. The oil industry has for the most part operated in a safe manner in the State of Alaska and has demonstrated its ability and willingness to abide by the conditions imposed either by the environment or by government. The State has benefitted from this attitude. But the industry has benefitted as well from the expertise of government and the Trans-Alaska Pipeline will stand not only as a monument to the engineering ability of the American oil industry but to the fact that it was government concern which avoided a fiscal and evnironmental disaster. Also bearing on

the formulation of State policy is whether development should occur quickly or slowly, whether government should tromp on the gas pedal or apply the brake. Consideration of these factors often causes a discussion to spill over into a question of whether or not the public or private sector will benefit most — or should benefit most — from oil and gas development. A related question is whether the government should use its regulatory or its proprietary powers. Should it act as an unbiased umpire or should it assert its prerogatives as an owner of a resource and can it do both efficiently and fairly? And how is the decision to be made? How does a representative democracy handle publicly its relationship with an industry that makes most of its decisions in private? Is a leasing policy or a tax policy one most likely to produce the greatest long term benefits for the State? What about varying interests between the federal government, the State government and the stockholders of Native corporations in Alaska? Most of the lands suitable for oil and gas development lie under State or Native control, but it is the federal government that is the most desperate to obtain new supplies of oil. To what extent will the interest of all three be better protected and advanced through cooperation rather than an adversary position? A gas pipeline has now been proposed to transport Prudhoe Bay gas to market. The statement has been made that State financing is necessary. Should the State participate? What should the State do with regard to petrochemical development? What about production of both oil and gas from known reservoirs? Other states regulate the rate, should we? Presently it is anticipated that more oil will be left in the ground than produced. Should the State undertake research to increase ultimate production?

DIRECTIONS

The result of these factors is simply that economic conflict between the State of Alaska and the oil industry is inevitable. The policy of the State could be developed, should be developed, must be developed, which will allow both the State and the industry to benefit from the State's oil development. If a policy of such a nature is not developed it is quite possible neither will benefit. But the fact that both may ultimately benefit does not change the fact that both will still be adversaries. Certainly, transactions exist — hopefully will exist between the State and the oil industry — in which both the buyer and the seller, because of unique circumstances peculiar to both, enjoy an extremely profitable transaction. But to assume that this will invariably be the case with Alaska's oil is naive and in most situations increased benefits for one result from decreased benefits from the other.

Considering these factors, what principles will best guide Alaska oil policy in the future?

It should be recognized from the beginning there is no policy the State of Alaska can pursue that is without risk. If we develop now to the maximum instead of later we take the risk that we are selling the product too cheap. If we wait too long, additional energy sources may be found. They may be worse environmentally, they may not exist in the State of Alaska at all. If we lease on a net profits basis, there may be no oil in the ground. If we sell on a bonus basis, we may be disposing of another Prudhoe Bay.

It is absolutely essential that State oil policy be flexible. Because so many factors affecting oil policy are outside the control of the State of Alaska, a permanent irrevocable policy is unsatisfactory. Because the State will never obtain all the information it desires, it can never refuse to change policy in light of new information. Such a policy has its pitfalls. Instability may result in increased cost resulting from maintaining flexibility should be viewed as a cost of securing a far more valuable ability to cope with changing situations as they arise. Such a policy is bound to produce cries of alarm from an industry dedicated to preserving the status quo. But an industry which can successfully profit from a discovery program where its chances are only one in ten can successfully cope with a reasonably flexible policy on the part of the State of Alaska.

Secondly, the actions of the State of Alaska must be governed by the actions of the oil industry and not the industry's attitude. Whether the oil companies love us or not is irrelevant; we're not buying love, we're selling oil. While there are vast quantities of oil to be produced in the state the rigs will run; if the oil is gone the companies will leave. We can hope for no more and plan on no less.

A policy must give recognition to the differing positions of differing companies. A 1969 oil lease sale would have been a disappointment for the State if the participants had been limited to Atlantic-

Richfield, British Petroleum (now Sohio BP) and Humble (now Exxon). Sohoi BP holds approximately one-half of the total recoverable resources at Prudhoe Bay, yet its total cash contribution to the 1969 sale was $3 million — 1/3 of 1% of the total bonus received by the State. Those companies had their production and were reserving their capital to secure transportation. It was the companies without production who made the sale a success. We must be able in the future to capitalize again on a situation in which one company would bid a little and another a lot. In order to insure the viability of such a policy, it is necessary for the State to act in order to maximize the number of potential purchasers. Allowing monopolies to exist at any stage or in any phase of oil development could well jeopardize this policy.

Because the public sector owns the oil, the public sector of the economy will be the primary beneficiary of oil development. For example, at full pipeline throughout annual oil revenues to the State will be double the total yearly payroll to residents and non-residents at the peak of pipeline construction. Doubtless, the private sector will advance as a result of the sale of public oil. But the benefit will usually, if not always, be greater in terms of increased State revenues rather than private economic development.

Since oil is a non-reoccurring resource, our oil policy must be viewed as a means to an end rather than an end itself. It must be the goal of the State to channel the revenue derived from oil development to other social goals; either to permanent social improvements which will outlive the oil supply, or to development and perpetuation of renewable resources which will outlive the non-renewable supply. As oil, the product, is exhaustible, so the economic structure around it is exhaustible as well. In one critically important respect, the brightness of Alaska's future depends on the soundness of the oil policy we develop; the duration on how wisely we reinvest the income that policy produces.

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Author

Chancy Croft was a member of the Alaska Legislature for 10 years. He was chairman of the first Legislative committee to address the overall State oil and gas policy. Legislation written and research undertaken by that Committee has set the basic oil and gas policy of the State of Alaska. Mr. Croft was President of the Alaska State Senate in 1975 and 1976.

References

The first effort at analyzing the relationship between the oil and gas industry and the State of Alaska began with the Institute of Social, Economic & Government Research at the University of Alaska. In particular, Arlon Tussing and Gregg Erickson pioneered in the field. The 1969 Science Conference at the University of Alaska in Fairbanks was the first major public discussion of oil and gas policy and the papers of numerous participants are highly recommended.

In addition to work done by the Institute of Social, Economic & Government Research at the University of Alaska, the work of the Arctic Environmental Data & Research Center under the direction of David Hickock should be consulted with regard to environmental and technical information.

The Legislature has commissioned or obtained considerable sources of information. Under contract to the Alaska Legislature for approximately 10 years, Milton Lipton of Walter Levy & Associates of New York City has identified areas of concern to the State over a broad spectrum. The Legislative Research Division itself contained some of the greatest expertise in the field and numerous papers prepared by legislative research are recommended.

In the area of leasing, the definitive work was done by Mason Gaffney and in reservoir engineering the works of Professor Doscher of the University of California are recommended. The pipeline impact committee files of the 1971 and 1972 sessions and the work done under the committees headed by John Huber and Chancy Croft in 1975 and 1976 are also recommended.

With regard to the gasline itself, the work done by Arlon Tusing and Connie Barlow under contract to legislative research, while controversial, is a fine product.

The administration has been responsible for several studies. Particularly the 1977 Department of Revenue study of taxation is a monumental work in that field, and recently the Department of Natural Resources has conducted a study of leasing methods in conjunction with the Legislative Committee headed by State Representative Joseph McKinnon. Ed Phillips' work for the Department in particular should be singled out for consultation. Far and away the most work in the area of petrochemicals has been done by the State Oil and Gas Royalty Advisory Board. Joe Moore, a consultant to that committee, is probably the most knowledgeable person in the area of Alaska petrochemical potential.

The industry has made numerous contributions in the field. Often contributions have been with regard to technical information concerning, say, geology of the North Slope. But they have contributed to the policy discussion as well, and probably the most monumental work that has been performed was the 1977 Arthur Anderson study concerning the profitability and taxation of Alaska operations. This was updated in 1978 and was done for the major North Slope producers. AOGA has done a study entitled *Alaska's Emerging Fiscal Crisis*, and it should be consulted.

IN-STATE USE OF THE STATE'S PETROLEUM RESOURCES

Prepared by
Connie Barlow

Thumbing through the reports and recommendations generated at the 1969 Brookings conference, I am struck by the absence of any mention of "in-state use" of the State's oil and gas resources. Nowhere were the prospects for refining or petrochemical development even mentioned. In the aftermath of the $900 million sale of North Slope leases, oil and gas was viewed almost exclusively as a source of unexpected state wealth. Today, while this conferenece and statewide discussion in general still center on what to do with the cash windfall flowing from sale of petroleum resources, government officials and business interests are also talking about whether and how something more than money can be squeezed out of our oil and gas royalties — whether Alaska's share of North Slope production might be "used" within the state.

Recommendation #1.

My first recommendation is for delegates to refrain from labelling all petroleum processing proposals as "in-state use", and for delegates to urge state officials to do likewise. That may sound awfully petty, but I believe that sloppy use of the phrase by government officials is, in part, responsible for some of the misconceptions held by Alaskans as to the benefits of certain projects now being promoted.

If, for example, oil is refined in Alaska and the products find their way into our cars, snowmobiles, home furnaces, and electric generators, that certainly qualifies as "in-state use". The Earth Resources facility at North Pole and the Tesoro refinery on the Kenai do process oil for in-state use. However, if light hydrocarbons (known as gas liquids) are turned into basic petrochemicals like ethylene and polyethylene, Alaskans still will have to buy their baggies and pantyhose from Outside suppliers. All but the most optimistic promoters acknowledge that a petrochemical industry in Alaska will provide only *primary processing* of resources; it will not supply much of anything that can be used within the state.

The timber industry in Southeast Alaska is a good example of this difference. While pulp and cant mills are important sources of local jobs and taxes, they do little to relieve our statewide dependence on Seattle for finished products like paper and lumber. There is nothing inherently wrong with manipulating state resources or even providing outright subsidies in order to bring about primary processing to help out local economies. But it is wrong to subtly suggest that there is something in it for all Alaskans by coining the phrase, "in-state use" — particularly if subsidies are provided from statewide revenue sources. When polled by the Fairbanks North Star Borough in 1978, for example, 58 percent of the borough respondents had the false impression that some sort of finished product would be available locally as a result of petrochemical development.[1]

The rest of my recommendations target the crying need to bring some realism and responsibility into state policy-making with respect to primary processing of state petroleum resources.

First, it must be remembered that Alaska is not an ideal location for a petrochemical plant. We are far from major markets, labor costs more here than down south, our climate requires expensive construction techniques, and the facility itself must be specially designed to operate at cold temperatures. In addition, most experts agree that now is not the best time to build an ethylene plant anywhere. That's because too many chemical companies did just that a few years ago — in large part, coaxed by local and national governments striving to enter the industrial world. Now many plants are operating well below capacity and the word "glut" is typically used to characterize the current state of world markets for ethylene and ethylene derivatives. True, a foresighted company might believe it wise to start building now in anticipation of an end to the glut in the late 1980's, but lenders are hard to convince.

What all this means is that processing of North Slope ethane and propane into petrochemical building blocks within Alaska is not an inevitable consequence of having an oil and gas extraction industry. On the contrary, petrochemicals will only happen if we make them happen. That should be fairly obvious: Why else would there be so

much hoopla about the State doing something with its royalty gas? After all, EXXON, ARCO, and SOHIO own gas too — but, then, their interest clearly is in making money.

Some third world producing countries with geographic and labor problems similar to Alaska's have managed to attract petrochemical industries. They have accomplished this, however, by offering something special: like free gas feedstocks (which, till then, had been flared anyway for lack of a market) or long-term commitment of precious oil in exchange for a commitment to purchase the output of the petrochemical plants.

Why should our state leaders be concerned about whether or not primary processing of petroleum resources is a realistic strategy for Alaska? There are several reasons.

First, for the past two years and accelerating at a remarkable pace, legislators, top officials in the Administration, and key staff have been devoting a lot of time and creative energy to this topic — not to mention state money. While I am no critic of spending state money to analyze issues that might yield a healthy return or to look for loopholes in promotional efforts that could prove to be real boondoggles, the time and energy of state officials and staff is finite. To the extent that petrochemicals capture their attention and demand their own personal efforts, less time can be devoted to other state needs. There can be no doubt that petrochemicals have captured a good portion of the available state effort. The question is whether that ought to continue.

A second reason to give serious consideration to the feasibility of primary processing is that no matter how safe a contract is negotiated for sale of royalty oil or gas, the state cannot insulate itself from the impacts of a faltering industry once the industry has become an established and vital part of any regional economy. One need only look at the plight of Chrysler today and the Come-by-Chance refinery that went bankrupt in Nova Scotia several years ago. In order to keep thousands of Midwest workers out of unemployment lines, Congress has little choice but to issue a federal loan guarantee of a billion or more dollars; the provincial government, too, was virtually trapped into purchasing a second mortgage at Come-by-Chance. With royalty gas or oil feeding a large primary processing facility in Alaska, the obvious response in the event of trouble would be to reduce the feedstock price — regardless of what the contract may or may not say.

For these reasons I make the following recommendations:

Recommendation #2.

Before any deal for construction of a primary processing facility is cut, state leaders should require the proponent to submit a qualitative and easily understood discussion of how the inherent Alaska disadvantages would be overcome. For example, would the facility employ new technology that is substantially more efficient or less costly than that found in existing plants elsewhere? Would it be cheaper to build in Alaska because pollution abatement is less expensive? Would pre-constructed modules or the advantages of back-haul be used? (It should be noted here that while the Collier Chemical urea plant and the Phillips gas liquefaction plant at Nikiski took advantage of a lack of alternative markets in negotiating a feedstock price of 15¢ per mcf or less for Cook Inlet gas, alternative markets do exist for North Slope gas and oil. The Chevron, Tesoro, and Earth Resources refineries receive a variety of federal regulatory advantages, or "small refiner bias", that would be off limits to a large export refiner.)

Recommendation #3.

State leaders should attempt to make a royalty contract as safe as possible. This would include recongnition that contracting to a subsidiary of a large and prosperous firm is safer than contracting to a smaller or, worse yet, "paper" corporation. In the event of a short-term marketing crunch in which revenues fall short of meeting required debt payments, the parent could be expected to make up the difference, rather than necessitating a reduction in feedstock price. In the event of outright default on contract terms a company linked to a large parent corporation would have something worth suing.

Recommendation #4.

Nevertheless, no contract for sale of state royalties, no matter how safe it appears on the surface, should be entered into if the proponent has not provided sound evidence that it can build and operate a viable enterprise. The creation of a few hundred long-term jobs is not worth endangering the financial well-being and credit

strength of the State. It appears that state leaders today feel compelled to award a royalty contract unless staff can prove the economics are faulty. Even then, the proponents argue it is their right to give it a try. That is a dangerous and backwards approach. Instead, whenever the State's major financial asset is in question, the proponents ought to bear the responsibility to prove the likelihood of project success.

None of these recommendations, however, addresses the most immediate question of whether state leaders ought to continue making a herculean effort to ensure that decisions made by the federal government, the producers, and Northwest with respect to the gasline and conditioning plant don't worsen the prospects for attracting a petrochemical industry. To my knowledge, nobody has criticized the massive State effort now directed at petrochemicals; nobody has expressed concern that the State might find itself trapped by the direction now being taken. A very vocal group of supporters, however, would like the State to do even more — even to the point of making these demands the central (if not sole) bargaining point on which to trade State financial participation in the gasline.

This is where my final and most important recommendation to conference delegates comes in:

Recommendation #5.

More than anything else, we need to generate some debate on the question of selling royalty oil and gas for the purposes of attracting large-scale, primary processing enterprises. Right now, the only voices that state leaders hear are those of certain business and local government leaders promoting the concept. How much do Alaskans, in general, look forward to developing a petrochemical industry, if indeed it is something that would be considered an asset? What if it might require a feedstock subsidy and consequent reduction in our royalty revenues? Is it the most important item that the State could bargain for during the upcoming gasline financing negotiations? Is *no* gasline better than a gasline that fails to make gas liquids easily and cheaply available?

I realize it sounds heretical now to question something that has received nothing but favorable review. We all have read and heard about the splendors of petrochemicals (even if we still don't know what a petrochemical is). But the lack of debate just isn't healthy — not in a place as diverse as Alaska.

Part of the reason that debate is so muted on this point may be because discussion has been channelled into a very technical level. But the most important considerations cannot be answered by technicians. On the contrary, most any Alaskan should be comfortable venturing his or her opinion on such matters, providing he or she has been given an opportunity to understand what the development would entail.

I'm not suggesting an anachronistic debate of the environment versus development, although that issue certainly could and should be a part of the discussion. At least four other questions, however, merit attention:

(1) Should the State encourage entry of an industry whose prospects for success are questionable, yet by the very nature of its size would link a region's economic well-being to its own? Should the State allow its financial nest egg (i.e., its royalties) to become tied up in the industry's operations?

(2) Why is it that our leaders talk about broadening Alaska's economy and becoming less dependent on oil and gas production, yet fail to mention that petrochemicals and petroleum refining will do just the opposite?

(3) Why is it fashionable to deride the boom and bust syndrome of large-scale construction, yet promote actions that will only add to the inevitable construction boom surrounding the gasline? If a petrochemical plant is built in Alaska for processing North Slope gas liquids, construction of the plant (and maybe a separate liquids pipeline from the North Slope or products line to tidewater) almost certainly would occur at the same time as construction of the Northwest gas pipeline, the conditioning plant, and a waterflood facility. If one also considers the employment required to build a second gas liquefaction plant at Nikiski (proposed by Pacific-Alaska LNG Associates) and maybe even an Alpetco oil refinery, simultaneous construction could present real problems.[2]

(4) Finally, what about the whole question of encouraging heavy

industrialization? Ten years ago delegates at the Brookings conference were highly skeptical of bringing industry to Alaska. The overall tenor at that time was for Alaska to do things differently than they do it down south. Well, if bringing in heavy industry is okay, what *don't* we want from Outside? What do we plan on doing differently? Is there any practical application of the rhetoric we all still spout about valuing our differences and maintaining our supposedly unique lifestyles? There is something ironic about Alaska trying so hard to attract reluctant industries when many lower 48 communities are fighting to keep them out. The question isn't pollution, nor even growth in a direct sense. It's a question of power: Who will be the citizens of Alaska, entitled to guide our State ten years from now? What will have brought them here, why will they stay, and what will they value in life? The type of jobs we choose to encourage in Alaska will make a difference. Whether employment grows in a way that tends to further urbanize Alaska will make a difference too.

I'd like to close with an anecdote that illustrates my point about power and employment.

The Alaska Royalty Oil and Gas Board held a meeting in Valdez in the fall of 1977 to discuss several proposals for the sale of royalty oil. The town turned out in force. Those who spoke extolled the merits of locating a petrochemical plant or refinery in their town. Those who filled the seats nodded their heads in agreement. But those who gathered along the back wall said nothing — their intent easily discerned, nonetheless. A police officer discreetly warned the state officials of potential "problems". No problems, in fact, arose; the fishermen left after a short time. There was really no reason for them to stay. Valdez, after all, was no longer a fishing town.



Footnotes

[1]The "Fairbanks Petrochemical Study" report was issued by the Institute of Social and Economic Research in March 1978, and prepared through a grant from the Fairbanks North Star Borough.

[2]Round figure estimates of peak direct construction employment are:

Northwest Alaska gas pipeline	-	9,000
Gas conditioning plant	-	1,500
North Slope waterflood facilities	-	1,500
a small ethylene complex	-	1,500
a liquids or products pipeline	-	2,000
Pacific Alaska LNG plant	-	1,000
Alpetco oil refinery	-	3,500

These projects total 20,000 short-term jobs, compared to a peak TAPS oil pipeline workforce of 22,000.

Biography

Connie Barlow is vice-president of Arlon R. Tussing Associates, and co-author of a series of reports for the Alaska Legislature: "Financing the Alaska Highway Gas Pipeline: What Is To Be Done?" (April 1979), "The Alaska Highway Gas Pipeline: A Look at the Current Impasse" (January 1979), "An Introduction to the Gas Industry" (November 1978). Previously, she served as a special assistant on oil and gas matters to the Commissioner of Natural Resources during the negotiations leading to the sale of royalty oil to Alaska Petrochemical Company (Alpetco). She filled a similar role in the office of the Senate President and provided staff support during consideration of the now defunct North Slope royalty gas contracts and changes in the state's petroleum taxation laws



ALASKA PETROLEUM AND ITS PEOPLE
SOME PERSPECTIVES ON OIL & GAS POLICY

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1. Ten years ago the Legislative Council's "Conference on the Future of Alaska" was convened hard on the heels of the $900 million North Slope lease sale. This year's conference on "Future Frontiers" is convened barely a week before the scheduled Beaufort Sea lease sale. The timings are fortuitous but obviously not accidental.

2. The problems and prosects of Alaska, the concerns and choices of its people have been fundamentally and irreversibly changed by the discovery and development of major petroleum resources within the State. The pace and purpose of continuing oil/gas exploration/production will surely be pivotal in shaping Alaska's future, from whatever perspective the future is regarded -- societal, industrial, financial, personal. Hence the critical importance to all Alaskans of State oil/gas policies; and inevitable conflict of values in the shaping of those policies.

3. The ten years just past have been fateful ones for Alaska with difficult decisions having to be taken relatively quickly and with little prior exposure to options or consequences. The ten years ahead will afford Alaska the benefit of past experience. But they will also confront Alaska with a distinctly different world in which issues of oil/gas policy will have to be resolved.

4. Looking back over the decade between conferences, two facts stand out above all others.

> Not a barrel of oil, hardly an mcf of gas has been added to Alaska's known petroleum reserves.
>
> The value of Alaska's oil at refineries in the Lower 48 has escalated from less than $3 per barrel to over $25.

The contrast is striking, and meaningful.

5. In an energy-straitened world, our nation is vitally interested in an optimum contribution from Alaska's petroleum potential. For Alaska, that will involve hard choices between accelerated exploration/development and concomitant social/environmental costs.

6. Meanwhile, the sharply rising value of Alaska's oil and gas production not only enlarges the opportunities for financing desired objectives, but poses an enviable problem of balancing current revenues against conservation.

7. A few words about the very changes that have taken place in the world oil environment and how these will bear on issues of Alaskan oil and gas policy.

8. Ten years ago energy supplies world-wide still looked to be reasonably ample; oil prices, reasonably stable after having been depressed through the decade of the Sixties. Looking ahead from the vantage point of 1969, there was reason to be concerned about longer-run trends -- about the pressure of rapidly rising world oil consumption on future productive capacity and hence inevitably higher real energy costs. But these were distant concerns.

9. Petroleum issues in Alaska reflected in perceptions of the time. Oil tax policy for example. There was then, as also now and doubtless in the future, debate over the State's appropriate share of the value of its energy resources. But with oil values lagging and Alyeska costs soaring, there was superimposed serious concern over the "adequacy" of the State's projected oil revenues. In response, there was introduced a cents-per-barrel floor to Alasks's severance tax. Subsequent escalation and external indexing of severance tax rates were enacted against the background of disappointing crude price and hence oil revenue trends.

10. The same relatively unfavorable external environment confronted efforts to use the State's oil and gas resources as a basis for downstream investment -- investment that hopefully would generate jobs and income and help to reduce the comparatively high costs of various products in Alaska. Inhibiting those efforts were the ready availability and competitive pricing of alternative supplies in export markets.

11. One more example. Whether on matters of taxation or leasing policy, a balance had, and has, to be struck between the State's desire to maximize and the danger of seriously impinging on incentives to further exploration and development. That's been an especially difficult balance owing to the combination of relatively low market values and relatively high production/transportation costs of Alaska's energy resources.

12. The turn-around in world oil balances and even more dramatically in world oil pricing has to affect significantly Alaska's future directions. This is likely to be true not only of narrow questions of oil/gas policy, but for the complex of revenue/spending decisions that more than elsewhere in our counrty bear intimately on the State's social, cultural, and economic evolution.

13. That the distant concerns over world oil supplies and prices emerged so frighteningly in 1979 is owing to a combination of circumstances. As in 1973-74, political interdiction of foreign oil supplies was an immediate cause. But now, as then and over the years ahead, it is an increasingly tenuous world oil balance that makes us susceptible to political interposition. So we are at once exposed to the shortages that political interposition may bring; worse still, our very exposure is itself conducive to political adventure.

14. But underlying it all, and basic to the energy environment of the decade ahead, and beyond, is the progressive ecroachment of world oil consumption on the resource base. It's getting harder and harder to replace the reserves that are used up each year. Conservation will help; so too will substitution, and in time, development of alternatives.

15. Withal, *real oil prices* will be in a distinctly rising trend -- reflecting both the increasing costs of looking harder and farther, and the increasing scarcity value of remaining reserves.

16. Coming back then to Alaska. Two perspectives. There are the various questions of oil and gas policy to be considered. There are also the various guises in which the State itself appears on the scene.

17. With respect the latter, the State starts out playing a major role as *landlord*, reflecting the importance of state lands to the exploration effort. As landlord *per se*, Alaska would want the fullest possible evaluation of its resources potential and optimum rental payments for access to its resources.

18. Increasingly it appears that the State will end up as *investor*, reflecting the timing and prospective accumulation of surplus oil and gas revenue receipts. Whether subscribing capital to a natural gas pipeline, gas conditioning plant, or other undertakings, as investor *per se*, Alaska would want maximum security for its capital and optimum return on its investment.

19. Meanwhile, the exercise of State *sovereignty* impinges on the petroleum sector in a wide variety of ways -- including but hardly limited to regulation and taxation.

20. To some extent, there may be conflict of interest among the several guises in which the State appears. More important is simply the necessity to understand the interrelations among overlapping decisions as Alaska acts out its multiple roles in the course of settling upon diverse policy issues.

21. More on this in the context of policy questions.

22. We neither presume to be exhaustive in our references to policy questions, nor difinitive in discussion of issues. We try only to set these against the shape of the decade ahead.

23. Among questions of policy are the pace and conditions or ongoing *exploration* of State lands. Here the pressures for rapid and facilitated exploration will come largely from outside -- reflecting the critical contribution than Alaska's oil and gas potential could make to our nation's energy balance. Alaska's own circumstances will be conducive to more deliberate evaluation of competing interests.

24. Little need be said about the importance of Alaska's prospective contribution to U.S. oil/gas requirements. By now it's obvious. Within the year, financing the natural gas pipeline looked to be a tough nut at best; it's hardly less so now, but it's reasonably well

assured that the pipeline will be built -- by the run-up in competing oil costs and the political/economic price of undue dependence on imported energy.

25. On the other side of the equation, there is first that rising real energy prices will open up still wider the potential for development of Alaska's high-cost energy resources.

26. Second, the margin of decision between exploration incentives and standards of environmental protection has probably become a more realistic one.

27. Third, the societal concomitants of exploration/development -- coastal zone management, land use, current versus deferral revenues, etc. -- ought to be able to be debated and compromised in a less pressurized atmosphere than heretofore.

28. Nonetheless, pressures will be intense. And if Alaska's options are enlarged, decisions will probably be even more difficult precisely because the decision may no longer be constrained by the otherwise intractible circumstances of State Government.

29. Another area of policy. State *revenues* from leasing, taxation. In a perfect world of complete foresight, no problems. All leasing alternatives would bring down the same present value of future rents. All taxation alternatives could be translated into a straightforward projection of development/production/revenue at the margin. But the real world is beset by Byzantine unrealities.

30. It was not in the past a matter of indifference to Alaska whether lease revenues accrued early via bonus or later via higher royalties/net profit. It was not a matter of indifference whether tax alternatives bought in less earlier or more later. In a crucial year of threatened budgetary deficit, one alternative was a Beaufort Sea lease sale; if so, immediate bonus income would have been its objective. Alternatively, recourse was had to a *reserve tax*, in fact brining forward (at no interest costs to the State) revenues that would otherwise have accrued later via severance tax.

31. Today, Alaska can take a more relaxed position with regard to leasing/taxation alternatives. Choices may not be more clear, the ideal no less illusive, the alternatives still subject to conflicting interests, but budgetary compulsion is hardly the constraining factor it was in years past.

32. Similarly, in almost every aspect of *resource-based development*, Alaska should be able to apply more exacting criteria, more carefully define its objectives and apply its stipulations than heretofore. When royalty oil was first held out as a fulcrum for downstream investment, it had virtually no leverage. When later, four projects -- energy refinery or petrochemical facility -- were put into the hopper, the comparative evaluation revolved around tenusous and uncertain comparisons. The Alpectco contract emerged, fraught with conflicting opinions and interpretations.

33. Whether it's a review of a restructured Alpetco project, LPG availability and use, NG pipeline, or whatever, Alaska's position is strengthened by the sheer importance of physical access to petroleum supplies in investment decisions. What's happened in the world outside has moved Alaska ten years ahead.

34. A final point, and one that's apt to affect Alaskans more directly at least than other policy questions.

35. Petroleum is more needed in Alaska than in other areas of the United States for heating and for transportation. Simply put, a lot of oil (or gas) has to be used in the home, be it city or village. Whether on the ground or especially in the air, it takes a lot of oil to move Alaska's ton/miles of traffic, be it people or goods.

36. In the past, because Alaska is remote from where petroleum products were refined, transportation added substantially to cost of oil for Alaska's consumers.

37. In the present, because Alaska is remote from where its crude is refined, transportation subtracts substantially from the value of Alaska's production.

38. To what extent should Alaska, as a matter of policy, seek consilience between costs and prices of its internal petroleum production/consumption? If so, how? Given a rising trend in real oil prices and the relatively heavy weight of energy consumption in Alaska's households and in its economy, the impact on future costs of living and of doing business could be substantial. And State policy could make a big difference.

THE NEW PERCEPTIONS ABOUT ALASKA'S FISCAL FUTURE

OIL AND GAS POLICY IMPLICATIONS FOR THE DECADES AHEAD

by
Kenneth E. Showalter

ALASKA AT THE CROSSROADS: THE 1969 CONFERENCE RECOMMENDATIONS

> No group of Americans in recent times has had such an opportunity freely to plan its future. An oil bonanza has enriched the treasury of a state previously penurious and underdeveloped. This new condition gives today's Alaskan an unparalleled opportunity...[1]

Those were the thoughts of the Delta Group as contained in their Statement following the 1969 Conference on the Future of Alaska. In reading the reports from the seminar entitled "The Financial Foundations for Future Alaska," one becomes aware of several prevailing trends of thinking. First, there was definitely a perceived need to improve educational opportunities and social programs to better the lives of Alaskans. Second, the conference attendees clearly viewed environmental protection as an important priority, along with the need to foster fisheries and other non-oil kinds of development within the State. Third, there was virtually no indication that oil and gas policy for the future was even a subject warranting discussion.

In the October 20, 1979 Alaska Growth Policy Council Symposium entitled "Alaska's Financial Future," Governor Jay Hammond provided an understanding of what was in people's minds at the time. At that time, according to the Governor, "it was thought that the $900 million was enough to sustain us for many years..." As a result, the Government set out to implement programs to meet the needs of the people, and within ten years, State expenditures had risen 900%. During that period, there was not one major lease sale to broaden the State's revenue base. Instead, the State government looked to broaden the State's revenue base. Instead, the State government looked to the Prudhoe Bay producers for additional revenue to support the government, raising the field's taxes 900% with eleven tax increases in as many years. Given the perception that Prudhoe Bay would sustain Alaska indefinitely, it is understandable to a degree why there was virtually no concern for fostering an economic climate and a leasing policy that would encourage further oil and gas exploration and development in Alaska.

In addition to carrying out needed educational and social programs, the environmental goals reflected in the 1969 seminar were implemented not only at the State but also at the Federal level. Several of the most well-known environmental goals reflected in the 1969 seminar were implemented not only at the State but also at the Federal level. Several of the most well-known environmental laws that have been passed in the last decade reflect those concerns; the National Environmental Protection Agency is surely the most prominent. Additionally, there is the Endangered Species Act, the Ocean Dumping Act, the Coastal Zone Management Act, the Marine Sanctuaries Act, and, as a part of the Native Claims Settlement Act, there is D2.

The effect of these changes over the past decade has been monumental. For the people of Alaska, the changes have resulted in a unique economic environment. Alaska has the highest per capita income in the U.S., yet individual Alaskans pay a relatively small percentage of personal income as taxes. Alaska's state government has loaned out more money than any other. In the Lower 48, Alaskans are known as "the blue-eyed Arabs" because of Prudhoe Bay and the oil potential thought to exist in the State. With the recent OPEC price increases, Alaska now looks forward to a $1 billion surplus in unexpected revenues. From an oil industry perspective, Alaskans can hardly be viewed as environmental rapists either. The concern for the environment has made itself increasingly evident: from the repurchase of the Kachemak Bay Leases to a set of leasing regulations that result in a permit package weighing close to 93 pounds compared to some 3 pounds for such a package ten years ago. Given the beliefs of a decade ago, therefore, many of the perceived needs expressed in the 1969 Conference have been met. But, as Governor Hammond recently reiterated, Alaska depends on one resource—petroleum—for some 70% of the State's day to day needs.

To the extent that there was a perceived need to diversify the revenue base in 1969, that goal has largely not been met. At this point in time, a decade after the first such symposium, it is most appropriate for thoughtful people in the State to pause again and examine not only where we have been in the past decade but where indeed should the State be headed in the decades ahead.

Current Status: Some New Perceptions About Alaska's Fiscal Future

In the past year, several prominent economists have reached similar conclusions about Alaska's fiscal future given their perceptions about Alaska's current stauts. Economists at the Institute of Social and Economic Research of the University of Alaska were among the first to write about the problem: the growth of State expenditures coupled with extremely high dependence on one field - Prudhoe Bay, which will decline - for the bulk of the State's revenue. Alaska Pacific Bank economist Bob Richards then wrote a report reflecting the same concern and analyzing some of the options. A year ago, the Alaska Oil and Gas Association commissioned a report entitled "Alaska's Emerging Fiscal Crisis" which highlighted the conclusions of both studies and cited further evidence of concern from legislative consultants such as Bonner and Moore and Milton Lipton as well as University of Alaska Professor Bradford Tuck. In the recent Public Symposium on Alaska's Financial Future, Arlon R. Tussing addressed the same problem and provided his own insights as to what can or can not be done about the problem.

Interestingly, these economists not only appear to agree about the problem but also about several elements affecting a solution. Yet it appears that many Alaskans in policy-making positions within the government are still operating with the assumptions of a decade ago, assumptions that are incorrect in light of the perceptions of 1979. As stated in the University report mentioned above "The future financial health of Alaska's State Government is one of the most crucial, and least understood, challenges facing Alaskans."[2] From our own experience in Alaska, Sohio would agree that the problem is not well understood. As the largest single tax-payer in the State, as well as a company with 7% of our assets here, we consider ourselves to be Alaska citizens and are concerned about these misunderstandings not only because they directly affect our ability to operate in Alaska but also because they affect the future of the State as well. Sohio's contribution to this conference would appropriately be therefore, to highlight the findings of these economists and legislative consultants in the hope of both establishing the importance of oil and gas policy directions for the future well-being of the State and all its citizens (individuals and corporations) and suggesting policy alternatives that are appropriate to today's understaning of Alaska's fiscal position.

As previously stated, there is virtually unanimous agreement among major economic consultants to the State that Alaska faces a serious problem of dependence on a field that wil decline for the bulk of its revenues. There is recognition of this fact increasingly evident in the government as exemplified in public statements by the Governor. What is not well understood is what should be done about it or what can be done about it. The popular answer was voiced to a degree, without the current sense of urgency, back in 1969 before there was recognition of the implications of a government financially based on the Prudhoe Bay field. Without recognizing the problem, Alaskans felt a need to diversify the economic base. That is still a whorthwhile goal today, but few in policy-making positions seem aware that there are limtis to the degree that diversification can, in the near term, meaningfully contribute to the State's economy: that indeed Alaska is now and will be for the foreseeable future dependent on oil revenues to operate the government. This fact has profound implications for oil and gas policy, but before detailing these, it is important to understand why petroleum development is inevitably the keystone to Alaska's future economic well-being.

The Alaska Oil and Gas Association's "Emerging Fiscal Crisis" lays out much of the current thinking on the problem. In addition to submitting that booklet for the record of the symposium, I would like at this time to quote the following which explains why, despite its vast resouce potential, Alaska will still have to depend on petroleum reserves for the foreseeable future:

> Professor Bradford H. Tuck, Economic Analyst of the Federal State Land Use Planning Commission and Associate Professor of the University of Alaska recently showed, by a few comparisons, how unrealistic it is to believe that non-petroleum resource revenues could possible contribute enough revenue—soon enough—to eliminate the need for petroleum revenue.

To match petroleum revenue expected by the Department of Revenue in 1979 ($709 million):

> Revenues from commercial fishing would have to increase by a factor of 80, or
>
> Alaska annual coal production would have to amount to 5.53 times total 1975 U.S. production, or
>
> Alaska copper production would have to rise to 8.76 times total 1977 U.S. production, or
>
> Personal income tax of Alaskans would have to increase by a factor of approximately five.

Professor Tuck acknowledged that, to a degree, the above is unrealistic in that, for example, no one revenue source would have to make up for the full burden of replacing petroleum dollars in the future, but the facts present a strong message.[3]

In his prepared remarks for the October 20, 1979 symposium on Alaska's financial future, Arlon Tussing's words evoked the same message and took it A FEW STEPS FARTHER TO POINT out some conclusions relevant to State policy planning. In summary, Tussing's message was as follows:

> Surplus state revenues guarantee economic growth for Alaska, but this growth is not likely to create a stable, diversified economic base, no matter how the money is spent or invested in Alaska.[4]

Tussing's reasoning is based on the observation that a number of factors including high labor costs and inflated land prices will continue to discourage investments that have to face price competition in national or world markets. Thus, he wrote, "only the biggest deposits of oil, gas, or metallic minerals, the densest and most accessible stands of timer, and the highest-value fisheries, will be able to overcome Alaska's high cost of doing business or its remoteness from the world's population centers."[5] Tussing further stated:

> The critical limits to the growth of Alaska agriculture of bottomfish processing, for example, are not investment capital or infrastructure, but rather include market development, technical experience, managerial competence, and the general sophistication of the surrounding economy. *Each of Alaska's other basic industries probably has its own natural pace of development; while state and federal regulation can retard its growth, the ability of government funds to force accelerated development is strictly limited.* (Emphasis added.)[6]



It is further pointed out that even construction of a gas line or a world-scale petrochemical plant or a world-scale refinery will not serve to diversify Alaska's economic base; in fact, the opposite is true. Alaska's dependence on petroleum will even be heightened, as each of these depends on a continuing source of petroleum. To avoid a total gloom and doom projection perhaps, Tussing concluded by stating that it is conceivable that "new oil and gas discoveries or the growth of some other basic industry" might postpone the predicted fiscal crash indefinitely. Sohio is in no position to guess what the "other basic industry" might be, but we are in a position to suggest some policy options that the State might wish to consider at this juncture in its history.

Implications for Oil and Gas Policy Now and in the Decades Ahead

To summerize up to this point, the fiscal trends of the past decade were reflected in the position papers of the 1969 confernce

on Alaska's future. The percetpions at the time included (1) a feeling that Prudhoe Bay revenues would be more than adequate indefinitely to support the kinds of social programs that were felt to be needed at the time and (2) a desire to promote non-oil and gas economic activity within the State. With these perceptions, there was little interest much less concern about fostering economic and regulatory policy conducive to oil and gas exploration in the State. The major focus of concern regarding resource development was in fact environmental alone.

Today, many Alaskans share a new concern, but few are aware of several important factors related to that concern. The concern is over the fact that the government is highly dependent on one field which will start its decline in the next decade. Further, there is virtually unanimous agreement among economists knowledgeable about Alaska's economy that the State faces a potential fiscal crisis as a result of the trends of the past decade; and the "charismatic" fiscal chasm, to use Revenue Commissioner Tom Williams words, may occur in some ten to twenty years, possibly as early as 1992.

A critically important factor that has yet to be widely recognized, particularly in government circles, is that for the foreseeable future, Alaska's continued dependence on petroleum revenue is inevitable. Because of Alaska's uniquely high costs, non-petroleum investments will perforce continue to face difficulties in view of price competition in national and world markets. The question emerges: will the State of Alaska have new sources of petroleum revenue from new oil and gas discoveries when they are needed to prevent possible collapse of the State's economy? In view of the perceived lack of need even to hold a major lease sale on State land in the past decade and considering past and recent regulatory and tax policy trends, the answer is unclear at best.

What is clear is the State's urgent need at this point in time to reassess or indeed assess for the first time Alaska's oil and gas policy trends in the light of the newly recognized fact that new oil and gas discoveries are *crucial* to the State's ability to survive as an economically viable institution in the decades ahead. With a contemporary understanding of the importance of new oil and gas discoveries to Alaska's survival, the State cannot afford to be capricious as to State policy affecting oil and gas. Indeed, there is a critical need to design and implement policies that will encourage much more exploration than has taken place in Alaska in the past decade. With some 30% of Alaska's jobs dependent on the petroleum industry, Alaskans have a vital interest in this matter.[7]

In view of the high costs of operating in Alaska, concerned Alaskans need to step back and examine past and current leasing, tax and regulatory policy to determine if there are steps that can be taken to improve Alaska's perceived investment climate relative to that of other states. Even Sohio, with some 75% of its assets here in the State, has to consider outsiders' opinions of the Alaska investment climate for petroleum as it is often people outside the State who make the financial decisions as to whether or how much to invest in Alaska exploration and development. When Sohio was trying to raise capital to build the Trans Alaska Pipeline System, for example, we were turned down by potential investors who, in explanation during the formal Federal Energy Regulatory Commission proceeding, cited as reasons "the generally negative posture of environmentalists and the hostile political climate then existing" as well as the "hostile atmosphere" against the petroleum industry.[8] In light of the above, we offer the following suggested policy alternatives to enable Alaska to compete more successfully for oil and gas exploration and development dollars in the years ahead.

Leasing: To attract exploration dollars to Alaska, the State needs to allow access to areas believed by the industry to be most favorable for oil and gas discoveries, and this needs to be done on a scheduled, predictable basis. As Arlon Tussing observed in the recent conference on Alaska's financial future, cited above, even with oil and gas, "only the biggest deposits...will be able to overcome Alaska's high cost of doing business or its remoteness from the world's population centers."[9] Thus, it is important to lease acreage that the industry has expressed high interest in. Predictability in the schedule will not only allow efficient planning by the industry but also foster lower cost operations and assure that the infrastructure of service companies and contractors that have evolved in Alaska will continue in place, keeping their thousands of employees at work on a steady basis. Aborted lease sales or changes in the schedule create uncertainty that is devasting to industry planning and to the support industries. Lease sales in areas that are of little interest to the industry will not, of course, either attract investment dollars nor sustain

the support service companies. As to the use of innovative leasing systems, it would seem that to the extent that they discourage needed private investment dollars in exploration or unduly risk the State's financial future, they are not in the State's best interest. With the use of net profits bidding in the Beaufort Sea Lease Sale, for example, the State is running the risk of emerging a net loser which, in view of the predicted fiscal crisis ahead, would be an unmitigated disaster for Alaskans.

Tax Policy: If Alaska wants to compete for exploration dollars with other states, changes in petroleum tax laws may be warranted, particularly considering that the current tax structure is tailored to Prudhoe Bay, the largest oil field ever discovered in the United States. Again, particularly considering Alaska's high costs, the need to be competitive suggests that the total tax burden on oil and gas should at least be no higher here than in other prospective areas. Even in Alaska, the future is not likely to be more Prudhoe Bay-sized fields but rather smaller fields with marginal economics where tax policy will make a difference both as to exploration dollars invested and the decision as to whether a discovery is sufficient to be developed. Further, as with leasing policy, there is a need on the State's part to be predictable. As Milton Lipton stated in 1978:

> I think it's true that insofar as the State's budgetary needs or revenue deficiencies always seem to be made up by oil industry taxation, this becomes a disabling and discouraging thing for industry...This cannot be a matter of indifference to companies that have their choice of operating any place.[10]

Regulatory Policy: With the contemporary understanding of the crucial role of new oil and gas discoveries in maintaining the State's fiscal viability, it is critical that State officials re-examine the unprecedented regulatory burden that has evolved as a result of preparations for the Beaufort Sea Lease Sale. If there was ever a time to recognize that there must be a balance struck between environmental and developmental goals, it is now. As Senator Ted Stevens recently observed in a speech before the Anchorage Chamber of Commerce, the people in the Lower 48 are going to need and want Alaska's resources, and when the national need is preceived to be great enough, the people in the rest of the country will demand Alaska's resources—particularly oil and gas—and they won't care particularly what happens to Alaska's environment in the process.

Thus, rather than extremist measures such as the March 31 drilling deadline proposed for the Beaufort Sea Sale—a deadline that could result in two to three years of unnecessary delay in drilling of a single well—Alaskans should work together to find solutions to concerns (such as the May 15 deadline proposed by Natural Resources Commissioner Robert LeResche) that neither compromise the environment nor indirectly lead to a backlash against such stipulations because of the delay they cause. For the same reasons, the emerging Coastal Zone Management Programs around the State need to be examined carefully by the Coastal Policy Council and legislature to ensure that local, state and national interests are considered in order to avoid a potential backlash harmful to the very environment that the proposed ordinances are trying to protect. The responsibility of State officials to work to find a balance between environmental and developmental goals at this juncture in Alaska's history is awesome, but that responsibility must be taken by all officials with responsibilities in those areas, and it must be taken now.



I would like to close by thanking the sponsors of this important confernce for inviting a member of Alaska's oil industry to participate. The fact that the perceptions of 1969 led to the policies of the last decade gives us hope that the perceptions of 1979 will enable us to work together with those in Alaska's government in the decades ahead to create an environment in which Alaska's natural resources may be developed in a manner consistent with the goals expressed in the State's constitution: "It is the policy of the State to encourage...the development of its resources by making them available for maximum use consistent with the public interest"...of all Alaskans."[11]

Footnotes

[1]"The Financial Foundations for Future Alaska," A Conference on the Future of Alaska, Seminar One Reports, Delta Group, p. 7.

[2]"Alaska's Revenue Forecasts and Expenditure Options," Institute of Social and Economic Research, University of Alaska, Vol. XV, No. 2, July 1978, p. 1.

[3]Starratt, Patricia E., *Alaska's Emerging Fiscal Crisis*, Alaska Oil and Gas Association, 1979, p.7.

[4]Tussing, Arlon R., "Investing in Economic Development," Remarks delivered at a Public Symposium : Alaska's Financial Future, Alaska Growth Policy Council, October 20, 1979, title page.

[5]*Ibid.*, p. 2.

[6]*Ibid.*, p. 5.

[7]Reaume, David, Department of Commerce and Economic Development, Statement before Eighth Annual Economic Development Workshop for Alaska Communities, November 7, 1979.

[8]Bank, Richard K., Metropolitan Life Insurance Company, Prepared Testimony, TransAlaska Pipeline System, Dockett No. OR78-1, Federal Energy Regulatory Commission, November 20, 1977, pp. 7 and 12.

[9]Tussing, *op. cit.*, p. 2.

[10]Starratt, *op. cit.*, p. 12

[11]"The Constitution of the State of Alaska, Article VIII, Section 1. Full text: "It is the policy of the State to encourage the settlement of its land and the development if its resources by making them available for maximum use consistent with the public interest."

Biographical Sketch

During high school, Kenneth Showalter worked as a farm laborer, freight handler for B&O Railroad. During college years he worked part time in his father's hardware store and during the summer he worked as a carpenter on construction projects. Showalter joined the Standard Oil Company (Ohio)– Better known as SOHIO—in November of 1950 as a marketing department trainee. He worked a great variety of jobs in a half dozen locations around Ohio, including industrial sales, consumer sales, sales manager, site developer (real estate), division manager and department manager of pricing. In early 1975 he was assigned the job of Assistant Director of Alaskan Affairs and later promoted to Directo Alaska Government Affairs, his current job. His current employer is SOHIO Petroleum Company.

NOTES:

FISHERIES MARKETING IN JAPAN

Prepared by
John B. Martin

Introduction

The marketing of seafood in Japan is an art developed through centuries of dependence upon seafood as a staple in the Japanese diet. The Japanese dependence upon seafood for protein is a direct result of the limited land mass in Japan and the even more limited amount of land suitable for agriculture. It is estimated that the amount of arable land in Japan is less than 14 million acres[1] and industrial and other uses for this land increase every year. Japan is well situated, though, for seafood production and the Japanese diet reflects this reliance on the sea for protein.

Seafood has been important in the Japanese diet from the time the Japanese islands were initially inhabited. In recent years, consumption of protein from all sources has been on the rise due to increasing income levels in Japan. Although consumption of meat, poultry and dairy products is growing faster than seafood, the Japanese currently consume approximately 4½ times more seafood per capita than Americans. According to the National Marine Fisheries Service (NMFS), in 1965 the Japanese consumed 164.7 pounds live-weight per person, while the average American consumed 35.1 pounds of fish and shellfish.[2]

As an industrialized nation with limited land area and natural resources, Japan has traditionally depended upon imports for raw materials and semi-finished products. These imports are financed by subsequent manufacturing and export of finished products throughout the world. Alaska has been a logical source of raw materials for Japan due to the geographical proximity and relatively undeveloped resource stocks available. Japanese capital, as well as the Japanese market, has played a vital role in the development of two of the major industries in Alaska — forest products and seafood products. The objective of this paper is to describe the development of markets for Alaska's seafood products in Japan and discuss the ramifications of depending on this one market for disposition of much of the seafood produced in Alaska.

Historical Perspective

In 1968, a little over eleven years ago, a distinguished group of Alaskan economists and international trade specialists published a report entitled *Alaska Japan Economic Relations.*[1] Several of the recommendations of this work focused upon the opportunities for increased trade between Alaska and Japan, particularly in the area of seafood products. Indeed, as Table 1 indicates, fisheries exports from Alaska to Japan totaled only $1.5 million in 1965, $4.2 million in 1966 and $2.8 million in 1967. The benefits from increased trade were predicted to be additional employment, increases in federal, state and local tax revenues and a positive impact on the U.S. balance of payments. By 1978, seafood exports from Alaska to Japan had increased to $201.4 million, an impressive increase, at least in nominal terms. In addition, these export figures do not reflect Alaska seafood products transhipped through the state of Washington to Japan. It is reasonable to assume that an additional $200 million worth of Alaskan seafood was exported to Japan from Washington in 1979. In short, the Japanese market has become extremely important to Alaskan seafood producers. It might be useful at this point to discuss how this complex market functions and how Alaska's seafood products have become so important.

Trade Practices in Japan

Trade practices and institutions in Japan often appear hopelessly complex and intertwined to American businessmen. A large number of processors, wholesalers and distributors are typically involved in the handling of most consumer products, including seafoods. Although manufacturing has become more concentrated in recent years, leading to increases in productivity, the distribution sector still consists principally of many relatively small enterprises.

The most obvious aspect of seafood trading in Japan is the presence of large international Japanese trading companies. Most of the trading companies got their start during the modernization of Japan in the late 1800's. Many of these companies are vertically and horizontally integrated and involved in trading, banking manufac-

turing, transportation and marketing. In a country as highly dependent on foreign sources of raw materials as Japan, the large traders play a key role in Japan's development. Their diversity and huge financial resources allow them to organize ventures overseas for procurement of raw materials. Indeed, Alaskans familiar with either the timber or seafood industry have witnessed this capability.

There are three types of trading companies in Japan. The large, often multi-national, general trading companies specialize in foreign trade and represent essentially the nine largest wholesalers in Japan. According to the Japan External Trade Organization, these nine companies handle over $227 billion worth of goods and services, an amount which far exceeds the national budget of Japan.[2] Specialized trading companies comprise the majority of the 78,000 trading companies in Japan and typically concentrate their sales in a limited number of items. Finally, there are the "captive" trading companies, which perform foreign trade functions for particular manufacturers and are usually export-oriented.

Gaining entry into the Japanese market generally requires a long-term approach. Negotiations are often lengthy and the initial costs high. For example, negotiations regarding size, grading and product quality for seafood products can be very extensive; however, once established, a producer has entered one of the most advanced and growing industrial economies of the world. Seafood producers seeking to establish markets in Japan must recognize that most Japanese firms are anxious to establish a long-term relationship rather than merely buy on a spot basis. Importers will often examine a five-year production statement of the exporter, recognizing that annual production fluctuates, in order to determine whether the exporter represents a potential long-term source of supply.

Two fundamental options exist for gaining entry into the Japanese market. The first is to utilize the existing network of large trading companies described above. These companies handle about 80% of all imports of all commodities and, as such, can offer economies of scale in distribution, warehousing and marketing. These companies are familiar with import procedures and documentation, have foreign language capabilities and can often provide financing to the exporter. An alternative strategy for entering the Japanese market is to establish one's own distribution system. In order to undertake this commitment, a firm must have adequate knowledge of the target market size as well as substantial financial resources. In actuality, several Washington processors of Alaska seafood products do maintain sales and distribution offices in Japan.

Seafood Marketing in Japan

The supply of fish in Japan comes from three principal sources: 1) fishing cooperatives and associations; 2) fishing companies; and 3) trading and processing companies. The cooperatives and fishing companies supply fish both from dometic landings and imports, while the trading and processing compainies rely mainly upon imports for raw product. While most of the imports go directly to processing and cold storage facilities, the bulk of domestic landings are sold by auction at markets in the producing areas, primarily in Northern Honshu and Hokkaido. Following purchase by a wholesaler in the producing area, the products will either be processed and stored in cold storage or shipped directly to a market near a major consumption center such as Tokyo, Osaka or Sapporo. One such market is the Tsukiji Fish Market in Tokyo, the largest seafood market in the world. An average of more than five million pounds of seafood is auctioned daily, six days a week, at the Tsukiji market. The auctions begin around 4:00 a.m. and by 10:00 a.m. the 52-acre central wholesale market is devoid of activity. Within the Tsukiji market itself, a product may change hands as many as two or three times, which helps to explain the large mark-up between wholesale and retail price.

As local supplies of fresh seafood have declined due to intense fishing pressure, a greater percentage of frozen product is reaching the wholesale markets in Japan. As can be seen in Table 2, the percentage of frozen product in the six largest wholesale markets in Japan has increased from 20% in 1965 to 37% in 1979. Due to the difficulty of shipping fresh seafoods to Japan, the increasing percentage of frozen products in Japanese wholesale markets is, of course, to the advantage of seafood exporters in Alaska.

Upon purchase at wholesale, seafoods are then handled by distributors and jobbers, who subsequently move them to retailers and restaurants where they are ultimately purchased by the consumer.

Table 1

ALASKAN SEAFOOD PRODUCTS EXPORTED DIRECTLY TO JAPAN,
1965-1978, VALUE IN THOUSANDS OF DOLLARS

Product	1965	1966	1967	1968	1969	1970	1971
Salmon, fresh & frozen	21.0	51.0	208.3	547.6	2,069.5	2,858.9	2,414.9
Fish roe[1]	359.0	3,369.0	1,042.1	5,584.8	4,952.5	5,053.4	7,115.9
King crab, frozen[2]	---	---	---	---	---	---	---
Snow crab, frozen[2]	---	---	---	---	---	---	---
Other fish & shellfish	1,117.2	747.0	1,593.4	834.8	1,282.1	1,304.6	1,001.1
TOTAL SEAFOOD EXPORTS, JAPAN	1,497.2	4,167.0	2,843.8	6,967.2	8,304.1	9,216.9	10,531.9
TOTAL SEAFOOD EXPORTS, ALL NATIONS	---	---	3,609.0	7,182.8	10,695.2	9,838.3	11,322.2

Product	1972	1973	1974	1975	1976	1977	1978
Salmon, fresh & frozen	814.5	2,317.3	2,197.9	945.4	459.7	4,004.7	38.823.4
Fish roe[1]	4,170.9	1,606.8	2,277.2	5,578.5	9,300.2	25,182.7	52.534.0
King crab, frozen[2]	---	---	---	---	---	7,202.1	74,249.5
Snow crab, frozen[2]	---	---	---	---	---	---	27,644.4
Other fish & shellfish	1,435.3	2,576.6	497.6	1,341.3	3,036.6	13,060.6	8,194.5
TOTAL SEAFOOD EXPORTS, JAPAN	6,420.7	6,636.6	4,972.7	7,865.2	12,796.5	49,450.1	201,445.8
TOTAL SEAFOOD EXPORTS, ALL NATIONS	6,543.2	6,824.0	5,911.7	8,251.1	13,376.2	52.106.3	205,707.1

[1]Prior to 1978, Fish Roe included in category entitled Cured Fish, Not Canned. For purposes of comparison, it was assumed that ths category consisted entirely of roe exports.

[2]Except for years indicated, included in Other Fish and Shellfish category.

Source: 1965-1966, U.S.-Japan Trade Council; 1967-1978, U.S. Department of Commerce and Alaska Department of Commerce and Economic Development.

Table 2
Arrivals at the Wholesale Markets in the Six Largest Cities in Japan By Product Form, 1965, 1970, 1975 and 1976

	1965	1970	1975	1976
Arrivals at six big markets	10,000 tons			
	156	191	211	216
Frozen product	32	57	76	79
(%)	20	30	36	37
Fresh product	79	72	62	61
(%)	50	38	29	28

Source: Ministry of Agriculture, Forestry and Fishery, 1978. "Annual Report on Fishery Trends in Fiscal 1977." Foreign Press Center, Tokyo, Japan.

Characteristics of Seafood Demand in Japan

The Japanese consumer is extremely conscious of the appearance and aesthetic appeal of seafood products. The principal reason is that a high percentage of seafoods are eaten raw or cooked whole, which means the end user often sees the product in an unprocessed state. As stated by one exporter of frozen salmon to Japan, "The Japanese buy 70 percent with their eyes." As a result of these strict demands by Japanese consumers, Japanese importers of seafoods pay very close attention to product quality. Although price is often important in seafood negotiations, importers are not reluctant to pay a higher price if superior quality can be guaranteed. During the years when the supply of a particular seafood product is limited, Japanese buyers are naturally less critical of product quality. However, during times of abundant supply, importers are noted for emphasizing subtle distinctions in skin color and general appearance and will pay a price as determined by the lowest quality portion of a shipment. When the market is down, importers use a variety of ways to reject a shipment, including poor quality, improper glaze allowance, inaccurate gross and net weight measurements and improper markings on the shipping container. In short, for an exporter to maintain a long-term market relationship with a Japanese importer, he must produce consistent high quality.

The Current Status of U.S.-Japan Seafood Trade

In 1978, a total of 210.9 million pounds of seafood valued at $513.6 million was exported from the United States to Japan. Also during 1978, the United States imported $256.8 million worth of seafood from Japan, for a net export balance of $256.8 million. The value of seafood exports to Japan from the U.S. reached an all-time record in 1978, aided considerably by favorable exchange rates. Table 3 lists Japanese imports from the U.S. from 1973 to 1978, clearly depicting an upward trend. The record exports to Japan in 1978 consisted of $220.9 million worth of frozen salmon, $142.5 million worth of frozen crab and $96.3 million worth of salmon roe -- all products which came from Alaskan waters.

Table 3
Japanese Imports of Marine Products from the U.S. And From All Countries Combined, 1973-1978

	United States		All Countries	
Year	Million Lbs.	$ Million	Million Lbs.	$ Million
1973	79.11	90.3	1,448.4	1,019.3
1974	31.7	59.9	1,329.0	1,113.9
1975	53.3	72.9	1,562.7	1,296.6
1976	46.4	96.0	1,791.9	1,900.2
1977	142.1	234.9	2,290.6	2,446.5
1978	207.0	531.8	2,227.3	3,259.6

Source: Japan Marine Products Importers Association, 1979. *Japanese Imports of Marine Products, Calendar Year 1978.* Tokyo, Japan.

The record quantity and value of imports to Japan in 1978 is due to factors other than favorable exchange rates. It has been estimated that about 40 percent of the total Japanese catch in 1977 came from within 200 miles of foreign nations' shores.[4] With the advent of extended jurisdiction worldwide, Japan now faces catch quotas on pollock, herring, flatfish, crab and other species which were previously harvested freely by her distant water fleets. With very few unexploited stocks of fisheries resources remaining in the world, Japan will clearly turn increasingly to imports to satisfy the demand for seafoods.

Alaska-Japan Seafood Trade, 1979

As is evident from Table 1, nowhere is the increase in seafood exports to Japan more evident than in Alaska. Not only is Japan the

sole market for certain products, such as salmon and herring roe, but the Japanese market has contributed significantly to the increase in price of frozen salmon and king and snow crab from Alaska. The total ex-vessel value of seafood landed in Alaska exceeded $558 million in 1978, compared to $351 million in 1977 and $241 million in 1976. This marked increase in landed value is due in part to increased harvests, but mainly to the strong Japanese market.

Through the end of 1978, few would deny that much of the prosperity in Alaskan fisheries was due to healthy markets in Japan. However, it is now obvious that the Japanese market alone is not sufficient to support our expanding seafood industry. The frozen salmon industry in Alaska in 1979 is a good case in point. According to preliminary statistics of the Alaska Department of Fish and Game, fresh/frozen salmon production in 1979 exceeded 140 million pounds valued at approximately $154 million to the fishermen. Of the fresh/frozen production, frozen sockeye accounted for 60 percent by total weight and 69 percent of the total value. Record prices were paid to fishermen as a result of anticipated wholesale prices to Japanese buyers equaling or exceeding 1978 levels. In actuality, Japanese buyers are offering only $2.25-2.35 for frozen sockeye in 1979, down 15 percent from 1978. Currently, alternative well-developed markets do not exist for this product either in the U.S. or Europe. Consequently, Alaska processors are either selling at a loss to a glutted Japanese market or holding in inventory. According to NMFS, cold storages in Washington, Oregon and Alaska held approximately 39 million pounds of frozen salmon on August 31, 1979, compared with 26.5 million pounds on the same date a year ago. There were also large quantities of product in Alaska which had not been shipped to Seattle by that date. In addition to sluggish sales and high inventories, the DF&G is predicting a run of 52 million sockeye for Bristol Bay in 1980, with a harvestable surplus of 34 million fish. The Japanese market can be expected to absorb only a portion of next year's expected record salmon harvest in the state, leaving producers in a precarious position.

The Alaska frozen salmon industry is thus faced with high inventories, large anticipated 1980 production and weakening prices in the only currently full-developed market — Japan. At the same time, sources of supply for the Japanese market are increasing. First, production of chum salmon from hatcheries in Hokkaido is increasing. Also, according to the NMFS, the Japanese have reached an agreement with the U.S.S.R. to harvest Russian chum salmon. Third, the Japanese are also assisting Chile with development of salmon hatcheries in that country. Finally, the high seas catch of salmon by the Japanese mothership fleet is anticipated to increase in 1980. Clearly, new markets must be sought and develolped in order to maintain a viable salmon freezing industry in Alaska.

The dependence on the Japanese market extends to the frozen king and tanner crab industry as well as the frozen salmon industry. In 1978, frozen king crab sections were selling at $3.30/pound to Japanese buyers. This year, due to large inventories, the price has fallen to $2.50/pound, a reduction of 25 percent. This has precipitated a decrease in ex-vessel price from $1.23/pound to $.86/pound. Again, when the Japanese market weakens, the effects are felt through the entire industry in Alaska.

The market for frozen tanner crab sections from Alaska is almost exclusively Japan. Therefore, it is unsettling to note that the Japanese have recently agreed to a joint venture with the U.S.S.R. to harvest 4,530 metric tons of tanner crab (*C. bairdi*) at $.41/pound. Given high inventories of frozen tannner crab currently in Japan, the market for tanner sections appear weak in 1979 as well.



The objective of the foregoing discussion is to show our dependence on Japan as the sole fully-developed market for much of Alaska's seafood production. From the standpoint of the stability of the industry, it is simply imprudent to rely so heavily on one market area. The consequences of this reliance are being felt this year by processors of salmon and crab. The impact on the developing bottomfish industry is deleterious due to the fact that profits from salmon and crab are necessary to finance investments in bottomfish harvesting and processing equipment. Without economically healthy high-value fisheries, bottomfish development simply cannot occur among existing Alaskan processors.

Alaskan seafood processors in 1979 are experiencing difficulty due to an overdependence on the Japanese market and an inaccurate assessment of what prices the market in Japan will bear. The former problem is addressed in the final section of this paper. The weakening Japanese market for seafood products, however, could have been anticipated by a more detailed analysis of seafood market trends in Japan as they relate to Alaska production.

There is reason to believe that the "golden age" of seafood price increases in Japan is waning. The per capita intake per day of protein from fishery products increased from 16.4 grams in 1965 to 16.6 grams in 1970, peaked at 18.1 grams in 1975 and decreased to 17.9 grams in 1976. The reason, of course, is due to rapid price increases. The total quantity of seafood purchased in 1977 in Japan was down six percent from 1976 and real consumer expenditures were down by ten percent for the same period. Prices for salmon and crab peaked in 1978, causing further consumer resistance in the marketplace. Consumer prices of seafood products have risen faster than prices overall during recent years. Between 1965 and 1970, consumer prices overall rose an average of 5.4 percent while prices of fresh fish and shellfish rose 12.1 percent. Again, between 1970 and 1975, prices overall rose 11.5 percent and seafood prices 15.6 percent. Finally, between 1975 and 1976, consumer prices rose 9.3 percent while fresh seafood prices rose 16.1 percent.[4]

Table 4 lists the relative prices of protein substitutes in Japan in 1965 and 1976. The relative prices of fresh fish and shellfish have increased 40 percent during the period, whereas the relative prices of pork have decreased 20 percent and the relative prices of chicken have fallen 34 percent. Clearly, Alaskan seafood exporters cannot expect seafood prices in Japan to increase in the future as rapidly as they have in the past ten years. It is important that this factor be taken into account in future production and sales planning.

Table 4
Relative Prices of Protein Substitutes
In Japan, 1965 and 1976*

Protein Source	1965	1976	% change
Relative prices of fresh fish & shellfish	70	98	+40%
Relative prices of pork	173	139	−20%
Relative prices of chicken	157	103	−35%

*100 = average unit price of principal protein foods
Source: Ministry of Agriculture, Forestry and Fishery, 1978. "Annual Report on Fishery Trends in Fiscal 1977." Foreign Press Center, Tokyo, Japan.

New Dimensions in Seafood Marketing

A considerable effort has been expended to portray Alaskan seafood processors and exporters as being too dependent on a single market - Japan. This dependence ties a significant portion of the Alaskan economy directly to swings in the economy of Japan. One solution to this problem is to expand and diversify; the markets for Alaskan seafood products.

The markets for Alaska's seafoods in the U.S. and Europe are currently underdeveloped. In 1978, the per capita consumption of salmon in the U.S. was a mere 12 ounces, product weight, of which fresh/frozen salmon comprised less than two and one-half ounces.[5] Currently, fresh/frozen sockeye is not an established product in Europe or the U.S. and a large-scale marketing effort will be required to introduce this relatively new product. The same holds true for many of Alaska's other seafood products.

The task of expanding and diversifying markets for Alaska's seafoods is a large one. It is very difficult for an individual firm to break into new market areas and essentially incease seafood demand overall. This task could be most effectively accomplished through the formation of an industry-wide market promotion organization. This organization could consist of firms currently in

the seafood industry and promote all seafood products from Alaska. The principal function of this organization would be to expand the marketability and comsumption of Alaska seafoods through generic promotion programs targeted, initially, at consumers in the U.S. and, ultimately, at consumers throughout the world.

Generic promotion consists of nonbrand advertising to raise the overall level of consumer consciousness of seafoods from Alaska waters. Specific programs can include magazine and television advertising, printing of seafood recipes for distribution by retailers and publication of materials for institutional users to assist in selling the Alaska seafood concept. It is also likely that an association will develop a symbol to identify the products of member compaines as quality seafoods produced from Alaskan waters.

The success of indusrty-wide promotion associations is well documented in other industries and in the seafood industry in other states. The Massachusetts Seafood Association and the Florida Seafood Association have both proven successful in promoting seafood products in those areas. In Alaska, a highly successful example of industry cooperation and promotion is the Alaska Visitors Association. A similar organization of seafood producers can prove equally beneficial to the vital and growing Alaska seafood industry. The proposed organization would not interfere with the functions of existing industry groups whose scope is more specific than generic market promotion. The organization would compliment, rather than compete with, the marketing departments of seafood firms, as brand names would not be used in the generic promotion programs.

Another vital function of a marketing association would be to develop new product forms and conduct test marketing programs to assess the potential for the new product. Market penetration studies conducted by the association would assist in setting future priorities for promotional efforts of the organization. Finally, consumer education programs would be conducted to stress the nutritional value and quality of Alaska seafood products. Alaska seafoods are an important source of protein as well as high quality cuisine; the task at hand is to begin to market them in a manner commensurate with their importance to both the U.S. and the Alaska economy.

Future Prospects for Seafoods Marketing in Japan

As discussed in the previous section, in this author's opinion the future of seafood marketing for Alaskan producers lies in countries other than Japan. However, this is not to say that opportunities do not exist for marketing additional species and product forms from Alaska in Japan. There is currently an import ban on minced pollock, or surimi, in Japan. However, should this trade barrier be eliminated, Alaskan processors can be expected to market this product form in Japan to utilize our abundant resources of Alaskan pollock. There are also abundant resources of squid in Alaskan waters which are currently not harvested. Canadians have recently begun marketing a similar species of squid in Japan and Alaskan procesors can presumably do the same as this fishery develops. Additionally, there are large quantities of sea urchins in Southeast Alaska which are not currently utilized. When the unique processing problems related to this product are solved, valuable sea urchin roe can be marketed in Japan. The opportunity also exists to market various other high-value products from Alaska in Japan as resource knowledge and processing technology is developed.

In conclusion, it is obvious that Japan will continue to be a Major market for Alaska's seafood products. Of paramount importance to Alaskans exporting seafood to Japan is product quality. A market for premium quality salmon, crab and other species will always exist in Japan; however, Alaskan processors will be able to establish long-term relationships with Japanese buyers only if they produce consistent high quality.



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NOTES

BOTTOMFISH DEVELOPMENT FOR ALASKA

by
David L. Allison

The issues of management, regulation, harvesting and processing of the fish resources located off the shores of Alaska have been in the forefront of the debate over Alaska's Natural Resources Policy since prior to statehood. However, not since the 1930's and 1940's when codfish salteries located along the western and northwestern coast of Alaska closed down, has there been significant domestic and Alaskan concern for high volume - low unit value seafoods such as pollock, cod, rockfish and sablefish.

In 1976, after much debate, and in the face of strong opposition from the U.S. Department of State, Congress passed, and the President signed, the Fisheries Conservation and Management Act of 1976 (FCMA).

The FCMA provided new opportunities and challenges to the State of Alaska. The extension of U.S. fisheries management jurisdiction from 12 to 200 miles opened up a vast protein resource to American fishermen and processors. The options for the State of Alaska were:

(a) to do nothing about development of this new resource;

(b) to follow the lead of industry;

(c) to follow the lead of the federal government; or

(d) to take the lead by coordinating the efforts of state, federal and private sector interests towards the goal of maximizing the benefits of development for Alaskans.

Governor Hammond chose the latter option, and, with the support of both houses of the Legislature, he established a Bottomfish Development Coordinator in his office and appointed members to a newly constituted Bottomfish Task Force. The Governor charged the task force with the responsibility of planning a State Bottomfish Development Program which would:

(a) develop an efficient, competitive, quality bottomfish industry abot to enter freely and profitably in domestic and world markets;

(b) develop, within a period of approximately 20 years, the domestic utilization of Alaska bottomfish resources to the fullest optimum yield;

(c) encourage the establishment of permanent onshore processing facilities through state support of adequate port/harbor and community infrastructure;

(d) encourage the maximum participation of Alaskan workers and entrepreneurs in the bottomfish industry; and

(e) conserve and manage the fishery resource for a long-term, sustainable fishing and processing industry in Alaska.

Goals and policies were recommended by the Task Force and established by the Governor. State funded demonstration projects and surveys of industry and community needs were conducted. As a result of state executive and legislative efforts, the State of Alaska initiated the most complete and comprehensive program for domestic development of underutilized species of any of the states. Even federal assistance programs and policies, as we move into the 1980's, are keying on the state planning and development activities. *The State of Alaska Program for Development of the Bottomfish Industry* has become the framework within which a flexible and dynamic development program can be constructed, extended and maintained. This paper is an overview of the State program with notes on what it is, who is involved and where the program is headed in the future.

The State initiated program has now reached a significant stage of expansion. Community needs assessments directed by the Arthur D. Little planning document have been completed by the Department of Community and Regional Affairs through the first, or study, phase. Demonstration projects have been completed in several areas of the state and documents have been submitted detailing the experience of the processors and fishermen involved in those initial projects. Educational and informational conferences have been well attended, regulatory structures have been reviewed and potential barriers to full development have been identified.

The effects of the FCMA and state efforts are already beginning to become evident. Black cod (sablefish) fishing and processing effort has shifted from Japanese fleets to U.S. vessels during the past nine months. The domestic black cod fleet has expanded in only 18 months from fewer than 20 small handline vessels to more than 50 boats with state of the art automatic longline gear on many of them. Foreign vessels are being moved out of the tanner crab fishery over the next two years, and even that action is regarded as too slow by the fishermen. The latest 125 foot class vessels from the troubled king crab and salmon fleets are being modified with bottomfish and mid-water gear and onboard heading and gutting equipment to allow seasonal participation in the bottomfish fishery. Diverse elements of the industry, including processors and fishermen in small towns and villages around the coastal rim as well as federal and regional assistance agencies, are turning to the State of Alaska for direction and information on how and where the most effective further development of the industry should take place.

In establishing the State development program to date, the following elements of state government have directly participated and will, along with additional divisions and departments, have continuing responsiblity through completion of the twenty-year plan:

(1) Office of the Governor:

a. Bottomfish Coordinator and several Special Assistants*
b. International Fisheries and External Affairs*
c. Coastal Zone Management*
d. Division of Policy Development and Planning*

(2) State Legislature*

a. Joint Committee on Resources
b. Bottomfish Interim Committee
c. Office of the Speaker of the House
d. Office of the President of the Senate

(3) Department of Commerce and Economic Development*

(4) Department of Community and Regional Affairs*

(5) Department of Education

(6) Department of Environmental Conservation*

(7) Department of Fish and Game*

(8) Department of Labor*

(9) Department of Public Safety

(10) Department of Transportation and Public Facilities*

(11) University of Alaska

*Represented on Work Group or Task Force

In addition, the Governor's coordinator and the legislative program managers have integrated into the planning process fishermen and fishermen's organizations, native regional corporations, village corporations, labor unions, seafood processing and marketing representatives, the Alaska Fisheries Development Foundation, Economic Development Administration, National Oceanic and Atmospheric Administration (NOAA), National Marine Fisheries Service (NMFS), North Pacific Fisheries Management Council, and the Army Corps of Engineers.

The effective coordination and correlation of these local, state and federal agencies with one another and with the private sector industry interests remains an essential part of the fishery development program as we move from the organizational stage into active implementation of the program design.

Phase II of the development program, the implementation phase, is ready to get underway. In Phase II fishermen off Alaskan shores should accelerate their capture of progressively larger portions of the optimum yield (OY) of bottomfish and other underutilized species. Both onshore and offshore domestic processing expansion should begin to impact foreign allocations. Port and harbor development, together with shore-based support infrastructure, will be moving rapidly into the desing and construction stage.

Sufficient data is also becoming available through studies

commissioned by the bottomfish coordinator, the legislatures' interim committee on Bottomfish and the Sea Grant programs of the University of Alaska and the University of Washington to answer long standing questions regarding socio-economic impacts, cost-benefit comparisons between gear and vessel types, likely employment scenarios, foreign investment impact and quality assurance requirements. Such study and research efforts will continue as an integral part of the implementation phase with the results of those efforts being incorporated into the twenty-year development program on an ongoing basis. The state program is moving according to schedule toward realization of goals and objectives set by Governor Hammond in 1977, 78 and 79.

Projects underway and tentatively planned for FY81 and FY82 are directed towards accomplishing the following tasks:

(1) Complete a full analysis of the labor force characteristics of the fishing and fish processing and marketing industry.

(2) Encourage and facilitate the creation and utilization of a trained Alaskan labor pool.

(3) Reduce the extent of the boom-bust economic cycle and extremes of seasonal unemployment in coastal areas, both in fishing communities and business and supply centers.

(4) Analyze the impact of foreign investment and market control on Alaskan fishery development and work towards resolution of problems flowing from such situations.

(5) Refine and expand data base on amounts and locations of stocks of fish and increase the utility and availability to the industry of data accumulations.

(6) Develop and implement means and methods to more effectively distribute necessary technical and practical information to fishermen and processors. [A comprehensive whitefish processing manual is now available as a result of a Kodiak demonstration project this past year.]

(7) Make available additional bottomfishing education programs for fishermen and processors from basic bottomfish fishing and processing skills to specialized procedures for trawl and longline fisheries, hand filleting of bottomfish and operation of high technology bottomfish processing equipment.

(8) Complete the identification of appropriate locations and begin design and construction process for establishment of port and harbor facilities as well as water, power, sanitation, housing and transportation infrastructure in targeted communities.

(9) Update and refine goals, policies, objectives and activities of the state program to conform to results of ongoing study and research efforts.

(10) Identify and analyze new or expanded finance and bonding mechanisms for infrastructure development and direct financial assistance to fishermen, processors and marketing organizations to assist their entry into the bottomfishery.

(11) Continue analysis of marketing and quality assurance problems and formulate proposals for addressing those problems.

Among specific communities and areas likely to be impacted by the development programs underway or contained in the FY81 and FY82 programs are:

Ketchikan*	Anchorage*	Kake
Kodiak*	Hoonah	Sand Point*
Petersburg*	King Cove*	Sitka*
Cold Bay	Juneau	St. Paul*
Yakutat*	St. George	Unalaska/Dutch Harbor*
Cordova*	Valdez	Dillingham (Bristol Bay)
Seward*	Homer*	Hooper Bay/Scammon Bay
Akutan	Kenai	Norton Sound - Nome

*probably major development impact

Virtually all programs impacting these communities are either:

(1) one time study efforts, or

(2) planning, design and construction of capital projects which will be eventually paid for by user fees.

The State and federal efforts, including investment of approxi-

mately 4.5 million dollars plus federal vessel financing guarantee programs, have generated or stimulated the following types of existing and planned development and investment: (approximate amounts)

(1) Unalaska/Dutch Harbor: $35 + million dock, harbor and port development (American President Lines, Village of Unalaska, City of Dutch Harbor). $10 + million processing plant expansions (Pacific Pearl, PanAlaska, Unisea, others). $5 + million commercial facilities expansion and development (private mall, Unisea, city and village).

(2) Homer: $10 + million combination port/harbor development for expanded fishing fleet and processing facilities.

(3) Seward: $20 + million shipyard construction.

(4) Over $125 million in construction of vessels designed for, or capable of conversion to, trawl fishing for pollock, codfish and other underutilized species.

(5) Expansion of the U.S. black cod (sablefish) fleet off southeast Alaska from fewer than 20 vessels to more than 50 vessels, many specially designed and outfitted for highly efficient automated longline fishing.



(6) Increased employment in fish processing, marketing and related activities in Anchorage, Ketchikan, Petersburg, Kake, Sitka, Sand Point, Kodiak, King Cove, Dutch Harbor, Unalaska, Cordova and Valdez.

(7) Management, development and consultation services generated by the private sector in Anchorage, Fairbanks, Kodiak, Juneau and Seattle.

(8) Multi-million dollar proceeds from Aleutian Islands Area State Land Sales.

In addition to direct financial investment and returns, other types of benefits for Alaskans and industry have flowed from the investment to date:

(1) Clear demonstration of the ability of Alaska to take a leadership position in State-Federal cooperative planning and management of natural resource utilization and community development.

(2) Increased concentration of federal research and development funding in areas impacted by development of the fisheries off the coast of Alaska.

(3) Reduction of foreign fishing fleet activity off the coast of Alaska and replacement by American vessels with American crews.

(4) Demonstration of the effectiveness of advance planning and policy formulation for major state projects.

Addtional tangible benefits are likely to flow from continuation of Alaskan fishery development and the Bottomfish Program:

(1) Development of a labor force of Alaskan citizens to take advantage of 10,000 to 20,000 new jobs over the next 10 to 20 years.

(2) Development of viable fishery oriented communities in rural coastal areas with strong local government units.

(3) Increased feasibility of surface transportation from Anchorage

to the Aleutian Islands and western Alaska as year-round fisheries and processing expand the permanent population base in those areas.

(4) Reduction of state's dependence on non-recurrent revenues.

(5) Provision of government services to meet the needs of southwestern, western and coastal Alaska citizens in a more effective and efficient manner.

(6) Encouragement of economic development which offers long-term net benefits to all Alaskans.

(7) Improved ability of the private market system to provide needed goods and services to Alaskans as well as to other domestic and foreign markets.

(8) Promotion of rational development and management of fish and wildlife for the long-term economic and social benefits of all Alaskans.

(9) Reduction of the boom-bust cycle in the Alaska economy.

(10) Improved U.S. balance of payments.

The State of Alaska has made remarkable progress in moving towards realization of the Governor's Renewable Resource Development goals through the bottomfish program within the brief time since the FCMA was established. With continued cooperation, assistance and advice from individuals and agencies in the private and public sector, from fishermen, business people, consultants and advisors, from critics and supporters alike, we can continue the development and implementation of a program which is charting Alaska's future frontiers today.

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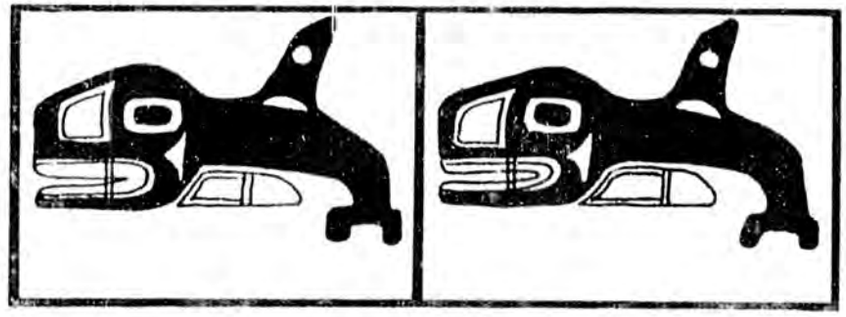
Biographical Sketch

Dave Allison is a planning and program specialist with the Office of the Governor, Division of Policy Development and Planning. He specializes in bottomfish industry development issues and policies. He graduated from Marian College in Indianapolis, Indiana in 1964 and received his Juris Doctor Degree from Indiana University in 1968. He served as a State Representative in the Indiana Legislature in 1969 and 1970 and practiced law as a partner in the law firm of Allison and Barnhart until leaving Indiana for Alaska where he has lived since 1978. He has served on the boards of numerous civic and non-profit commissions and organizations and is a member of various professional associations in the fields of law and fisheries.



ECONOMIC ISSUES OF ALASKA BOTTOMFISH DEVELOPMENT

Presented by
Frank Orth

Introduction

The bottomfish resources lying off the coast of Alaska represent an immense development opportunity.[1] There are roughly 1.5 million metric tons of sustainable harvest requiring somewhere between 200 and 500 harvesting vessels (converted and new), and numerous shore-based and floating processing facilities. Direct investment in harvesting and processing facilities alone will run to between $2 and $3 in 1979 dollars. Heavy investments in direct support facilities,[2] support-sector businesses,[3] and indirect support facilities[4] will also be required.

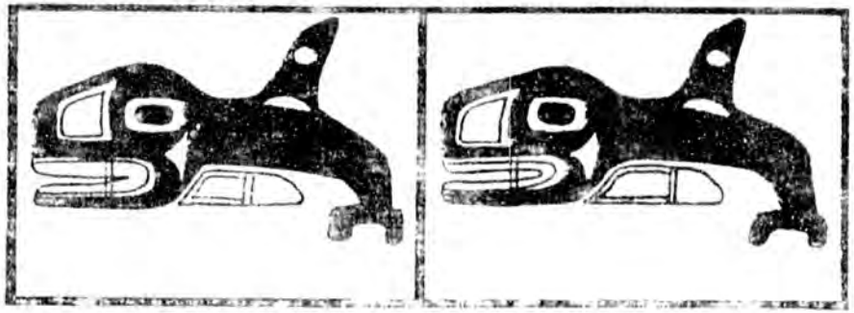
To most Alaskans, the development of these fisheries is synonymous with substantial benefits to Alaska residents in the form of profitable new business opportunities, employment opportunities, and, most of all, growth opportunities for existing seafood harvesting and processing businesses. Unfortunately, economic realities and the limitations of state jurisdiction suggest that the realization of these expectations is far from assured. Proper inclusion of the probable costs of state facility investments and programs for bottomfish development in a social benefit-cost calculation might further dampen enthusiasm from Alaska's point of view.

The theme of this paper is that if Alaska policymakers attempt to complement rather than ignore market forces, and if they view more realistically the contributions that governments can make, bottomfish may provide net benefits rather than net costs to Alaska. Actual development will be carried on by private businesses and individuals responding to technological alternatives, market prices, and market quality requirements, as well as to physical and technical constraints imposed by the resources and their environment. This should go without saying and Alaska's policies should reflect these realities.

As with other major potential economic developments in Alaska a wide range of controversial policy issues are debated. In fact, the entire subject has become politicized to a degree that is unhealthy to the formulation of sound policies. Some of the leading controversies are state vs. federal involvement, shore-based vs. sea-based operations, Japanese vs. U.S. investment, and Alaska resident vs. Seattle and other nonresident participation. Less frequently discussed, although more relevant in the long run, is now the established industry is likely to respond to the development opportunities, what kinds of other entrants can be expected, what types of state support will most complement market forces, and what programs and incentivies can the state use to help those Alaskans who want to participate in the development.

This paper will develop policy recommendations for bottomfish development which the author believes are consistent with technical, economic, and political realities and at the same time sensitive to the state goal for resident participation. Before presenting these recommendations, supporting background information needs to be provided. For the most part, the discussion will be brief and general in nature due to the number of items and the overall space restriction. The following background items will be discussed:

- history of Gulf of Alaska and Bering Sea bottomfish utilization
- resource, physical and environmental considerations
- technological alternatives
- availability and costs of inputs
- market requirements and constraints
- potential entrants into bottomfish
- present federal development policy
- present state development policy



Together, these items constitute the economics of bottomfish development. There is substantial uncertainty concerning several of the items; this derives either from a rapidly changing environment, the absence of basic research, or both. Where a high degree of factual uncertainty exists, it is a barrier to assessing the economics of bottomfish development for investors and policymakers alike. It follows that efforts to reduce uncertainty should be considered with other policy alternatives.

History and Current Status

Bottomfish resources in the Gulf of Alaska and Bering Sea have been more or less fully utilized by foreign fleets for many years. With the exception of black cod, domestic utilization of these resources has been almost exclusively for bait. Pollock and Pacific ocean perch stocks have been overutilized and are in the process of being rebuilt. Countries which have utilized bottomfish resources off Alaska have included Japan, U.S.S.R., Republic of Korea, and Poland; Mexico has recently become involved through a joint venture with the Republic of Korea.

The Fishery Conservation and Management Act (FCMA) of 1976 was intended to establish strong regional management for conservation purposes and to give domestic fishermen priority in access to the resource. A recent amendment to the FCMA has extended this priority to U.S. processors as well; foreign processing is now permitted only to the extent that U.S. processing capacity is not sufficient to handle all U.S. caught fish. Overall, domestic harvesting and processing capacity, as well as resource allocations by the NPFMC, have been growing slowly since the enactment of the FCMA. Foreign interests have been successful in maintaining direct access to bottomfish resources. Japanese interest are attempting to insure future access by investing directly in domestic processing companies while the U.S.S.R. and South Korea interests hope to maintain their access through joint ventures with domestic fishermen.

Resource, Physical and Environmental Considerations

Each of the many species of fish within the term "bottomfish" has its own complex life cycle and productivity characteristics. Each has peculiar migration, schooling, growth, mortality and predation characteristics. For even the most experienced harvesters, success rates vary considerably over time and space.

From the utilization perspective each species has its own flesh characteristics and within species these vary seasonally (particularly as flesh quality relates to the reproductive cycle). Thus, successful fishing requires proper timing and targeting on only those species with the flesh characteristeics most desired by the market.

An especially important variable is the preservation and on-board handling characteristics of a species and how these characteristics vary over time and space. Other things being equal, these factors determine, in turn, how far from shore the resource may be harvested without processing at sea and how they must be handled aboard the vessel. The location of stocks from existing or potential shore-processing sites, in conjunction with on-board preservation characteristics and market quality requirements, determine the feasible distance from shore-based operations. Pollock, the most abundant resource, is least amenable to shore-based operations. Other species have roughly 100-150 mile operating distances and five-to-seven day shelf life on board in iced, round form. However, *effective economic distance* from a shore site is likely to be less than *effective technical distance* due to the loss of fishing time and fuel costs associated with shore-based operations. Given the distances of fishable concentrations from shore in the Bering Sea and in the Western and Northern Gulf of Alaska, the opportunity for selecting shore-based operations is constrained to a relatively small percentage of the total available resource. Weather, of course, is another important physical factor with which a bottomfish operation must contend. The number of days of actual fishing time realized in a year can vary considerably due to adverse weather conditions. A range of 150 days to 250 days appears to be realistic depending on mode of operations, distances from shore-based processing or resupply points, ability to find target species in fishable concentrations, and, as mentioned, the weather.

Technology

Realistic technological alternatives are directly influenced by the resource, physical, and environmental factors previously discussed. The following alternatives appear to be the most applicable to the range of available resource opportunities as constrained by these factors:

- a shore-based day fishery
- a shore-based processing, offshore harvesting wetfish fishery
- an offshore fishery with primary processing at sea, with delivery to a shore plant for reprocessing
- a totally sea-based harvesting and processing operation

There is little doubt that all of these alternatives and others will appear. Of importance is which alternatives will be selected most often and in which situations. The most probable selections by industry will determine whether and to what extent public sector investments are useful. Premature commitment to particular sites or types of facilities without adequate study and planning could result in the creation of wasting assets and/or cause high priority needs to go unmet. If this is the case after having spent tens of millions or even hundreds of millions of public dollars, resident Alaskans will have every right to be displeased.

Availability and Costs of Inputs

Financial capital will be readily available to economically feasible projects with sound management. Adequate financing mechanisms and institutions for providing equity, subordinated debt, and debt have already been created and refinements are under consideration. Alaskans may have to pool equity for large scale operations. Likewise, entrepreneurial and management skills, upon which financing depends, will be in short supply. The cost of capital and its availability are not as likely to be a constraining influence in the long run as they are today.

The cost and availability of labor are definitely important considerations. Substantial training costs face any major development. Premiums will have to be paid for a remote site labor force and for sea-based operations. Housing, transportation, and other necessities will also add to labor costs. These factors suggest that most operations will be capital intensive and that they will require highly skilled and well-trained workers.

The cost of physical capital will be high but there should be no major problems with availability at either the harvesting or processing level. Construction time for a fully-equipped catcher/processor, for instance, is nine to fifteen months. And, while the cost of most items of physical capital is high in an absolute sense, their high productivity per unit of time is a compensating factor. A good example of where capital is absolutely more expensive than labor but relatively cheaper (i.e., per unit of output) is provided by high-speed filleting machines.

Management skills necessary to efficiently manage major operations are apparently not all that plentiful. The cost of managerial inputs is not likely to be an impediment, however, at least no more so than in other industries.

Infrastructure is an important complex of inputs whose availability is definitely a constraint. However, it does not follow, as some analysts appear to believe, that infrastructure investments are in themselves sufficient to induce development or a particular pattern of development, e.g., shore-based operations. Many of the other factors discussed above, and several remaining to be discussed, also have a significant influence on developmental decisions. Nor does it follow, as some appear to believe, that the benefits of major infrastructure investments are so obvious and of such magnitude that normal project-evaluation procedures should be abandoned. Indeed, a rigorous social accounting should be made of all major infrastructure investments to insure to the extent possible that benefits exceed costs. To the extent that Alaska finances such investments, the analysis should adopt an Alaska perspective. Such analyses are never easy or inexpensive; however, they are almost always necessary to an informed decision.

Market Requirements and Constraints

Because of product diversity, market specialization, and obscure marketing channels, seafood markets are complex in the extreme. However, certain basic facts and principles are known and are pertinent to the economics of bottomfish development.

- Major markets for Alaska bottomfish (or species with comparable flesh characteristics) exist in the United States, Asia and Europe.
- Existing markets for frozen blocks are sufficiently connected to form a world market.
- Quality standards on the world market are high and gradations of quality exist. Buyers will reject low quality or inconsistant-quality shipments. Alaska presently has a poor market reputation for quality.

- Buyers require consistent, year-around suppliers, not operators looking to supply only during periods when high-valued species are unavailable.
- Competitive price levels on the world market are sufficiently close to costs of production that entry into Alaska bottomfish will be denied to all operations except those which employ the most efficient production techniques. Black cod is the major present exception to this generalization.
- Because countries presently producing Alaska bottomfish compete directly or indirectly with potential Alaska producers, the market provides only marginal incentive for the latter group to invest. This situation is not likely to change until either (1) world demand exceeds world supply by major amounts[5] or (2) NPFMC schedules the removal of foreign users over a definite and relatively short period of time. Such action by NPFMC would create favorable price signals to U.S. producers and would reduce the uncertainty under which present investment decisions are made. The Council would have to place greater emphasis on "social and economic factors" than they do presently to justify the schedule approach.

Potential Entrants into Alaska Bottomfish

Just as the mix of resource, physical and environmental factors suggest a range of technological responses, the range of alternative types of development opportunities suggest certain organizational responses by industry. The resonse which is most appropriate to a particular situation depends on the economics of that situation and the existing business activities of potential entrants. The following categories appear most likely:

- Fringe expansion into bottomfish by those who seek minimal modification to existing vessels, gear, and plants but who desire to obtain off-season use of their capital assets.
- Expansion from existing operations through major conversions of vessels and plants or through the addition of vessels and plants.
- Major new entrants from the food manufacturing industry. The form of entry could be through internal expansion or acquisition of existing companies.
- Major new entrants from the manufacturing and extractive industries via internal expansion or acquisition.

A bias toward large scale, capital intensive operations is apparent in markets, technology and physical constraints. This bias suggests that companies in the latter two categories will have an advantage in entering bottomfish. In particular, major food manufacturing companies that presently have subsidiaries in Alaska fisheries (categories two and three above) would appear to be the most likely potential entrants. Examples of such companies are Del Monte, Castle and Cook and AMFAC. There are a number of other large, diversified food manufacturing firms having fish processing operations which are likely candidates for some form of direct involvement in Alaska bottomfish development.

Present Federal Development Policy

In May of 1979 the Administration announced for the first time a national fisheries development policy and program. The main thrust of this policy is to correct for market failures[6] where they exist and to allow private (industry) decision makers to invest in response to market forces. This policy is being implemented through the creation of regional fisheries development programs. Industry, and local, state, and federal governments, are participating in these programs to create environments conducive to development. In the Alaska and Pacific Northwest region, examples of federal involvement are the Economic Development Administration/National Marine Fisheries Service (EDA/NMFS) and Alaska Fishery Development Corporation (AFDC) efforts. The EDA/NMFS effort is focused on coordinating federal agencies with jurisdiction and/or expertise in coastal infrastructure development. The AFDC effort is now focused on projects which deomnstrate fish harvesting, preservation, handling, processing, and other methods. The purpose of these projects is to provide information to investors interested in harvesting and processing bottomfish. Future AFDC projects could supply information on other aspects of fisheries development.

Other examples of federal involvement are the NPFMC and ongoing activities of the NMFS. As mentioned above, resource allocations by the NPFMC could have significant implications for the mode and pace of domestic bottomfish development.

It is clear that the federal government is not prepared to provide massive subsidies to the fisheries industry. Rather, the government will modify existing programs and legislation and add and delete

programs and legislation to provide a favorable climate for U.S. investment in the fisheries industry.

Present State Development Policy

In July of 1978, Governor Hammond formed a Bottomfish Task Force composed of various state legislators and agency commissioners. The Task Force was directed to define specific goals for the State and to design a work plan for industry development. In June, 1979, the Bottomfish Task Force published *The State of Alaska Program for Development of the Bottomfish Industry.* The purpose of this document is to present a plan for the State's role in bottomfish over the next twenty years.

The Alaska plan is organized towards the accomplishment of five development goals. These are:

- To develop an efficient, competitive, quality bottomfish industry which will be able to enter freely and profitably in domestic and world markets.
- To develop within a period of approximately 20 years the domestic utilization of Alaska bottomfish resources to the fullest optimum yield.
- To establish permanent onshore processing facilities with adequate port/harbor and community infrastructure.
- To encourage the maximum participation of Alaskan workers and entrepreneurs in the bottomfish industry.
- To conserve and manage the resource for a long term, sustainable fishery and processing industry in Alaska.

These goals are clearly stated and comprehensive enough in scope to recognize the many faceted subject areas of bottomfish development. Utilizing the goals as a base, the plan is structured into five component program areas each containing specific projects for implementation. The program areas are:

- Resource Management and Environmental Protection
- Development of Support Infrastructure
- Providing Industry with Data, Experience and Technology
- Encourage Alaska Entrepreneurship
- Providing Industry with a Favorable Institutional and Legal Climate for Development

In spite of the substantial planning effort to date performed by the State, it appears that additional refinements to the Alaska Plan are still necessary in order to provide policymakers and investors with a complete planning structure. This effort will primarily be needed in three areas. The first concerns possible inconsistencies in the planning goals. Technological and economic research to-date has still not determined whether shore-based processing is indeed the most efficient method of harvesting the Alaska resource to OY in a manner which is economically competitive on world markets. The second area where more planning effort is needed is in the development of more complete budgets and schedules. Presently, detailed planning has concentrated on only the first several years of the twenty-year plan. Finally, a third planning element which would help to clarify the plan is the performance of benefit-cost analysis for program areas or major projects. Benefit-cost analysis could greatly assist the state in identifying strengths and weaknesses in its development program.

Policy Recommendations

In this section, policy recommendations for promoting bottomfish development are offered to Alaska policymakers. These recommendations are made in light of Alaska policy goals and the economic realities as discussed in the preceeding sections. In reviewing these recommendations, the reader is requested to consider and distinguish the following situations from which benefits might accrue to Alaska from bottomfish development:

- direct investment by and employment opportunities for Alaska residents in shore-based facilites and thier secondary income and employment benefits
- direct investment by and employment opportunities for nonresidents in shore-based facilities and their secondary income and employment benefits
- direct investment by and employment opportunities for residents in sea-based operations with secondary shore-side effects
- direct investment by and employment opportunites for nonresidents in sea-based operations with secondary shore-side effects
- direct investment by and employment opportunities for Alaska residents in sea-based operations without shore-side effects
- direct investment by and employment opportunities for nonresidents in sea-based operations without shore-side effects

The reader is challenged to rank these categories from the perspective of an "average" Alaska resident. In doing so you will find that the mode of bottomfish develoment is not strictly a resident vs. nonresident controversy. Indeed, the potential resident investor or employee will probably want to devote his or her financial capital and skills where they will yield the highest profit or wage income, even if the mode of develoment required to maximize returns is sea-based. On the other hand, another resident who has an established service business in a coastal community might strongly prefer that the development mode be shore based. To complicate matters further, are Alaskans made better off from a shore-based project which is owned by and employs mostly nonresidents than a sea-based project owned by and employing residents?

The point of all this is that Alaska policymakers should recognize that in the area of fisheries development even the interests of its residents are divergent to a significant degree. Investors' incentives will be to choose the mode of development (for each particular resource opportunity) which promises the highest (risk-adjusted) return. In many instances, the combination of resource factors, physical and environmental factors, input constraints, marketing constraints, and regulatory constraints will make the best mode sufficiently clear that state policy preferences will not affect the investor's decision. For instance, most black cod harvesters in Southeast will select a shore based mode of operation and most pollock harvesters in the Bering Sea will choose a sea based mode of operation independent of state policy preferences.

With this background, the recommendations implicit in the analyses in this paper are presented below.[7]

- Determine to the extent possible the most probable patterns of industry investment response *before* commiting to major state programs intended to support the industry. This determination will require the categorization of specific opportunities according to the most probable mode of operation as defined by the factors which define and constrain the opportunity — resource, physical aspects, environment, technology, availability and costs of inputs, and market requirements. This understanding of specific opportunities and how the industry will respond to them will put the state planning effort on a sound factual footing and identify priority areas for additional research. It will also provide the basis for determining *how* the state can be of greatest assistance to the industry and *how* to best satisfy the state's policy goals.
- Formalize the state bottomfish program into a systematic long-range planning process. The discipline of the process itself will encourage those formulating, authorizing and implementing the plan to: (1) logically sequence projects, (2) develop long range budgets, (3) develop detailed task schedules, (4) develop and use a formal system of project evaluation, (5) monitor project implementation and performance, and (6) periodically reevaluate plan structure and content.
- Develop a major state supported program for providing *practical* fisheries education and vocational training. A planning effort should be initiated as soon as possible under the direction of a select steering committee working under specific goals established by the Legislature. The planning process should be directed by the steering committee which would have representatives from industry (majority) and appropriate programs of Alaska educational institutions. It is recommended that the program focus on technical subjects useful to operating vessels and plants, and applied managerial subjects useful to managing marine businesses. Finally, it is recommended that the program be offered on a highly competitive basis with substantial economic incentives for remaining in Alaska and/or applying the training acquired in a manner consistent with state goals. The purpose of this program, of course, would be to create within the Alaska resident population a skilled work force for bottomfish development and to augment the supply of entrepreneurial ability and managerial skills necessary to own and manage such businesses. This program would complement the financial programs already established by the state.
- Financially support the technological-transfer projects of the Alaska Fisheries Development Foundation (AFDF) and other Foundation projects which are consistent with state goals for bottomfish development (as defined in the formal planning process recommended above). It is recommended that the support be provided on the following basis: (1) the grant would be administered by the AFDF Board of Directors, (2) the grant would be for five years, released annually in equal installments, (3) the grant would be accompanied by a statement of legislative intent and require an annual reporting of fulfillment of intent, (4) the grant would be unconditional except that release of installments

in years two through five would be contingent upon industry matching in increasing 25 percent increments (25 percent in year two, 50 percent in year three, etc.), and (5) the grants should be in significant amounts (i.e., a minimum of $500,000 to $1,000,000 per year.)

There are additional justifications which can be provided for these recommendations. Unfortunately, space limitations require that these and the details associated with mechanics of implementation be developed elsewhere.

Footnotes

[1]The term "bottomfish" is used here to refer to black cod, Pacific ocean perch, rockfishes, Pacific cod, pollock, and flatfishes (flounders and soles).

[2]Ports; harbors; roads; airfields; plant site preparations such as water, power, and sewerage; and crew housing.

[3]Equipment and gear sales; repair facilities; recreation facilities; wholesale and retail establishments; and service businesses.

[4]Schools; communications; family housing; medical care; transportation; police and fire protection; and social services.

[5]Newly developed or developing production areas for whiting make this unlikely for the near or intermediate term.

[6]Situations where the market is not efficient in allocating resources to the highest valued use. For example, overcapitalized fisheries have resulted from investment decisions made in response to a market imperfection — the absence of ownership of the resources. The government has stepped in to correct for this market failure by limiting access.

[7]They are based on the presumption that Alaska policymakers share the same basic goals for bottomfish development: (1) to maximize economic benefits to Alaskans, (2) to maximize private-sector participation and minimize public-sector involvements, (3) to avoid public sector expenditure commitments which exceed the dollar value of benefits created by the expenditure, and (4) to avoid undesirable environmental, cultural, and social effects.

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NOTES

ALASKA'S FISHERIES
OUR RENEWABLE PIPELINE

Prepared by
Larry Cotter

Alaska is richly endowed with an abundance of natural resources, and greatly dependent upon the utilization of those resources for economic stability. However, Alaska is also the land of "boom and bust", where the incidence of occupational seasonability is severe. Economic stability is nothing more than an illusion based upon non-renewable resource exploitation. This, of course, is an unfavorable situation for our state, and regardless of the fact that we are currently experiencing an unparalleled abundance of petro dollars we must move Alaska in a direction of constant, stable, full employment.

False economies inevitably collapse, just as economies based on non-renewable resource exploitation eventually wither away as the resource exhaust itself. Accordingly, the number one priority of the state in the next decade should be the establishment of a year-round economy based on renewable resource utilitization, consistent with the philosophy, the needs, and the nature of Alaska.

Fortunately, within 200 miles of Alaska lie one of the greatest concentration of renewable protein resources in the world — seafood. Recent National Marine Fisheries Service figures indicate nearly 90% of the total fisheries catch within 200 miles of the United States comes from within 200 miles of Alaska. Yet, as is commonly known, only an infinitesimal amount of that catch — (as little as 10% taking into account the annual domestic harvest of salmon, crab, and halibut) — is currently harvested by American fishermen. Arthur D. Little, Inc., estimates that in June of 1978 there were 8,700 employees aboard 327 Japanese harvesting, processing, and support ships operating within 200 miles of Alaska. That estimate does not take into account the Russian fleet, the Korean fleet, the Polish fleet, or the Taiwanese fleet. It is these fisheries which hold the key for the future economic stability of Alaska.

The seafood industry in Alaska, already the state's largest private employer, is certainly not an infant. At the peak of the summer salmon season as many as 10,000 processing workers may be employed in over 90 processing plants, more than 20,000 fishermen on the grounds, and a few thousand support personnel on shore. It is, potentially, a lucrative industry as well. The value of the King Crab harvest to fishermen alone in the Dutch Harbor/Unalaska area this year was $110 million — greater than the combined catch value of all species in any one port in the rest of the United States.

However, it is not necessarily a healthy industry. Vessel costs can easily surpass $1 million. The amount of up-front capital required by processing companies to buy the catch is enormous. The rising price of fuel, high interest rates, a shortage of available "domestic" money, fluctuating foreign exchange rates, all combine to greatly compound industry costs. Add to that foreign domination of the marketing structure and we have an industry which, in itself, is the perfect example of boom and bust.

It is acutely important for us to stablize this industry. We can no more afford market collapses than we can afford the atrocious seasonality of processing worker employment. We can no more afford foreign domination of our economic structure than we can afford boom and bust fishermen. We can no more afford our entrance into the bottom fishery than we can afford to ignore the central problems of the industry as they now exist. It boils down to making sure the foundation of our house is stable before we throw up the frame.

Of the 10,000 processing workers at the peak of the salmon season at least 50% are non-Alaskan residents. Minorities are heavily concentrated in the industry, and easily make up the majority of the workforce. Racial segregation in relation to housing and discrimination in relation to jobs is common. The average annual income of seafood processing workers is the lowest average annual income of any income group in the state. Fringe benefits, such as health insurance, are usually poor, if at all in existence. Working conditions consist of torturously long hours spent in cold, wet surroundings. Many of the processing plants are located in extremely isolated areas bereft of recreational conveniences. The seasonality of employment is severe -- among our members employed in the industry, I estimate 70% are unemployed 40% of the year.

While it is fashionable to complain about the large number of non-Alaskan residents employed in the industry, and while there is some merit to that complaint, the simple fact of the matter is that most Alaskans are either too sensibly greedy, too lazy, or too alternately occupied to pursue a career as a cannery worker. And they will continue to be reluctant until the "lot" of the cannery worker improves substantially. Such improvements will occur as a combination of the results of incresed labor organization of the workforce and greater concentration on the non-economic problems of the industry by the state — such as health and safety and the seasonality of employment. However, as this process takes place, and more and more Alaskans become involved in the industry, the industry itself should expand beyond the labor-fulfillment means of in-state hire. We shall, in essence, have achieved the betterment of the core of the industry, but we shall still have significant non-Alaskan employment. What is important is not so much the eradication of non-Alaskan employment, but the maximization of Alaska resident employment. In order to achieve the latter, we have to improve the conditions of the former.

Aside from increased wages, which will occur as a result of labor organization, there is much the state can and must do in order to improve the employment aspect of the industry. Immediately pertinent are steps to allieviate the extreme seasonality of employment. Although we can project an eventual year-round industry as a result of development of the bottom fishery, such a fishery appears to be at least a few years away even in a partial sense. We should not wait for its development in order to achieve what we already have the means to largely achieve now — an extension of employment. This can be accomplished within the industry as it currently exists through two techniques:

Directions:

1.) Management of the Resource Geared Toward the Maximization of Employment.

Although the salmon industry is one in which the fish are immediately destination prone (if they aren't harvested before they reach the stream, they're gone) other seafood species are in a position to be more easily regulated as affects the harvest. These harvests should, and could, be regulated in such a way as to prolong employment in the processing sector without adversely affecting the harvest result.

In the Bering Sea king crab fishery, for example, a total of 120 million pounds of crab were harvested in 5 weeks this past fall. Processing worker employment in that area for that period reached an estimated 3,000 workers — for one month. Following the fishery closure, processing employment decreased substantially, and will hopefully maintain itself at the 700 level until the tanner crab fishery starts up this winter. That fishery, in turn, will create and experience basically the same type of employment increase/decrease prior to the eventual arrival of the summer salmon season — when the same cycle will repeat itself.

These crab fisheries should and could be managed in such a way that the individual harvests would last 3 - 5 months. This would result in a continuity of harvests and employment which would greatly stabilize the industry in that area.

2.) The Establishment of a Primary Processing Policy.

A huge amount of Alaska seafood products are minimally processed in-state and exported either down below or overseas for final processing. The most obvious example is roe herring.



The roe herring fishery is one of the most lucrative, wide-spread fisheries in Alaska. The herring roe (the eggs) are greatly prized abroad as a delicacy. The fishery takes place in the early spring — a time of acute processing worker unemployment. The processing of the product is simple: the herring are either boxed and frozen, or salted and boxed. In either case, the vast majority of the product is exported overseas — primarily to Korea — where the roe is extracted and shipped to the Japanese market. Given the value of the product, and the consumer demand, there is absolutely no reason why total processing of the product should not take place within Alaska. In British Columbia, as a matter of fact, there is a law forbidding the export of herring with a roe content greater than 5% (roe herring is not commercially harvestable until a roe content greater than 8% occurs in the fish). The result of the British Columbia law has been an extraordinary increase in both the number of employees and the length of employment in that particular industry — without a decrease in the value of the fish.

In addition to roe herring, other processing aspects which need to be reviewed are the halibut and crab fisheries. Although virtually all of the halibut harvested and frozen in Alaska is exported down below in a whole state, when was the last time you saw a whole halibut for sale in a super market? They are not sold in that manner — they are steaked first. If Alaska were to forbid the export of halibut unless steaked, the level of processing worker unemployment would decrease significantly.

In the crab industry, a few companies are beginning to freeze the crab raw and export it to be cooked somewhere else as opposed to cooking the crab, then freezing it, and then exporting it. As crab cannot be eaten unless it is first cooked, there is, again, no reason why we as a state should allow the exportation of a minimally processed product when that product could very easily, and to our benefit, be completely processed in-state.

The establishment of a series of primary processing policies would have to be implemented in stages over a period of years, and in accordance with the region, the product, and the processing capacity of the region. It would be detrimental to the people and fishermen in the Togiak/Bristol Bay area, for instance, for the state to forbid as of January 1, 1981 the export from Alaska of herring with a roe content greater than 5% — the roe herring harvest is just too large and the processing capacity too small to comply with such a regulation. However, such a regulation would not be impractical at all for the rest of Alaska by 1981.

It is only logical for the state to pursue maximum processing of a product in-state, particularly when we are dealing with luxury products and a needlessly over-seasonal industry.

3.) Upgrading the Quantity and Quality of Fisheries Employment.

When projecting the future picture of the industry in Alaska, it is important to note the employment ratio of fishermen to shoreworkers. At present, the nature of the Alaskan fishing industry is one in which we are focusing on comparatively low numeric yield/high profit species. This has resulted in an employment ratio of roughly 2 fishermen to every 1 shoreworker. As we move into the bottom fishery a large segment of the industry will begin to focus on high numeric yield/low profit species. This is currently the case in Scandinavian countries where the employment ratio for that type of fishery emphasis is 1 fisherman to an average of 5 shoreworkers.

Translating the Scandinavian ratio into the emergence of an Alaskan bottom fishery we can project an eventual reversal of the present Alaska ratio of fishermen to shoreworkers. How rapidly this will occur is anybody's guess, however it should be noted there has aleady been a substantial increase in employment in the Aleutian area through the development of the Bering Sea crab fisheries alone. The significance of this, and the Scandinavian ratio, is in the accretion of more shoreworkers, and thus, assumedly, an increase in employment problems as they relate to wage and hour violations, discrimination, and health and safety problems. Dealing with these problems will require large increases in state funding to those agencies charged with the responsibility to enforce pertinent laws and regulations. While expansive bureaucratic spending should be discouraged, it has to be recognized that a miserly approach to funding of certain regulatory agencies would be detrimental to the participants in this industry — and as a result, to the industry, and Alaskan desires for Alaskan employment, as a whole.

Violations of Alaska laws and regulations as they relate to processing workers are all too common. Both the Alaska Department of Labor and the Alaska Commission on Human Rights need to have

their funding substantially increased in order to assure the reasonable application of the law. Neither agency at this time is adequately funded. Neither agency can respond promptly and efficiently to the wide range of employment related problems in this industry as it currently exists, much less in an expanding future. For example, the employment boom in the Dutch Harbor/Unalaska area has resulted in significant wage and hour violations, return transportation violations, workmen's compensation problems, discrimination, and health and safety problems, yet there is no funding for the Department of Labor to open an office in that area for constant on-sight enforcement and assistance. Likewise, the Alaska Commission on Human Rights needs to be funded in such a way that it can adequately respond to allegations and occurances of discrimination. Anything less is to continue the second-class citizen status processing workers in Alaska have labored under throughout the history of this industry — and that is not going to achieve anything close to real "Alaskan" participation in the industry.

In relation to health and safety, the state needs to approach the Federal Government for jurisdiction over all domestic factory ships operating within Alaska Territorial Waters. Currently the state has jurisdiction *only* on the shore. The difference in safety and health regulations beween the state and the Federal Government can be significant with the state's regulations more expansive. The situation becomes ludicrously bureaucratic when you have a shore plant under Alaska jurisdiction connected to a factory ship permanently moored to the shore under Federal jurisdiction with the workforce commonly interchanged between the two different sets of regulations. To make matters ever worse, neither the state nor the Feds appear to have adequate funding to enforce either set of regulations.

Health and safety, discrimination, wage and hour violations are all part of the very important "work environment". If the work environment is lousy, it is not going to be condusive to employment desirability. This is an area where the state can very definitely make some advancements — an area where the state has to make advancements if the industry is going to become Alaskan.

4). The Health of the Alaskan Industry.

The emphasis of this paper has been on the relationship between processing workers and the industry. Without departing from that emphasis it is logical to note that processing workers have a great vested interest in the overall health of the industry. To a large degree, that health is dependent upon the successful marketing of the products we produce. That success, in turn, is dependent upon the quality of the processed product, consumer identification, and demand.

While I do not intend to delve into the realm of marketing — which is a serious problem itself — I would strongly advocate the establishment of a quality assurance board for all Alaskan seafood products, the creation of an "Alaska" seal of quality, and a steady media campaign geared toward consumer identification of Alaskan seafood products. Successful marketing is to tangibly related to the economic stability of this industry — even more so in the future — we should spare no effort to etch in the mind of the consumer the quality and desirability of "Alaska" products. However, in order to achieve this we first have to be able to *assure* the consumer of quality. Given the diversity of the industry, its expanding nature, and the entrance of many new, small processing operations we have no real base at this time for such assurances. The creation of a set of industry-wide quality standards, coupled with the issuance of the "Alaska" seal to those companies who comply with the standards, would be a first important step in securing priority consumer acceptance of Alaskan products.

5.) Taxation, Politics and Foreign Fisheries.

As it stands now, the preeminent amount of fishery resources within 200 miles of Alaska are being harvested and utilized by foreign countries virtually free of charge. Given the economic difficulties of domestic entrance into these fisheries (a large portion of which is due to the comparatively low overhead cost of foreign production in relation to the domestic cost of labor, compliance with EPA standards, OSHA regulations, and FDA requirements) it is only fair that foreign countries pay an equitable fee for the right to harvest what amounts to a resource belonging to the people of the United States.

There are precedents for fees. Japan and the Soviet Union, for instance, have recently entered into an agreement whereby Japanese fleets will be allowed to harvest and process 10 million pounds of

tanner crab within 200 miles of Siberia — for $0.49 per pound. Although Japan also fishes tanner crab within 200 miles of Alaska they pay only an insignificant fee to the Federal Government for the product. If the Japanese are willing to pay the Soviets $0.49/pound for tanner crab, why shouldn't they be willing to pay the U.S. the same amount?

A further example of sorts, is the standing Korean offer of $0.06/pound for pollack harvested by Alaskan fishermen and delivered to Korean processing ships. If the pollack is worth $0.06/pound to the Koreans when buying from our fishermen, it is only reasonable to expect Korean fleets to be willing to pay $0.06/pound to the American government for the same specie.

The use of such an "exploitation tax" would not only be fair and reasonable, but would decrease the competitive advantage foreign countries harvesting fishery species within 200 miles of Alaska have over domestic companies attempting to enter into the same fisheries. Additionally, the exploitation tax would generate sorely needed funding revenue to encourage domestic entrance into these fisheries as well as to insure the necessary funding for adequate U.S. enforcement of foreign fleet allocations.

The problem with instituting this type of tax is one of securing the necessary political clout to convince the Federal Government to enact it. Regardless of the logistical problem of achieving Alaskan political clout in Washington, the state should, nevertheless, attempt to secure such legislation.

. . . . .

Alaska is in a very unique position as regards other states, indeed, other countries. We have petro dollars falling all around us, and we have a massive renewable resource at our doorstep. The proper utilization of petro dollars blended with the proper utilization of the fishing industry can provide to us a long range, secure, indefinitely stable economy. We should take every advantage of our resource windfall.

Biography

Larry Cotter is President of the International Longshoremen's and Warehousemen's Union (ILWU), Alaska Council. The ILWU also represents fish processing workers.

NOTES

THE PROSPECTS FOR AGRICULTURE IN THE NORTH

By Wayne C. Thomas

Introduction and Historical Prespective

Alaskans throughout the state are involved in agriculture from backyard gardens and indoor house plants to large grain or dairy farms or reindeer herds with several thousand animals. However, as with most areas of the United States, recreational and subsistence agriculture predominates. Alaska's commercial agriculture is not only small, but the smallest of any state in the country. Why this is the case is tied, for the most part, to Alaska's history.

The first significant agricultural effort was established by the Russians in the latter part of the 18th century in small coastal areas particularly on Kodiak Island, where success was limited by wet weather (Thomas, 1976). The discovery of gold and the establishment of Federal agricultural experiment stations in Alaska at the turn of the 20th century provided for a substantial increase in agricultural development. Grain crops, potatoes, and dairy products were produced in the Interior to supply the mining industry. Nome, site of the 1902 gold rush, provided the impetus for rapid expansion of the reindeer industry. In the 1890s, reindeer was brought from Siberia by the U.S. government in the hopes that it would reduce the dependence of Alaskan Eskimos on the cyclicial nature of game harvest. The discovery of gold resulted in the migration of miners to the area by the tens of thousands. As the gold fields either petered out or were mined by large mining companies driving toward mechanization, agriculture declined. This first affected the cropping-type agriculture found in Alaska's interior. Later on, particularly during the early 1930s, the reindeer industry became severly depressed, and numbers declined from over 600,000 in 1932 to 250,000 in 1940. Shortridge (1976) argues that one element, evident in earlier migrations of Americans from east to west, was lacking in the movements of large numbers of people to Alaska during the gold-rush period. This was an overriding pioneering spirit to stay and till the land through many hardships in Alaska.

Farms under cultivation were increased again in the mid 1930s through activities in the Matanuska Valley which could be classified a "depression-inspired experiment." Destitute mid-western farmers were moved to an area 40 miles from Anchorage by the federal government (Atwood, 1966). Agriculture expanded from this activity, particularly with the coming of World War II and the stationing of large numbers of armed forces personnel in Alaska.

The U.S government increased its efforts in applied research just after World War II. This was in response to cold war fears necessitating keeping military personnel in Alaska and supplying them over a long and vulnerable transport route from the 48 states. Farming, particularly dairy, forage, grain and vegetable production increased. During this same period, reindeer herders did not have easy access to the export military markets in the territory and herds continued to decline. By the early 1970s, the reindeer industry bottomed out somewhere around 24,000 animals.

Agriculture in the Matanuska Valley began to decline in the 1960s. Farm size was one factor — the average farm in the valley in 1967 was only 79 acres. High production costs were related to this small, inefficient size (Alaska Power Commission, 1970). During this same time, the marine transportation system connecting Alaska with the other states was substantially improved. This more efficient transportation system made it difficult for Alaska's small, poorly developed agriculture to compete with the massive, cheaper importation of agricultural products from the lower 48. In essence, Alaska's agriculture was in another downward spiral.

Current Status

In the beginning of this decade, the passage of the Alaska Native Claims Settlement Act (ANCSA) by Congress had a powerful effect on the reindeer industry. Through the creation of regional and village corporations, native Alaskans were able to expand their economic and social influence in the state. The reindeer industry has seen one major modification in its structure in that a regional corporation has gained control of the largest herd in the state (Naylor et al., 1979). Little has changed with other types of agriculture in the sense of land in production, although, in fact, the timing of ANCSA and the creation of projects on newly available lands can be related directly to an exogenous factor: petroleum

Prudhoe Bay was discovered in the late 1960s but the transportation system to market was not completed for another ten years. In the interim, the largest privately financed project in U.S. History was changing the economic face of Alsaka. Actual location of the line also influenced agriculture in that the pipeline, on its way south from the North Slope, passes first through Fairbanks, then 100 miles to the southeast through Delta Junction. Many old and new residents in the Delta area worked on the pipeline. This first provided jobs and, then earnings to invest. Local support for agricultural development occurred in part because the jobs available during pipeline construction were less plentiful after completion. Also, farming had already become somewhat established in the area. If more jobs were created between pipeline construction projects (a natural gas pipeline construction project is being planned through interior Alaska during the 1980s), the community would not go through the boom-bust cycle so characteristic of many of Alaska's communities and in Alaska's economy in general.

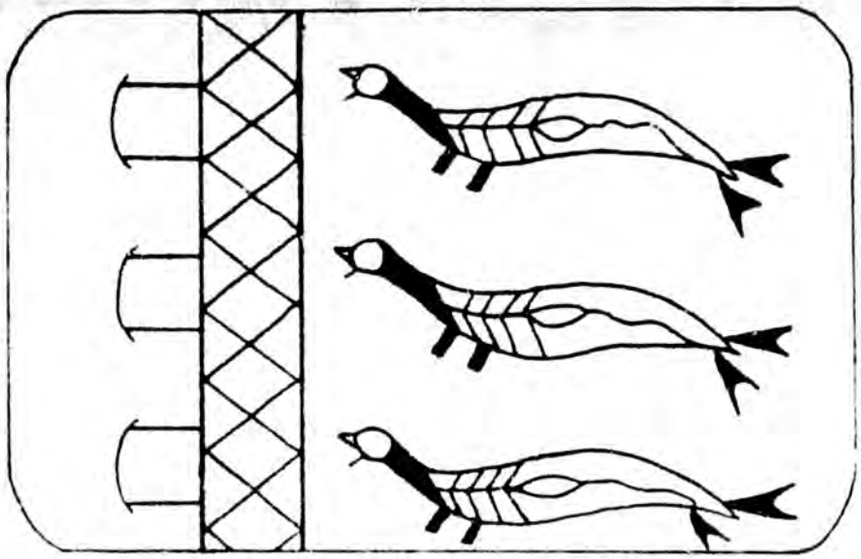
Two studies underscored this rekindled interest in agriculture. Reiger (1974), Soil Conservation Service, U.S. Department of Agriculture, has identified more than 15,000,000 acres of lands within Alaska which could be cultivated for agriculture. Next a study group comprised of local citizens and state and federal government personnel conducted a planning effort sponsored by Alaska Department of Natural Resources, Alaska Division of Lands (1976-77), entitled "The Delta Land Management Planning Study." The outcome was identification of approximately 125 to 140,000 acres of agricultural type soils (Class II and III) with the possibility of another 60,000 to 75,000 acres which could be classified after completion of exploratory soil surveys.

In 1975, during the latter stages of the Delta area planning study, the Federal-State Land Use Planning Commission for Alaska commissioned a study to consider the relationship of land and agricultural development. One outcome of this effort was a recommendation that an agricultural development project of sufficient size, at least 50,000 cares, be attempted to determine the potential for success of large-scale agriculture in Alaska (Faris and Hildreth, 1977).

Shortly after the Planning Commission's report was completed, the Office of the Governor organized a group of representatives of both the public and private sectors with other interest or expertise in agriculture to determine if such an agricultural development project was reasonably feasible. The major component of this ad hoc group's effort was an economic analysis. Location was first considered. The only organized agricultural area with sufficient state lands of good agricultural quality and an extant planning group recommending land classification for agriculture was in the Delta Junction area. After this determination was made and with completion of the economic feasibility study (Thomas et al., 1977), a recommendation was made by the ad hoc group to undertake an agricultural development demonstration project near Delta. A 60,000-acre block of land was identified as the project area.

This recommendation was acted on by the state legislature in 1978. Provision was made to sell the land by lottery in 22 tracts averaging approximately 2,600 acres each. One precondition for the lottery was that each applicant must be reviewed by a selection panel. Just over 100 people were found eligible to participate in the lottery on the basis that each was an Alaskan resident and a U.S. citizen, had some management background, and had access to at least $35,000 in investment capital. On August 5, 1978, all of the tracts of the project were sold at an average cost of $51 per acre. The land title was fee simple with two restrictions: subsurface rights and all other development rights except for agriculture were retained by the state.

Both the Delta lottery process and agricultural rights title has come under criticism. A report from the state's ombudsman's office determined that some errors were made in the lottery process (Flavin, 1979). These included, among other items, lack of adequate information on application criteria and on land-clearing costs. However, the ombudsman's report concluded that a second land sale should be conducted in order to get additional agricultural land in the hands of more people. The conveyance of agricultural rights only was based on the desire by the 1975 state legislature to prevent agricultural lands from being subjected to speculation. This aim was manifested in the issuing of title which limits the use of the land to agricultural purposes only. The major argument against this approach is that the land lacks "clear" title required by financial institutions in making farm loans. This charge seems somewhat spurious because banks in most, if not all, agricultrual regions of the United States lend money for agricultural activities on leased land, the use of which the farmer has even less permanent control



After completion of the lottery, each successful farmer could borrow funds from a state loan program to begin clearing each farm in the Delta Agricultural Project. By November, 1979, the clearing process was approximately 25 per cent complete. Project farmers have until 1982 to clear and make ready for tillage 90 per cent of their Class II and III soils. In round numbers that should be slightly over 54,000 acres which will be ready for production. What will these lands produce? Until 1985, title holders are not required to do anything with their land except clear it, at which time they must begin repaying the clearing costs with interest.

The project feasibility study considered two major crops. The first was barley, a cereal grain used as a livestock feed in the United States and as both a livestock feed and human food in Northern Asia. Barley has been grown in the Delta Junction area since the 1950s. Both commercial production and applied research point to this crop as the basis for expanded agriculture.[1] An economic analysis of the project was completed indicating that barley was a good crop as long as in most years the price received by the farmer was not depressed (Thomas et al., 1977). To overcome the concern that a one-crop agriculture was more susceptible to both poor agronomic as well as economic years, a second crop was suggested: rapeseed, an oilseed which yields cooking oil after a crushing process. Rapeseed's primary market is in Japan, the world's leading importer. Generally the seed is shipped in a raw state, the oil to be extracted in Japan.

Rapeseed can be produced using basically the same farm production equipment and handling facilities as barley. It also appears to be a good rotational crop with barley. Rapeseed has one additional advantage — it has a substantially higher market value. The project benefit/cost analysis was broadened to consider a barley/rapeseed rotation on project farms (Thomas and Lewis, 1979). The results indicated that project feasibility was enhanced by the addition of rapeseed. It was also determined that interest rates as high as 12 per cent did not make the project unfeasible either with barley along or with a barley/rapeseed rotation. It appears, however, that at interest rates above 12 per cent the project would generally be unfeasible in the long term without rapeseed in the crop mix.

The major source of loan funds for Alaskan farmers is the state Agricultural Revolving Loan Fund. This agency's interest rate for farm loans is currently at 6 per cent, well below that available in the private sector and within the limits required to make the project feasible. Additionally, the lower rate reduces project risk, especially in the early years when most development costs are heaviest.

Market and transportation issues were also considered. The export market was analyzed in a study by Carney and Thomas (1978). The Japanese market was viewed as the strongest because of its highly developed nature and dependence on foreign sources for much of its feed grain and oilseed. The Taiwan market was viewed as a strong feed grain market. Marketing is facilitated by transportation and other infrastructural components. A study, just completed and addressing in substantial depth the transportation and grain elevator requirements for the project (Thomas et al., 1979) determined that port elevator development and the associated transportation is dependent on volume movements. Investment, particularly in the port elevator component, can be repaid in a reasonable time period only if all the volume produced from the Delta project is exported. Even then, port investment would have to be viewed as a long-term, low-payback situation which would probably be acceptable only to a public funding agency.

The problem is that local market considerations will most likely preclude the 100 per cent export criterion. The local market tends to have a higher payback to the grain farmer due to lower transportation costs. Interest in feeding livestock has been increasing ever since the Delta project was announced. Some may wonder why local consumption was not considered in more depth with the original feasibility analyses or even the ensuing market and transportation studies. This decision was made early by the ad hoc committee to plan as simple a project as possible, based on the concern that problems during creation of an agricultural system were many and some were probably not identifiable in the planning phase. Overall planning of an entire system, if it is kept simple, allows for more margin of error. If the project could work for the export market, and if a more complex local market developed, all the better for project farmers. Processing, in the case of barley, implies livestock feeding, yet 98 per cent of the red meat consumed in Alaska is imported from other areas. To meet the local market for red meat requires development of sophisticated slaughter facilities (Stephens et al., 1975).[2] A simpler local market does exist in that grain can also be sold to in-state feed mills to be processed into cattle and horse feed and into dry dogfood. This market is presently small, but growing. Rapeseed is another matter: it is much more valuable in the export market than as an additive for livestock feed. As a result, over a period of time, an increasing percentage of the barley will probably go to local markets, whereas all the rapeseed that grades number 1 (probably about 80 per cent of the annual crop, on the average) will be exported.

A potential problem is implied in the proposed export program, however. We have learned that in order for the export elevator to operate within a margin of economic feasibility, all of the project output that meets grade must be shipped through it. What happens if this volume is reduced due to increased local marketing? Two possibilities exist: the port elevator will have insufficient cash flow to repay investment costs or substantially more land must be made available for agricultural production in Alaska.

Additional Perspective

It appears that the second alternative mentioned above has been selected by those government officials and private individuals responsible for agricultural development in Alaska. The 1979 legislature created a five-member group (three public, two private) called the Alaska Agricultural Action Council which has the responsibility of overseeing existing state agricultural development projects including that at Delta while suggesting new ones to the state legislature. It should be made clear at the time of this writing that no new projects have been recommended. However, in early December, the economic feasibility report for the proposed Point Mackenzie agricultural development project is to be completed. This project, if submitted by the council to the legislature, will emphasize dairy production. Located in southcentral Alaska, across the Knik Arm from Anchorage, the original disposal will probably include approximately 20,000 acres divided into 640-acre or smaller parcels. State loans, disbursed through the Agricultural Revolving Loan Fund and administered by the Alaska Division of Agriculture, will probably be the chief source of financing. A lottery system and land-clearing requirements similar to those used for the Delta project will probably be used. Project implementation should nearly double the amount of milk produced in Alaska. Preliminary economic analyses indicate that the dairy farm operations appear highly feasible. The major variable that must be overcome in this proposed project is rapidly raising land values. Farm land in the Matanuska Valley has gone into other uses because of this pressure. The agricultural-rights-only nature of the proposed Point Mackenzie project, as for the Delta project, will prevent other land uses and any associated land speculation.

Another agricultural development effort under serious consideration by the Alaska Agricultural Action Council is an expansion of the Delta Agricultural Project. Soil surveys on state lands adjacent to the existing Delta project have recently been completed and indicate that as much as 75,000 additional acres of Class II and III land are available. If farms were developed on this land, producers could use the existing infrastructure being developed for the Delta project. Crops already in production could be expanded, which would solve one difficulty already mentioned: the necessity to increase volume through the export elevator. Efforts are currently underway by the Agricultural Council to classify this tract of land as agricultural. A project expansion may then well be proposed to an upcoming state legislature.

Red-meat production and processing are currently being considered by several groups. The impetus has come from the farmers

themselves. The Agricultural Council is considering funding a small task force to study in depth the development of a specialized pork production and processing industry which would provide products to both domestic and foreign markets. Remember, red meat production must be based on the creation of a feed base. In this case, the original Delta project would be the grain source. Beef production has been carried on in the Matanuska Valley, the Kenai Peninsula, and Kodiak Island for many years. Some believe that young cattle from Kodiak and Kenai may in time be shipped into the Matanuska Valley, combined with valley cattle and fed grain produced in the interior of Alaska. Only time will tell, but interest in this possibility is high.

The last major project on the horizon is near Nenana. As many as 300,000 acres may be of adequate quality for row-crop agriculture. This area is viewed by many agricultural specialists as some of the best potential farm land in the state. It lends itself to wheat production, perhaps more strongly even than Delta. In fact, its development could foster the construction of a flour mill which could find an outlet in both domestic and export markets. Nenana's major advantage, other then its excellent latent agricultural land, is that it is situated on the Alaska railroad. Long-distance transportation of bulk agricultural commodities is most often more economical by railroad than by truck.

Nenana's major problem is land title. Most of the agricultural land is in a transition situation wherein Native groups will become the owner of some lands, the state others, and the federal government will retain the rest. Until some final resolution can be made, little will happen at Nenana. However, it appears interest is expanding to speed up the land title process. If so, Nenana may be in the planning stage within the next two to three years.

Let's turn away from the Interior and consider again the reindeer industry, particularly on the Seward Peninsula. As we mentioned earlier, the industry had gone through a long period of decline. However, several factors have changed the outlook of the reindeer industry. First, native peoples have been concerned about declining numbers in the Western Arctic Caribou Herd. This unreliability of game-meat sources has increased the attractiveness of domestic reindeer herding. A regional native corporation, NANA, has taken control of several reindeer herds in response to this heightened interest in local meat production. NANA's approach to production is to attempt full-time herding, while the norm for the industry is part-time herding mixed with subsistence activities. NANA's plans for increasing meat production are still in very early stages. Their combined herd, now numbering over 7,000 animals, is going through a restricted harvest cycle to facilitate herd expansion. It is possible that NANA alone will increase its herd to as much as 30,000 head, depending on winter range availability and range restrictions placed on the corporation by the U.S. Department of Interior. Whatever the outcome, herd numbers above 30,000 head for the industry (17 different herds) should be achieved soon.

The major impetus for this expansion from 24,000 animals to over 30,000 is not to increase meat production but to respond to the Asian market for reindeer antler (Thomas, 1978). In a recent paper, Arobio et al. (1979) indicate the economic importance of herd management for antler production in contrast to other management approaches. Net income to the herd owners, both as large as NANA, and as small as 1,000-head operations, were many thousands of dollars higher if antler production were emphasized. In all cases meat production was lower, but if herds were expanded for the antler markets, the peripheral outcome would be greater aggregate meat production available for local and even export markets. The price of antlers has increased dramatically from less than $8 to a possible $50 per pound in the last three years. However, trouble may be on the horizon for this product. Competitors, particularly red deer producers in New Zealand and reindeer herders in Scandinavia may soon enter the antler market with large quantities. If so, it is unclear whether the Alaskan price can be maintained. How possible price reductions may effect management decisions by herders is also unknown. However, aggregate herd expansion for at least the next ten years seems inevitable.

Native interest in agricultural production other than reindeer is beginning to expand. Village gardening projects are underway in several rural localities throughout the state. In one area, the lower Kuskokwim Valley, the commercial possibilities of potato and other vegetable crops have been evaluated (Lewis and Lewis, 1979). Using the findings contained in this report, vegetables were produced near the village in 1979 and were marketed both locally and in other villages, including Bethel. With increasing fuel costs, village agriculture may be further stimulated to help offset rising living

costs. Therefore, the outlook for greater production and an improved food source is promising.

Directions

Increased agricultural production in Alaska will require substantial investment of capital. Much of this investment will probably come through the next ten years from state government loan programs. Agriculture is especially fortunate in that substantial funding will be available from petroleum royalties and taxes accruing to state government. But is it a good investment?

We know that state government has already allocated over 13 million dollars to the Delta project, over 80 per cent of this which is repayable with interest. The benefit/cost analysis indicates a reasonable chance for success, which means the debt appears repayable. The state might make a higher rate of return on its investment in other industries in the state, but these opportunities are limited.

With this investment, will agriculture succeed in Alaska? There is no sure answer to this question. In the major agricultural exporting countries, indications are that the agricultural facet of the economy is increasing at a rate greater than that of the economy as a whole because the aggregate world demand for food is increasing at a rate faster than aggregate supply. This is represented by the upward price pressure seen with food, especially in the developed nations. There are other factors, including the general inflationary situation, but shifts in food demand relative to supply seem to predominate.

Where does this put Alaska? We are generally seen as an area wherein production costs are high. Historically, lands near large world population centers are developed first. Then, more remote, less economical, areas are brought into production later. It is my contention that Alaska has arrived at the edge of this latter situation.

One additional perspective might be helpful in understanding the importance agriculture may bring to Alaska. By the middle 1980s, gross sales from Alaskan agriculture could increase to over $35 million dollars from just $7 million in 1978. Land in production could top 180,000 acres. As to employment, the number of permanent jobs created could exceed 500. Total investment cost for this industry could approach $100 million dollars by 1985. One interesting aspect will be the expected reduction in the role of government and the increasing private-sector role in the providing of agricultural loans for needed investment capital. As agriculture becomes established with the development of many large and small farms, the initial high-risk nature of the industry, given its unproven Alaskan track record, will become of less concern, thus attracting private captial. In this event, Alaskan agriculture could be described as a growth industry for the state while providing a lifestyle which is deemed attractive by many Americans.

Every development has attendant costs. Development of an infrastructure containing grain elevators, processing plants, electrical power, even a possible railroad extension, is an integral part of agricultural development. In most cases, because of processing requirements, more development is required for local consumption than for export marketing. Agriculture in this state entails more risk than established agriculture elsewhere because it is relatively new. Front-end investment costs are generally high, and payback in many cases must be spread over an extended period of time. Support of Alaska's agriculture by its people will be necessary if state funds are to be used in the needed loan programs.

A second need is for land sufficient for agriculture to grow in Alaska. The land should be sold in both large and small parcels. This would provide for those who wish to attempt commercial full-time farming as well as those who wish either to have a subsistence lifestyle farm or to be part-time farmers.

I am particularly concerned that state and Federally owned rangeland in areas such as the Seward Peninsula continue to allow reindeer grazing. Federal monument status could disallow or limit grazing at well below carrying capacity levels. State land action could place the leased land cost to the herder at levels beyond his ability to maintain the herd.

My final comment relates to concern about farm management. Historically in the United States, the Extension Service at Land Grant universities has provided the on-the-farm training required to improve farm-management practices. I believe the University of Alaska needs to expand its efforts in this area. This educational effort could do more to ensure agricultural success than almost any other activity carried out by state government.

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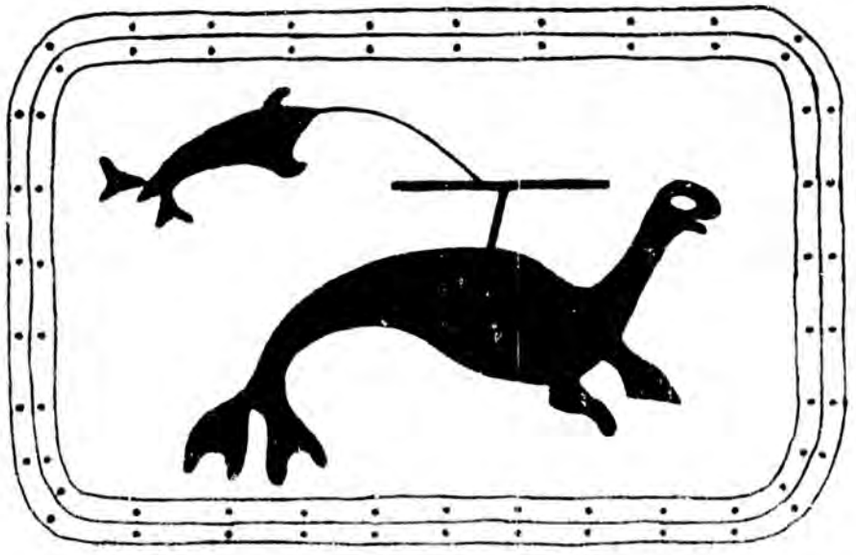


Biographical Sketch

Dr. Wayne Thomas has a research and teaching appointment in the Agricultural Experiment Station, School of Agriculture and Land Resources Management, University of Alaska. Dr. Thomas received undergraduate and graduate degrees at California State Polytechnic University and the University of Nevada. In 1971, he graduated with a Doctor of Philosophy degree in agriculture economics from Washington State University. Since joining the University of Alaska faculty in 1971, he has conducted research in land management issues, the economics of red meat including reindeer, and the role of government in the agricultural development process. Teaching areas have included resource economics and natural resource policy. Since 1976, he has acted as an advisor to several state agencies and to the office of the Governor on agricultural development matters. Recently, Dr. Thomas was named a Senior Fulbright Scholar in economics and has been invited to be a visiting professor at the University of New England in Australia during most of 1980. He will be studying government involvement in agricultural development by contrasting United States and Australian approaches. Thomas is married, has one child and lives in Fairbanks.

AGRICULTURE IN ALASKA — PAST, PRESENT AND FUTURE

Presented by:
W.I. "Bob" Palmer
Special Projects Coordinator
Office of the Governor

Our knowledge of Alaska's agricultural past begins with some of the first Russian settlers who transported cattle and goats from Siberia to Kodiak Island in the latter part of the eighteenth century. These early settlers also grew such vegetables as potatoes, cabbages, radishes, and lettuce, although with limited success because of a wet climate.[1]

After U.S. purchase of the territory in 1867, there was little agricultural activity beyond the food that the small white populace grew for their own tables. In 1884, U.S. officials had been led to believe through erroneous reports that the Alaska climate effectively ruled out agriculture. Such thinking changed during the next few years, however, and by the late 1880's, the U.S. Government had established agricultural experiment stations at Sitka, Kenai, and Kodiak to conduct research toward adapting certain grains, vegetables, fruits, and livestock to Alaska conditions.[2]

The gold discovery near Nome in 1900 brought thousands of prospective miners to that area, and this new market gave a boost to a fledgling experiment in Alaska animal husbandry — reindeer. Reinder were first imported by the U.S. Government from Siberia in the early 1800's to be used as a subsistence resource for the Natives. But when the gold rush created the nearby market, Natives and others began to sell reindeer meat to the miners. After the gold rush population subsided, the reindeer population in Alaska continued to increase, being used both for local subsistence and commerically for local as well as import markets in the United States. Reindeer heards increased steadily until they peaked in 1932 at approximately 640,000 animals. After that, for a variety of economic and other reasons, their numbers decreased precipitously. Total number in 1968 were estimated at only 30,000 head.[3]

The 1902 discovery of gold in the north Tanana Valley led to development there of a significant market for agricultural products. A small agricultural industry developed in response to the growing numbers of gold seekers, and local farmers produced grains, vegetables, livestock, and poultry products. In fact, in the 1910's, a flour mill operated in Fairbanks, using locally grown wheat and producing flour for the local market. However, as gold production diminished and the boom population decreased, agricultural activity also decreased.[4]

A depression-inspired experiment in the mid-1930's renewed agricultural interest in Alaska when U.S. Government transplanted an impoverished group of farmers from the midwestern United States to the Matanuska Valley to develop agricultural production in that region. This experiment was a success to the extent that today, this valley produces the largest volume of agricultural products in the state.[5]

During the late 1940's, the U.S. Department of Agriculture (USDA), in response to U.S. military concern for the vulnerability of Alaska's food supply, increased its efforts to make the terriroty less dependent on other states. The USDA increased its agricultural research, expanding on-going programs and introducing new ones. In addition, the military increased its purchases of locally grown products. As a result, partly of this and partly because of a growing population, Alaska agrticulture grew steadily from that time until the early 1960's. By the sixties, however, because of an improving transportation network between Alaska and the lower U.S., Alaska's small-scale, inefficient agriculture simply could not compete with the massive, cheaper output of its lower U.S. counterpart and the U.S. subsidized freight rates to ship those foods to Alaska. Thus, agriculture in Alaska stagnated during the 1960's (Table 1).[6]

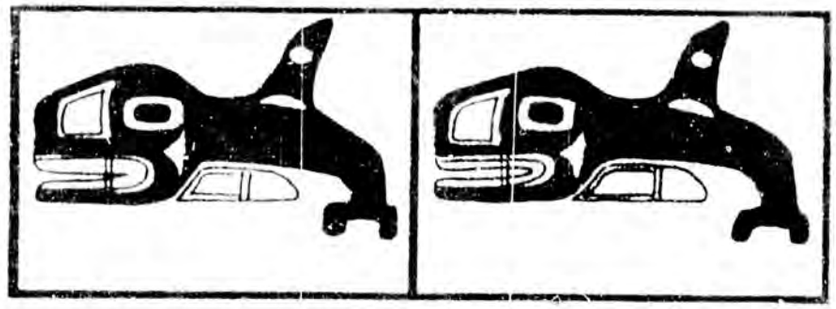


TABLE 1
Summary of Alaska Crop and Livestock Sales 1960-1974

Year	Crops	Livestock	Total
1974	$1,987,000	$3,654,000	$5,641,000
1973	1,980,000	3,318,000	5,298,000
1972	1,343,000	3,040,000	4,383,000
1971	963,000	2,871,000	3,834,000
1970	903,000	3,112,000	4,015,000
1969	624,000	2,948,000	3,572,000
1968	1,031,000	3,060,000	4,091,000
1967	920,000	3,197,000	4,117,000
1966	1,025,000	3,299,000	4,324,000
1965	989,000	3,255,000	4,244,000
1964	1,332,000	3,025,000	4,357,000
1963	865,000	3,148,000	4,013,000
1962	1,139,000	3,265,000	4,404,000
1961	1,090,000	3,315,000	4,405,000
1960	1,020,000	3,116,000	4,136,000

SOURCE: Alaska Crop and Livestock Reporting Service, Palmer Alaska

Since 1974, sales of livestock, poultry and crops have increased. (See table 2.)

TABLE 2
Summary of Alaska Livestock, Poultry and Crops Sales 1976-1978

Year	Crops	Livestock/Poultry[1]	Total
1976	$3,051,000	$3,831,000	$6,882,000
1977	2,946,000	3,937,000	6,883,000
1978	3,131,000	3,595,000	6,626,000

1/ Reindeer not included

Today, it appears as if a new era has dawned for agricultural development in Alaska. For the first time in Alaska's history, ag development is underway on a scale designed to make it competitve on the world markets, and thus insulate it from the boom and bust cycles of domestic consumption.

This new day for agriculture in Alaska began with action by the Federal-State Land Use Planning Commission. Under a contract with that Commission, two ag economists, Dr. R. J. Hildreth, Farm Foundation in Chicago, and Dr. J. Edwin Faris of Clemson University in North Carolina, analyzed the agricultural potential in Alaska. Their report (Feburary, 1975) concluded that small grain production, especially barley, was not only agronomically feasible in Interior Alaska but appeared to be economically feasible also *if* farmers were allowed to produce on a scale comparable to small grain farming in the United States and Canada *and* if at least 50,000 acres were put into cultivation at approximately the same time. This acreage was thought to be the minimum "critical mass" needed to support the infrastructure of an economically feasible crop-producing area.

Their report said in essence that to become feasible, the grain would have to be produced at a competitive price to meet conditions and standards, both for quality and quantity on the world export market and that insufficent demand existed within Alaska to provide the market necessary for economical production. They stated, however, that from a technical basis, previous research indicated that barley was well adapted to conditions in a number of places in Alaska, that costs and yields were such that it appeared feasible to produce for the export market, and that while costs of producing an acre of barley in Interior Alaska were approaching 200 percent of similar costs in Nebraska, yields were more than twice those of Nebraska, and quality was better.

In accord with his oft-expressed views and those of much of the public that "non-renewable resource wealth (oil) should be used to stimulate *renewable* resource industries," Governor Hammond issued instructions to his Special Projects Coordinator to determine the feasibility of implementing the recommendations of the Faris-Hildreth report.

As a result of those instructions from the Governor and the very

extensive efforts of agricultural experts across the State, approximately 62,000 acres of agricultural lands were sold by lottery to 22 residents of the state in August of 1978. Complying with state law, agricultural rights only were sold, with the state retaining the development rights. This policy assures that the land will remain in agricultural production and that the farmers can only be taxed on the agricultural value of the land — not on artificial "subdivision" value. An economic analysis done by ag economists of the University of Alaska and critriqued by ag economists of the USDA concluded that family farm units of approximately 2,000 to 3,000 acres were needed to be economically competitive on the world market, and therefore produce grain for the domestic market at a price that would stimulate the development of a red meat industry within Alaska.

Today, approximately one year after the disposal of those agricultural lands under the project proposal submitted by the Special Projects Coordinator and approved by Governor Hammond and the legislature, 45,000 acres have been at least partially cleared; 3,000 acres are now ready to be planted in the spring of 1980; and several thousand additional acres are expected to be prepared by planting time in 1980. In fact, crops were harvested in September of 1979 from 290 acres of the project that were still virgin timber on permafrost soils in February of 1979.

Eighteen miles of good roads have been built to service the farmers; an elevator-dryer complex has been constructed; the first 3,000 tons of barley have been produced, dried and are now in secure storage; and initial sales in Alaska have been completed. Overseas markets for surplus grain have been located and under a small-scale test marketing program approved by the legislature, the first 1,000 tons of high-quality barley will be exported to Taiwan in early 1980.

Recent developments involving the Delta Project are many and varied. A study by the Battelle Institute, not yet published, indicates that the biomass from ag development can be used in a number of beneficial ways, including the production of methanol and heat for steam-generated electric power and others. If so, the problems caused by the on-site burning of thousands of acres of forest residues may be avoided. It is worth remembering, however, that the value of mineral elements returned to the soil when black spruce timber is burned in place approaches $140/acre. This value must be considered when contemplating other uses of the biomass.

Japanese corporations have expressed great interest in purchasing Alaskan-grown rapeseed for processing into a highly flavored cooking oil. Since the crop is widely grown in the northern agricultural areas of Canada and appears to be well adapted to production in Alaska, its potential value to the Delta Project seems highly significant. The same equipment is used for planting and harvesting as for barley; it fits well in a crop rotation with barley; and in Canada, at least in some years, produces much more profit per acre than does barley.

In addition, rapeseed production can benefit significantly by the utilization of two hives of honey bees for pollinization per acre of rape. The honey produced (75-300 pounds per hive in Canada) is of extremely high quality and a ready market exists in Japan for any surplus.

With the expectation of perhaps 10,000 acres of rapeseed production by 1982 and the opportunity for 20,000 colonies of honeybees producing, perhaps, 2,000,000 pounds of honey at a minimum of $1.50 per pound, the potential for a new industry worth at least $3 million annually becomes apparent.

Trading companies in Japan have expressed the desire to have produced under contract 50,000 tons annually of buckwheat. This is another major honey crop, grows well in northern climates, and may fit quite well into the crop production alternatives for Interior Alaska.

Nugget bluegrass and Arctared fescue seed production appear also to offer very profitable crop alternatives for Interior Alaska.

Increases in the livestock industry appear to be taking place at a more rapid pace than earlier expected. Several substantial proposals involving production of beef, pork and dairy products based on the utilization of Delta Project grain are under serious consideration, although details are not yet available.

It is well to note that the entire philosophy of the Delta Project has been based on developing a proposal that (1) is economically sound and able to exist, when mature, unassisted by subsidies, and

(2) government involvement should be withdrawn as quickly as the private sector can take over.

A second major harbinger of an emerging agriculture in Alaska's future is the Alaska Agricultural Action Council created by the 1979 State Legislature in Senate Bill 14. This council, composed of three state government and two private sector members and chaired by the Special Projects Coordinator, Office of the Governor, is mandated by the law under which it was created to report to the legislature annually with recommendations:

1. for one or more ag development projects;
2. proposed legislation identifying the tasks of various state agencies necessary to accomplish the development project;
3. proposed legislation granting "to the council sufficient authority to insure cooperation of all state agencies involved in the implementation of the agricultural development project."

The AAAC in its report to the 1980 session will recommend a 15,000 - to 40,000 - acre ag project in the Point MacKenzie area near Anchorage. It will probably recommend an additional 60,000 acres to be added to the existing Delta Project and may lay the groundwork for a project of perhaps 100,000 acres in the Nenana area.

While the original focus of the Delta Project was the production of small grains, the primary focus in Point MacKenzie will be on breathing new life into the dairy industrty while providing additional lands for vegetables, forage, and livestock industries. As Matanuska Valley agriculture shrinks under the never-ceasing encroachment of Anchorage bedroom community subdivisions, the number of dairy farms declines. If the transporation, marketing, and processing infrastructure of the existing dairy industry is to survive, tne aforementioned trend must be reversed.

State-owned ag lands in the Point MacKenzie area, well-suited for dairying and available at relatively low cost on an "ag right only" basis, appear to be the solution. According to statements of Matanuska Maid officials, even now $175,000 per month flows out of Alaska to purchase Grade "A" milk from the Pacific Northwest to be processed by Alaska processors. Existing dairies in the Mat Valley, operating in the black, furnish strong evidence that with reasonably priced land, Alaskan dairies can compete for Alaskan markets with "South 48" production.

Only time will discern whether the crystal ball is flawed or whether its visions project a somewhat accurate forecast of things to come.

Be that as it may, those visions — based on the fact of 15 to 20 million acres of land suitable for agriculture in Alaska and the importation at pesent of 95 to 98 percent of the red meat consumed in Alaska — include:

1. Small grain production (including wheat and rapeseed) on at least 500,000 acres of land by 1990.
2. Native regions utilizing substantial acreage for cash crop production to assist their peoples in the transition to a cash economy without moving from their tribal lands.
3. Extensive vegetable production emphasizing a minimum of chemicals and the highest of quality for shipment to "South 48" markets sensitive to the increased concern of carcinogenic materials in food.
4. Large-scale pork production under "controlled environment" conditions for local consumption and shipment to Asian markets.
5. Greenhouse production of roses and other flowers, utilizing heat from the gas pipeline compressors and competing in price and quality on world markets.
6. A very rapidly developing beef industry, utilizing cow-calf operations, vealers from the dairy industry and feeder stock form Canadian producers.
7. Production of beef animals and dairy beefers in the more favored areas of the Alaska Peninsula and the Aleutians for shipment to Asia.

My crystal ball presents a very strong vision of a robust agricultural economy emerging in the next 10 years that will, within the next 20 years, provide:

1. a significant portion of the food required for Alaskans at lower cost and higher quality than is produced "outside."
2. a stable, renewable resource-based industry employing thousands of people.
3. a quality of life for many, unsurpassed by any other available.



NOTES

Footnotes

[1]Wayne Thomas, "Agriculture in Alaska: 1976-2000 A.D.," *Alaska Review of Business and Economic Conditions, XIII* (June, 1976), p. 1.
[2]Ibid.
[3]Ibid., pp. 1-2.
[4]Ibid., p. 2.
[5]Ibid.
[6]Ibid.

Biographical Sketch
W.I. "Bob" Palmer

August 7, 1926	—	Born in Hutchinson, Kansas
1944-1946	—	Naval Aviation Cadet
1947	—	Graduated from Michigan State University with a B.S. in Zoology
1948	—	Homesteaded near Ninilchik
1949-1952	—	Instructor at the University of Alaska on the Kenai Peninsula; Subject: Agronomy
1960-1974	—	Teacher at Ninilchik School, Subjects: Math and Science
1964-1975	—	Commercial fisherman at Cook Inlet
1974	—	Obtained a Master's Degree in Educational Administration at the University of Alaska
1966-1975	—	State Senate Chairman, Senate Resources Committee Chairman, Special Senate Fisheries Committee Chairman, Rules Committee
1975	—	Chief of Staff, Office of the Governor
1976-1979	—	Special Projects Coordinator, Office of the Governor Project Coordinator, Alaska Fisheries Council
1979	—	Chairman, Alaska Agricultural Action Council
Permanent Home	—	The original homestead near Ninilchik, which is now a profit-making farm

TOURISM — ALASKA'S LEADING RENEWABLE RESOURCE

by
William Sheffield

One of the reasons economists have difficulty measuring tourism is the difficulty in defining the subject. Therefore, for purposes of definition, let us describe the Alaska visitor as a person who travels to or within our state, for a minimum of at least 24 hours, and primarily for the purpose of pleasure.

If we accept this definition, we automatically exclude many thousands of visitors to the great land. However, the definition permits us to measure with great accuracy the number of visitors, the amount of money they spend in Alaska, where they spend it, and what the result of that spending is. As a representative of the visitor industry, I am naturally most anxious to see that if state funds are made available for support of various segments of Alaska's economy, that the visitor industry be given close attention, because even though our industry is now second only to petroleum, it is my contention that we have barely scratched the surface, and the benefits of a healthy and expanding tourism industry will accrue to Alaskans everywhere in our state.

Before we explore the future of tourism in Alaska, we should take a look at its past.

Back even before Alaska was granted territorial status in 1912, there was a small but flourishing visitor industry in Alaska. This had been fueled by the worldwide attention focused on the territory during the great gold discoveries — and the tales of incredible beauty of the land brought home by the stampeders.

But there is now doubt those early day visitors had to love their Alaskan trip, because it was often short on creature comforts. Since everybody arrived by steamship, visitors were pretty much restricted to the coastal areas. But once the Alaska railroad was built it permitted the movement of relatively large groups of people into some of nature's most spectacular country. And just as the steamships had early opened Southeast Alaska to visitation, so too did the railroad open South-Central and the interior.

Tourism's biggest boost, however, came with a lot of involuntary visitors during World War II. Not only did 140,000 Americans get their first look of Alaska as members of the Armed Forces -- but the support structure installed for them by the Federal Government provided the foundation upon which Alaska's tourism future would be built.

I am talking about the airplane.

Before World War II, airfields were few and far between — and pretty primitive at that. But the military built airfields that could accommodate heavy aircraft — and it also produced a new generation of pilots experienced in Northern flying, to supplement the handful of early bush pilots.

The airplane made mass travel of groups of visitors feasible. Air travel prompted Alaskans to start to build the infra-structure necessary to support a more sophisticated brand of tourism.

Modern tourism started in 1950 when a few key figures like Chuck West and Jim Binkley organized the first Alaska Visitors Association. The purpose of the association was to function as a trade organization in nurturing Alaska's tiny visitor industry, to promote tourism actively and to assist transportation companies, hotels and lodges and ground attractions in "packaging" visits to Alaska. They also worked hard to sell these packages to travel agents outside. One other objective of the AVA was to aggressively promote government spending through the Department of Economic Development to help build the visitor industry. With those first joint promotion efforts, tourism started to take off in Alaska — and it has rarely faltered since. As an example, the number two industry not only in terms of dollars contributed to our economy, but also in the number of Alaskans employed. Just in the last ten years, the number of Alaskans employed in our industry has increased from 7,000 to 17,000. And the homes they build, the services they buy, the purchases of durable goods, and the taxes they pay, have had a great stabilizing effect on Alaska's economy. It's no secret that the last couple of years have not exactly been bell-ringers for most of

Alaska's businesses. Think what it might have been, had not the visitor industry been experiencing healthy growth.

Speaking of taxes, our industry last year contributed nearly $40,000,000 in direct contribution to state government. And this does not include additional tens of thousands going to local governments. I contend that $40,000,000 is a very healthy return indeed on the approximately $900,000 spent in tourism promotion.

That $900,000 was matched in part by the private sector -- the hotels, such as my own, the airlines, the Alaska travel wholesalers, and in fact virtually every element of the travel industry. These participants contributed anything from $1,000 to $100,000 each, into a common pool which resulted in heavy concentration of dollars to be used for promotional efforts. This promotion, which is carried out by the Alaska Visitors Association Marketing Council is unique — there is nothing else like it in America.

That brings us to the subject of the future of the visitor industry. We have come a long way, from very modest beginnings, but I believe we still have a long way to go before we reach anything close to a saturation point. Just consider in all of the years we've been promoting tourism, far less than 1% of the U.S. population has actually visited Alaska. It used to be our prices were considered high — but that's not the case any more. Our Hotel rates compare favorably with most major cities in the "lower 48", and we are a positive bargain when compared to the leading cities of Europe and Asia.

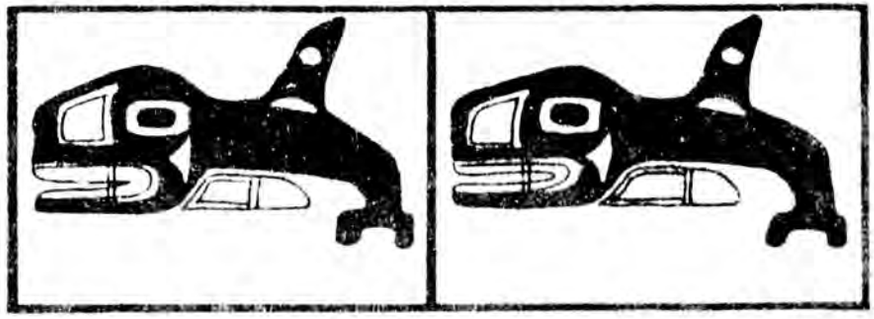
We now have a large and sophisticated tourism plant in place, and it is expanding every year. In fact, this brings us to the number one problem that must be addressed if we are to achieve the type of future growth in our industry we would like, and that problem is our short season.

We are attempting to build a tourism industry on the strength of a 100 day season — and it's just not possible. This is why I am so enthusiastic about the proposed new climate controlled city at Tokositna on the south side of Mt. McKinley.

This one addition to Alaska's tourism scene, can do much to overcome the seasonal problem.

Imagine if you will, high on the slopes of North America's mightiest mountains, a city of people — built for people. A covered city, with comfort controlled temperctures summer and winter. A city created to attract and support visitors. From the city itself can be seen unparalleled vistas — including the massive bulk of Mt. McKinley, which because of much more favorable weather is much easier to view than from the present northside location. Two-thousand hotel rooms will be available to house the visitors, and there will be cultural exhibits, auditoriums, theaters — everything to make one's stay exciting. From the gates of the city, a network of trails permit hikers to prowl through some of the world's most spectacular country. Aerial tramways lift passengers to the face of the mountain on the peaks of the Tokoshas and to the edge of Ruth Glacier. This is Denali City — a city that could and should be a part of Alaska's vibrant future. Because you see Denali City is not a dream — it is a reality that simply awaits construction. In the winter, Denali City would provide excellent skiing and winter sports areas, to complement the outstanding facilities already in place at places like Alyeska. And off-season visitation — including winter — is what our industry requires. Alyeska now competes with Vail and Aspen, Austria and Switzerland, but in those places, skiers can "ski the circuit" of a variety of resorts. In Alaska we could use half a dozen Alyeskas — and Denali City could well provide the impetus to start development of additional ski areas by the private sector. Because, you see, the best part about the development of the city project is that most of it will be paid for with private sector financing.

The Clubs, Hotels, Restaurants — all will be built and operated under the free enterprise system.



What is necessary to generate this type of activity? In my opinion, it would be something along the order of an expanded tourism revolving loan fund. I consider myself to be the father of the existing fund, since I helped to introduce this concept and lobby it through the legislature about ten years ago. This concept has proved to be fantastically successful. Not only has the default rate been very, very low — practically non-existent — but the availability of these funds to the tourism industry permitted dramatic expansion. Newer hotels were built in communities like Bethel - Barrow - and Sitka — communities which were desparately in need of hotels, and dozens of other facility improvements also took place in all corners of our state. Also planned is a Hotel in Ketchikan and expanded additional facilities in other cities. Much of the credit for nearly tripling our employment in the visitor industry during the past decade can be attributed to the presence of the tourism revolving loan fund.

But as originally conceived, this fund is totally inadequate for building needs of the future. The limits of the loan are too low and the percentage of bank participation is too high. That's why I'd like to suggest that any windfall returns which the state may have, might be used to fund a greatly expanded revolving loan fund. It's proven to be an excellent means of investing state capital.

There are other ways in which an infusion of capital would be of great help to our clean, non-polluting renewable resource industry. One is improvement of our transportation system. Just as those first airfields gave us our great boost, we too, could have expansion and upgrading of our surface highway system giving us another boost. Further expansion and modernization of the Marine Highway system could provide new and exciting gateways, as well as new stopover and destination points to the Alaska traveler. And airport improvements, too, would help the visitor to not only see more of the great land, but would do a better job of distributing the visitor dollars around the state.

In Anchorage, one of the prime means of extending the season has been the convention business. This business can usually be booked in the fall and spring, where it will supplement, rather than interfere with, normal tourist activities. But to successfully attract conventions, you need convention facilities, and a special loan fund should be set up to permit all those communities in Alaska that would want convention centers a means to get them. This would be from a state guaranteed pool, with bank participation — but also with community participation.

Remember, we are not asking for a handout for our industry. We intend to operate under the principles of the free enterprise system. We ask only that the state assist us in obtaining the financing necessary to encourage greater private investment to build an industry which, because it is labor-intensive, helps Alaskans to achieve greater self reliance, and less dependence in the future on government for their support.

You know, it's been a quarter of a century now since S.A.S. landed that first trans-polar flight in Anchorage. And of the millions of international passengers who have transited Anchorage in that time, only a relative handful have gotten out of the quarantine area. Well maybe in 1984 we'll give them so good a reason to get off, they can't refuse. I'm talking about Alaska 1984. I'm sure you're all aware of it, but to bring you up to date, a group from around the state is working to stage a World Class Exposition in Alaska in 1984. And the momentum is beginning to grow. The Municipal Government of Anchorage has agreed to put up seed money, and many groups and individuals are already stepping forward to help. There has been great interest from Alaska's native corporations because tourism is a labor-intensive industry, and provides many jobs for native Alaskans. Something like a World's Fair would seem to be a logical investment. Particularly to those corporations which are already involved in motels or other segments of the visitor industry.

For those of you who may have visited Seattle or Spokane before and after their expositions, you realize what a profound effect a World's Fair has on a city and state. And believe me, a World's Fair in Alaska will yield financial, social and cultural benefits to every corner of our state.

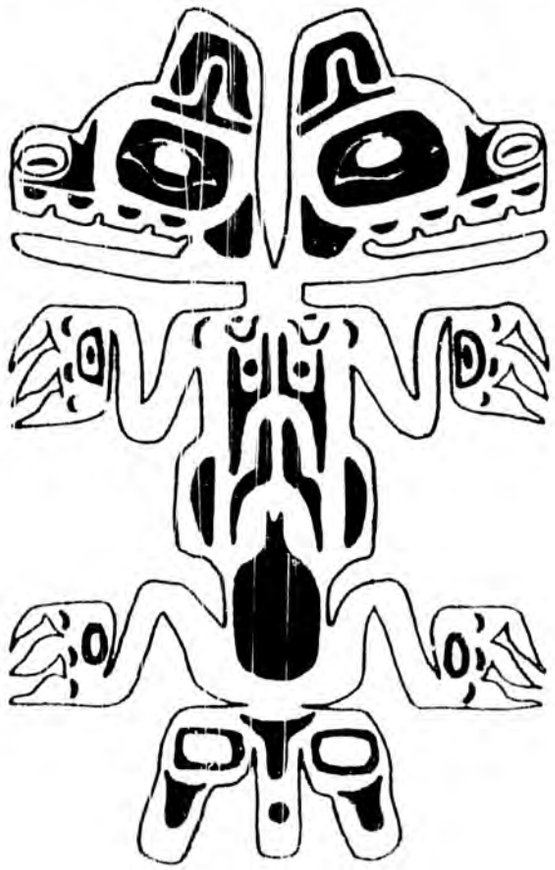
We think Pacific Rim Countries, and the nations of the North, will focus on Alaska during this exposition. And we think the interchange will be of great value, over and above the visitors who will come to enjoy the fair.

The book "1984" by George Orwell presented that year as the ultimate in government's "Big Brother" ability to control its sub-

jects. Well, a lot of us see 1984 as a year to present Alaska — the land of the *individual* — to the world. Alaska 1984 will provide the forum to do this.

We've set our touristic goals high for the next five years. Can we reach them? We're confident we can. When you look back at past projections, you'll see we were almost always too modest. In 1960 we estimated that we'd have 75,000 visitors by 1970. As it turned out, we had 120,000. In 1970 we projected 325,000 visitors by 1980 — and a lot of people thought we were crazy. Well, we passed that figure in only five years. So what do we estimate the total number will be in 1990? I'm not foolish enough to stand here and guess. But I'll say one thing. I've got more hotels for Alaska on the drawing boards. And that should tell you something.

William Sheffield is the owner of the Sheffield Hotels and is active in tourism promotion in Alaska.



NOTES

HISTORICAL PERSPECTIVE

by
Richard Montague

Alaska Division of Tourism: Government concern for fostering growth of the visitor industry dates from Territorial Days. The Territorial Legislature regularly appropriated funds for tourism promotion and one of the early line agencies established by the newly created Alaska State Government in the 1960s was the Alaska Travel Division, first placed in the Office of the Governor, in recognition of tourism's external role as a promotion agency whose focus lay primarily outside Alaska. Subsequently, the division was transferred to the Department of Commerce, then in the mid 1960s to the Department of Economic Development. The division of tourism, as the agency is currently known, is a line office within the Department of Commerce and Economic Development.

Legislative intent behind creation of a line division for tourism was to foster continued growth of the visitor industry through two main methods of approach: *external promotion* of visitor attractions through media advertising, distribution of informational literature, participation in travel shows and similar events, and *internal promotion*, primarily through administration of grant programs to assist political subdivisions and non-profit organizations in furthering local development of visitor attractions and facilities. Although percentages have varied from year to year, generally the amount spent on external promotion exceeds that spent on internal promotion by three to one. This expenditure pattern directly reflects the Legislative mandate to concentrate primarily on bringing visitors, *i.e.*, non-Alaska residents, into the state, rather than on promoting travel within Alaska on the part of Alaskans. The two considerations go hand in hand, however, since out-of-state visitors require a physical "plan," *e.g.*, both publicly and privately operated attractions and facilities to service the traveling and vacationing public.

The aiding and abetting of the growth of tourism has been viewed since the beginning of Alaska state government within the overall context of fostering the state economy as a whole. Essentially, the division's promotional programs may be viewed as the sum total of efforts to import monies into the state through the vehicle of visitor spending instate. Recently concluded independent studies show out-of-state visitor spending probalby exceeded $200 million for 1979, thereby making tourism a highly significant factor in Alaska's export/import economy. By the measuring point of spending brought into the state and the instate spending on travel within the state, the visitor industry ranks second among Alaska's industries.

Visitor spending within Alaska generated at least $20 to $25 million in taxes, fees and receipts to state government in terms of 1975 dollars. More than 6,000 Alaskans were employed on a full-time, 12 months of the year basis in catering to visitors in 1975. Their wages in 1975 are estimated to have exceeded $55 million. Tax receipts by local government in 1975 are estimatee to have been between $4 and $5 billion.

A secondary purpose of creating a division of tourism was to establish an agency which would function as the principal advisor to the administration and Legislature on matters of state tourism policy, as well as visitor industry and state government. The latter is a highly significant function, as tourism is, seen from the point of view of state government, a "mixed" activity, in that the state itself is heavily involved in the visitor industry through the state museum system, the state system of public works and waysides, the state ferry system and the department of fish and game.

tourism Revolving Loan Fund:

During the early 1960s, the Tourism Revolving Loan Fund was established to provide a state loan program for the construction of new tourism facilities. The program has been highly effective in providing for the construction of additional hotel space statewide. Through October 1979, $24 million in loan funds have been granted to 49 private sector firms d organizations. The program is administered by the division of business loans within the Department of Commerce and Economic Development.

Staffing: The division has offices in Juneau. During summer months, temporary personnel are assigned to the state-operated visitor information center at Tok. Current division complement is 15 of which 5 are professional staff. The division is one of

the few agencies of state government which has *decreased* its personnel since 1975. In 1975, the division had a personnel ceiling of 20 positions. This decreasing in staffing has been brought about without any significant decrease in the functions of the division.

Current Status

Cooperative Marketing: Beginning in 1975, the division embarked on a program of *cooperative marketing*, a departure from earlier promotional concepts. Under this new approach, funds of the private sector and the public sector were combined under the division's leadership direction to create a joint cooperative marketing program. Legislative authorization for combining public and private sector funds was contained in the revisions to the 1975 Tourism Act, part of the Legislation which transferred the functions of the Department of Economic Development into the newly formed Department of Commerce and Economic Development.

Several factors led to this new concept, principal among which was the realization within the private sector that only through cooperative pooling of private sector funds with those of the division could a sufficient mass of monies be brought together to raise the nationwide level of awareness of Alaska to a point where a significantly larger number of North Americans would vacation in Alaska. Raising consumer awareness was simply too large a problem to be successfully attacked without a joint cooperative effort. Another factor was the attitude of the Hammond Administration which looked with favor on such industry-government efforts as part of a general precept that industry should contribute an appropriate share to state-supported programs directed primarily toward helping a specific economic sector.

Cooperative Marketing Budgets: Cooperative marketing began in the spring of 1976 with the contribution of $94,000 of industry funds to the joint marketing program for the 1976 season. The net effect of this first contribution was to enable the division to expand and stretch its existing program thereby allowing more persons to be informed about vacationing opportunities in Alaska. The cooperative program has functioned in essentially the same manner since 1976, with a joint marketing plan being established each year which provides for both public and private sector input and funding. The marketing program is "neutral," however in that no single sector of the visitor industry is given preference in the jointly sponsored media advertisements. Contributions to the cooperative marketing program can be best shown in tabular form, *viz*:

Division of Tourism & Cooperative Marketing Budgets

Fiscal Year	General Fund Appropriation	300 Category Funding	Private Sector Funding	Total Operating Budger
FY 76	1,172,300	699,000	94,000	1,266,300
FY 77	1,415,300	679,000	557,500	1,972,800
FY 78	1,411,700	693,600	402,000	1,813,700
FY 79	1,666,500	900,500	400,760	2,067,260
FY 80	2,026,400	1,268,200	588,100	2,614,500
TOTAL:	7,692,200	4,240,300	2,042,360	9,734,560

As is evident from the table above, the total operating budget of the division from FY 76 to FY 80 was approximately $9.7 million dollars, of which $7.7 million was provided by the General Fund and $2.0 million by the private sector. The private sector contributed equals 27 percent of the division's *entire* state-funded budget and 48 percent of its state-funded contractual services account during this five year period. This is not other joint industry-state economic activity which can boast such a record of sustained private-public sector cooperation in the common cause of state economic development.

Approximately 80 percent of the $2 million of private sector funds stem from firms headquartered outside Alaska. Principal contributors have been major airlines serving Alaska, tour operations and travel wholesalers, and cruiseship companies.

The base of private sector support for cooperative marketing has grown as well. The first year of cooperative efforts, 1976, saw six firms joining with the division as "marketing partners." The 1980 program includes 54 private sector marketing partners. Alaska's cooperative marketing efforts, in fact, are *international* in scope, as the tourism office of Canada's Yukon has been a regular "marketing partner" in these efforts.

Achievements of Cooperative Marketing: Most observers credit cooperative marketing programs with having played a *very major* role in the more than doubling the annual visitor stream to Alaska. The most recent benchmark year before launching cooperative marketing, 1973, saw about 215,000 visitors to Alaska. During 1979, visitor industry and divison statistics show over 510,000 visitors, an increase over 1973 of 137 percent.

Shifts in Visitor Stream Segmentation: The visitor market has undergone significant shifts in market segmentation over the past fifteen years. These shifts have been especially evident during the past five years of cooperative marketing. These trends are evident from the following table, *viz*:

Visitors Entering Alaska by Mode of Transportation

	Percentage Accounted For By:				
Calendar	Cruiseship	Ferry	Airlines	Highway	Total
1964	19%	20%	22%	39%	100%
1967	15%	22%	24%	39%	100%
1973	17%	13%	39%	31%	100%
1977	15%	6%	68%	11%	100%

The most dramatic shift in transportation mode is the trend toward commercial air, from 22 percent of the visitor stream in 1964 to 68 percent of the visitor stream in 1977. It is estimated commercial air travel in 1979 will account for 75 percent of more of all arriving visitors. The trend toward air travel parallels a corresponding *decrease* in highway traffic (as measured at Port Alcan), which has essentially remained at fifty to sixty thousand per year for the last six years. These market segment shifts reflect the general trend toward use of mass-mode transportation systems to travel to Alaska, both as a time-saving and a cost-saving measure. They also reflect a shift in the types of persons vacationing in Alaska. Whereas the Alaska visitor market was heavily influenced by the retired persons and senior citizens market in the early 1960s, the 1970s have seen significant expansion of the "adventure" travel market, primarily middle aged persons from professional and managerial groups who actively seek recreation and vacation experiences beyond the traditional fare of cruiseship voyages and conducted city sightseeing. Both market segments, the retired/senior citizens market and the younger professional/managerial group, are important to the overall tourism "mix," although growth potential in terms of numbers is judged to be greater in the latter category rather than in the former.

Offshore Holiday Market: An important emerging visitor market is holiday travelers from Europe and the Far East. The current offshore visitor market is slightly larger than 20,000, of which the largest national group are West Germans, followed by Japanese. As European-origin visitors tend to remain in Alaska about twice as long as visitors from North America, their economic impact is far greater than their numerical number suggests. Japanese visitors tend to be a short-term market, as normally Japanese groups spend only one week in the state. An interesting aspect of this market is the hope that the Japanese may emergy as a significant factor in winter tourism to Alaska, particularly for skiing.

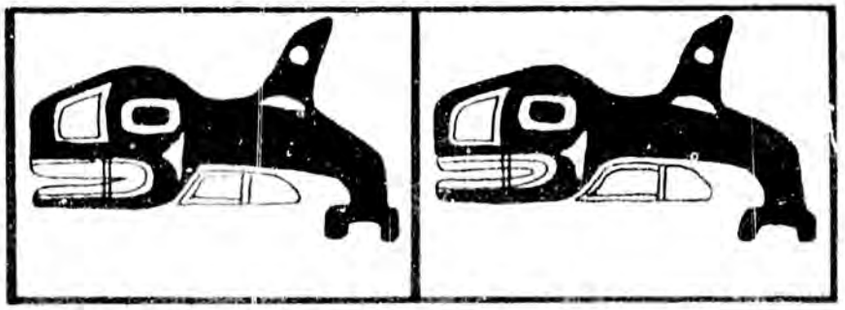
"Worlds of Alaska:" The media advertising campaigns funded through cooperative marketing have essentially focused on promoting the availability of the state's tourism information brochure, *Worlds of Alaska* through coupon response advertising. Readers of the cooperatively funded advertisements in publications such as *Alaska Magazine*, *National Geographic*, *Sunset*, as well as other publications, are urged to mail the prepaid reply coupon to obtain their free copy of *Worlds of Alaska*. Over one million copies of *Worlds of Alaska* have been distributed through this means since the campaign began in spring of 1976. The publication is revised annually to insure that prospective visitors receive the most up-to-date information possible regarding Alaska visitor attractions and facilities. The 1980 edition of *Worlds of Alaska* is 112 pages and has doubled in size since the initial edition of 1976.

A particularly useful feature of this annual publication is the "Alaska Travel Index" section which lists over 1,200 Alaska visitor industry firms and organizations which provide services to the traveling public. The address of each listed business or organization contains the code designated "DOT" allowing recipients to gauge the number of response letters deriving from listings in the Index. There are a large number of visitor industry firms in Alaska which receive upwards of 100 such letters each year requesting additional information or actually making bookings. The net effect of these annual cooperative marketing programs

is to place in the hands of thousands of pre-qualified Alaska-bound visitors information necessary to purchase an Alaska vacation either as a travel "package" or on a "plan-it-yourself" basis where the visitor makes his own independent arrangements. Listings in the "Alaska Travel Index" are free to visitor industry firms, whether a firm is a financial contributor to cooperative marketing or not. There is absolutely no way in which small or medium-sized visitor industry firms could place information on their attractions or facilities in front of an annual audience of millions of readers without cooperative funding on the part of both the private and public sectors.

Computer Analysis of Visitor Interests: Beginning in 1978, the cooperative marketing effort added a new aspect to the traditional coupon reply forms by which readers ordered they copies of *Worlds of Alaska*, the division's fulfillment brochure. This new aspect was inclusion on the reply card of interest categories, allowing prospective visitors to request additional information. The names of visitors asking for such information are made available to private sector firms for direct mailing of product-line literature. The private sector ordered over 1 million such computer-generated names for the 1979 program. These private sector mailings supplement the mailing of *Worlds of Alaska* which the division sends to all coupon respondents.

Of the some 300,000 coupon responses received from the 1979 campaign, the latest year for which such figures are available, almost 40 percent, or approximately 124,000 persons, specifically sought information on hotels, motels, lodges and resorts in Alaska. Computer analysis of visitor inquiries for the 1979 program can best be shown in tabular form, *viz*:



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Computer Analysis of 1979 Media Respondent Requests
(Number of Responses = 298,394)

Interest Category	Information Requests	% of Total Response
Hotels, motels, lodges and resorts	123,777	41%
Tours to/within Alaska	120,434	40%
Travel to Alaska by air	63,277	21%
Travel to Alaska by car, camper or motorhome	149,879	50%
Travel to Alaska by cruiseship from Calif.	52,595	18%
Travel to Alaska by cruiseship from British Columbia	52,388	18%

Interest Category	Information Requests	% of Total Response
Travel to Alaska by ferryliner	71,465	24%
Travel to Alaska by motorcoach or rail	61,179	21%
Travel off the beaten track	106,829	36%
Sportfishing and sporthunting	79,971	27%
Convention and incentive travel	9,230	3%
Special interest activities	78,040	26%
Off-season (winter) travel	53,233	18%
TOTAL:	1,022,297	100%

On the average, each coupon respondent in 1979 requested information on 3.4 interest categories.

Significant is the relatively large percentage of coupon respondents seeking information on the "adventure" category, *i.e.*, travel off the beaten track, special interest (birding, wildlife observation, etc.) activities, sportfishing and sporthunting, as well as off-season (winter) travel.

Cross-tabulation of these interest categories shows that more than one third of all coupon respondents specifically request information on these interest categories. The interest level of 40 percent for information on tours to and within Alaska is a direct

reflection of the market segmentation which places about one third of all travel to and within Alaska in the "package" category, whereas the remaining two thirds is independent travel where the visitor puts together his own itinerary. Interest in mass-mode transportation is clearly shown by the interest in travel by air, water (cruiseship and ferries), and surface (train or bus). As is typical for the United States generally, about one half of all respondents sought information on travel by car, camper or motorhome. These are primarily independent, *i.e.*, non-package travelers who plan to vacation either by driving to Alaska or by flying to Alaska and renting cars, campers or motorhomes. The fly-drive market segment is expected to achieve substantial gains as the American public turns to more fuel-efficient and less-costly ways to vacation.

New Directions

Success of Cooperative Marketing: Alaska's widely acclaimed program of joint private-public sector promotion has drawn nationwide attention and several states are investigating how they might benefit by patterning their promotion efforts on the Alaska formula. The essential ingredients of the Alaska cooperative formula can best be summarized as follows, *viz*:

(1) Strong and effective leadership on the part of the division of tourism in designing and implementing cooperative programs. The division has been willing to assume the lead role in getting such programs funded and into operation. The division also functions as the essential "neutral" marketing partner, the catalyst which allows the private sector partners to cooperate toward the commonly shared goal of destination promotion.

(2) Insight and willingness on the part of the private sector in being willing to collectively pool their funds with those of the state in cooperative ventueres. It is an act of considerable farsightedness for a private sector firm voluntarily to place its own promotional funds in a common "kitty," over which the private sector firm making the contribution does not have programmatic control.

(3) Success of the program is greatly increasing the nationawide consumer awareness of Alaska's vacation potential and the resultant substantial (more than doubling) increase in the visitor stream. The program demonstrably "works." The proof of this conclusion is the continued willingness of the private sector to make major financial contributions to the program over a period of five years.

Fine Tuning: Both state government and the Alaska visitor industry have created jointly a vehicle, namely cooperative marketing, which has won nationwide respect and has proven its effectiveness by generating growth in the visitor stream. As the years have progressed, the basic program has been refined and honed to make it increasingly responsive and cost-effective. Much of this could not be accomplished until market research had been completed to show where the program had made significant breakthroughs, since much of the cooperative effort entailed pioneering marketing efforts on the part of government as well as industry.

A successful formula has evolved from the dialogue of the past five years which should prove extremely helpful in furthering growth of the Alaska visitor industry over the next decade. Two key factors will determine whether such efforts will be successful: 1. Will funding continue to be available in sufficient amounts from both the private and public sectors? 2. Will the degree of cooperation and trust which currently exists between the private and public sectors be maintained? A major uncertainty remains. What will be the attitude of state government to continued growth of the visitor industry? Far greater efforts will have to be made on the part of both industry and government to explain the aims and goals of the visitor industry to the Alaska public during the decade of the 1980s than was done during the decade of the 1970s. The future of Alaska's visitor industry is absolutely linked to the state's posture on economic development over the next decade.

Biographical Sketch

Richard Montague was graduated from Harvard University in 1956. After service in the U.S. Army and as a writer and photographer, he moved to Alaska in 1969 to join *Alaska Magazine* and *The Milepost*. He founded his own publishing business in 1973, Alaska Travel Publications, Inc. Director of the division of tourism since January 1975, he is a member of Rotary, Society of American Travel Writers, SKAL, and the Explorer's Club (New York). Mr. Montague is also a member of the national board of directors of Discover America Travel Organizations, DATO, in Washington, D.C.

LOOKING AHEAD TO THE 1980's
ALASKA'S ENERGY FUTURE

BY
BOB SPEED

INTRODUCTION

The decade of the 1980s will be a period of major transformation for the nation as a whole, as our society begins haltingly to wean itself from its dangerous addiction to petroleum, especially imported petroleum.

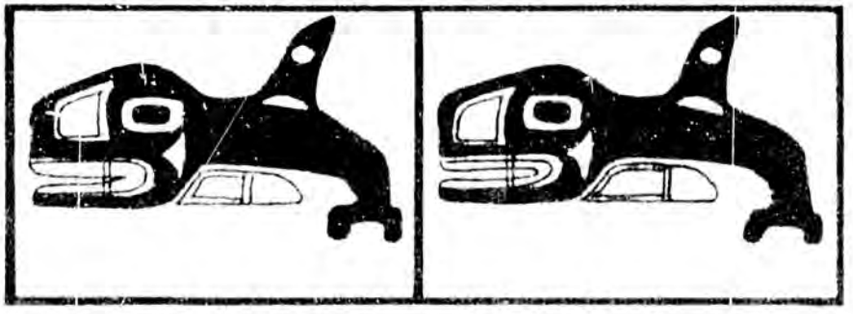
The 1980s could mark a historic turning point in Alaska, too, in a way that would be an example to the rest of the nation. Alaska could lead the rest of the nation in development of an economy base primarily on renewable energy resources — hydroelectric, wind, solar and geothermal power, and transportation fuels derived from biological sources: alcohol and methane.

Although Alaska still will probably rely on petroleum fuels in 1990, there is little question that Alaska must start quickly a transition away from petroleum. Some of the energy sources Alaska will start relying on more and more during the decade we are about to enter were considered science fiction not so long ago, or at least futuristic. Yet wind power has been used for at least 800 years in European mills. Passive solar energy has been used since earliest times by peoples from the American Southwest to Arab countries; Eskimo people of Alaska knew and used the principle long before the White man arrived. Windmills dotted the American plains and were a primary source of energy until rural electrification put windmill manufacturers out of business, while the use of geothermal energy to generate electricity dates back to 1905 in Italy. Geothermal power today supplies 20 percent of San Francisco's electricity and is a primary energy source in Iceland.

Alaska currently has an unhealthy dependence on petroleum as its primary fuel source, as well as its main economic force. As we enter the winter when the 1970s become the 1980s, Alaska depends on oil and natural gas for 85 percent of its fuel needs and 70 percent of the state economy is fueled by petro-dollars. In a world that has seen an 800 percent increase in the world price of oil since 1971, and in a world economy that can be made to shudder by the irrational whim of a Khomeini, such heavy reliance on petroleum is nothing less than dangerous. While Alaska is a major producer of black gold, it need not be pointed out that the state does not have the refining capacity to supply it demands; our fuels are mostly imported and reflect world price increases.

As much as Alaskans like to think of themselves as self-reliant, they are not when it comes to energy. Alaskans are already being financially strained by the economics of global oil; but they are also worried about a potentially worse problem of availability of supply, and rightly so. As we enter the last winter of the 1970s, Alaska also encounters the most critical energy problems it has faced. Current events tell us to anticipate worse.

The future is hopeful, though, and that hope rests on using state revenue generated from petroleum sales to finance the transition to "alternative" energy sources. What is an alternative energy source? Anthing that works, if the need is defined as being to "get Alaska off the oil fix." Realistically, Alaska should be looking at a 10-year phase-out of oil for in-state use, making more extensive use of the resources that are ready to be tapped to supply the need. While most of this paper will deal with the need to establish an economy on renewable sources of energy, it should be emphasized that the state's extensive coal deposits will probably also play a leading role in Alaska's energy future. Coal presents a number of potential environmental problems related to mining and burning it. Assuming that those can be resolved, coal is a very versatile fuel source burned directly, gasified or converted into liquid synthetic fuels.



Ultimately, however, coal itself is a nonrenewable resource which should be carefully conserved for the best purpose. As industrial nations such as Japan convert from oil for their economic base, the best use of easily accessible Alaska coal may be as an export sale item, again with part of the revenue generated used to finance the transition to a renewable-energy base economy.

THE RENEWABLE ENERGY BASE

But will renewable energy be enough to fuel Alaska's economy? to answer that question, it is necessary to take a look at the resources available. Remembering that 85 percent of Alaska's energy consumption is based on oil and gas, we should first take a look at where the remaining energy comes from and what it is used for. In addition to oil, Alaska uses coal for six percent of its energy needs, and another two percent comes from hydroelectric power. The remainder is "other," a significant portion of which is wood used for residential heating and for industrial processing in the timber industry.

Of the energy consumed in Alaska, 49 percent is transportation related; one-fifth of which is for aviation fuel. In comparsion, the Lower 48 uses about one-third of its total energy for transportation. Obviously to make a heavy dent in Alaska's dependence on petroleum, transportation fuels would have to be a major goal. Of the remaining 51 percent used for other purposes, 19 percent is used for space heating. The remainder is used for utility electrical power, residential generators, and other functions.

As noted, hydroelectric power accounts for merely two percent of Alaska's current power output. Hydroelectric power is one of the most promising energy sources over the long term. It is estimated that the hydroelectric potential in Alaska is equivalent to that of the entire Lower 48 states. The two major problems with hydroelectric power are that it is very captial intensive, with financial commitment all up front; and it takes years to get individual projects on line. These two factors will mean that it will be a number of years before hydroelectric power in the form of large dams can make much of an inroad into the supply problem.

During the past couple years, there has been more talk of "micro-hydro" systems that often require no dam, or at most a small im-

poundment. With power generally defined as five megawatts or less, and measured as low as into the kilowatts, micro-hydro plants could easily supply the needs of many Bush villages.

The captial outlay is small, and judging by experience in other countries, payback for the total initial outlay could be achieved in three to five years. Payback of traditional larger dams in generally over 30 to 50 years with much of that going to interest debt service. For the immediate future, micro-hydro is very attractive as a solution to part of the Bush energy problem, as larger communities consider larger hydroelectric projects. Hydro has traditionally been the least expensive power source because the energy supply is free.

Geothermal potential in Alaska is also considerable, estimated to be some 350 times the current energy use in Alaska. The major questions will be whether it proves technologically feasible and also economic to use. To be economic, a geothermal resource must be relatively hot and near the surface. Resource exploration is similar to oil exploration, drilling being the most important way to determine the quality of the resource. Geothermal resources exist everywhere if one drills far enough into the ground; economics dictate that geothermal resources be relatively close to the area where the energy will be used. Some communities have nearby geothermal sites which might be economic, such as Kotzebue and Nome, Unalaska and some Interior communities, to name a few. The state may want to plan future development in relation to known geothermal sites.

Wind is also a significant resource, especially along the Alaskan coast. There are no estimates on how much power wind could supply, but the principal is the same as for hydroelectric generation. Wind tends to be less stable a resource than water, so power storage is a major consideration; much research is being done into the storage aspect, but the major storage medium being used now is batteries. A very promising storage medium for the future may be hydrogen electrolysis, or in mineral salts or metal oxides. Storage is a minor problem, however, and wind is a long-established technology. The primary hurdle will be to produce machines that can withstand the Alaska climate over an estimated service life of 20 years. Boeing Corporation is under contract with NASA on prototype wind generators which they hope will produce 2.5 megawatts of power, maximum, at a cost of $1,000 per installed kilowatt. They

expect an efficiency of 40 percent because the wind cannot be expected to be constantly capable of producing the 2.5 MW capacity; even at that, wind generators might easily be competitive with hydroelectric power in the future in Alaska. Current cost of hydroelectric projects in Alaska ranges between $2,500 and $4,500 per installed kilowatt, and it is often years before a community uses all of a dam's capacity.

Tidal power may or may not be feasible in the near future, but some of the newer technology may some day prove both technically feasible and economic in Alaska. If so, tides could potentially produce 75 times as much energy as the state currently consumes. Realistically, however, tidal power should be considered a technology for the distant future on the grounds of economics.

Solar energy, simple as it is, is one of the least understood potential power sources in Alaska. Many people tend to downplay its importance because of our northern lattitude; yet solar power is being used today in Alaska and has potential even during the darkest days of winter.

Another source of confusion is that solar energy is defined very broadly in some quarters. Since the federal government has adopted the broad definition, which includes wind, sun and biomass energy forms, the definition bears some discussion. Virtually every energy form on earth results directly or indirectly from the sun itself. Oil and coal were formed millions of years from life forms that grew because of the sun; nuclear power derives from solar and universal forces. Those aren't included in the current definition of "solar" because they are not being renewed, at least not at a rate that keeps up with demand. They are being depleted. The winds that blow, the tides that rise and fall, the sun that shines and the rains that fall to fill our rivers are all considered solar from the standpoint that the sun yields the energy that derives the processes; and the processes that started them moving millions of years ago are still working and will work as long as the sun shines and the earth rotates. They are relatively constant and predictable, and they are therefore renewable. Biomass energy is that which can be derived from vegetable and animal sources, and are a major solar energy resource. When Alaskans burn wood or whale oil, they are therefore using a form of solar energy. The federal definition of solar energy includes direct use of the sun, as well as wind energy and biomass fuels and experimental water-based energy forms, such as tidal power and ocean thermal power. It does not include traditional hydroelectric power for convenience; since it is already so widely used, hydroelectric is considered separately.

Solar power defined as direct use of the sun has a variety of forms and uses. Its forms are generally divided into "passive solar" systems and "active solar" systems. Passive solar power is simply direct use of the sun's warmth to heat an enclosed space or to heat water. Passive solar design in housing has been around as long as civilization. It has been determined that the ancient Pueblo cliff dwellers in Arizona knew their solar technology when they built their dwellings; temperatures inside the dwellings vary only a few degrees between summer, when the sun is blocked by overhanging cliffs, and winter when the lower sun strikes the walls of the dwellings, radiating warmth.

Solar design will become increasingly important in Alaska, as contractors and homebuyers become aware of the energy savings that can result. South facing walls will become the topic of much discussion in the construction industry and building trades as people discuss the pros and cons of large southerly windows, heavy, heat-collecting concrete walls or solar greenhouses. All are solar collectors. Passive solar energy will also be a major contributor for heating water; this will be a significant factor since hot water heaters can suck as much as one-third of total residential energy needs.

Active solar energy also has a future in Alaska that will become more evident as the coming decade progresses. The potential of active solar power is an unknown at this point, and one of the first priorities should be to install photovoltaic systems in various regions of Alaska to determine the costs and benefits of this method of energy conversion. Solar technology is a very volatile area of investigation, and costs are coming down dramatically. Chances are good that some time in the 1980s, solar panels will be as common on roofs as shingles, producing electricty to heat water or to store in some medium for use in cold periods; other types of panels will heat water directly as it flows through a piping system for hot water and space heating. Other solar applications will be in agriculture, remote electronics stations, and some industrial uses as well as for residential and commercial use. Lawmakers will have

to grapple with the new legal issues of solar rights, and local and state planning agencies will deal more with solar design in subdivisions. Solar subdivisions will be designed to ensure maximum solar access that geography and human factors will allow, and also take into account how to buffer energy-stealing prevailing winds.

Biomass is a term people may recall from biology classes; in terms of energy production the term deals with the available energy from burning or breaking down animal and vegetable products into alcohol, methane or oils. Vegetation presents to most promising forms of fuel, but a few people are experimenting with energy production from waste materials from fish and crab processing by generating methane gas.

Most people are familiar enough with the use of wood, so the only point to make in that regard is that larger communities may sometime in the future have to balance wood use with air guality needs; Fairbanks with its ice fog problem is already having to deal with this issue, following a probable ten-fold increase in the amount of wood being cut for home heat in the past year.

Alcohol could be the fuel tomorrow, and the 1980s will be the period when that era will begin in ernest. More and more states are jumping on the "gasohol" bandwagon and there is no reason to think that Alaska won't be far behind. The potential for alcohol production in Alaska is significant. One expert has estimated that the slash left as waste from logging operations in Southeastern forests could economically produce as much as five million gallons of alcohol every year. In the Delta area, grain alcohol production could in the near future produce enough alcohol to supply the needs of the entire region, and ultimately much more than that.

One of the advantages of alcohol fuel production from grain is that the "mash" left over is a high-protein concentrate (20 to 28 percent protein, according to experience in the Lower 48) useful as cattle feed or for export; some alcohol producers have found the high protein dry feed more salable than grain, and less expensive to ship.



SITKA
ALASKA

FOOD: THE ENERGY CONNECTION

During the 1980s, Alaskans will find that there is an intimate connection between food and fuel. For one thing, fishing boats and tractors run on fuel; but that is only part of the picture. Fishing boats and tractors, as well as cars and trucks, can run just as well on alcohol fuels — whether it be gasohol or diesehol or straight alcohol — as they can on traditional fuels. Airplanes are the only exception; alcohol doesn't produce the BTU needs of traditional aircraft and the last petroleum used will be reserved for aircraft. Using gasohol in internal combustion engines doesn't require any engine modification at all, and actually increases the octane rating of the fuel; it burns clearner and saves gasoline. Straight alcohol can be used in the same engines with minor retuning of the engines. Henry Ford ran his fist cars on alcohol, and Thomas Edison predicted a future based on alcohol fuels. He may be right afterall.

It could be that one of the best uses of Delta barley during the 1980s will be to produce alcohol for local consumption as fuel for vehicles; spin-off industries might result if a beef industry could be established for in-state markets. Not only would this produce jobs and transfer our energy resources to local or regional self-suffiency, it would staunch part of the flow of cash out of the state to pay for imported fuel and food products. Also, if the proposed cattle industrty were centralized, their manure could be collected and digested to produce methane, which could be used to heat barns or dry the next year's barly crop. Of course, the digesters and alcohol stills would have to be heated by solar or geothermal or wind power, or most of the product would be used as fuel in its own creation.

The state has already embarked on a project with local and regional leaders to help villages become more self-sufficient in food and dietary needs. The rural energy crisis will be an opportunity to fuse energy and food needs in villages. Solar greenhouses are an example of the dual systems villages can look forward to. All greenhouses, of course, are essentially solar. A solar greenhouse, however, is one which also heats water either for domestic purposes or to be channeled through a piping system to heat nearby soils. This would allow earlier planting, better and healthier growth of plants throughout the season, and longer growth into the harvest season. A solar greenhouse on a fouth-facing wall of a residence serves several purposes. First of all, it produces food; but it also insulates and helps warm the house itself and is a good use of solar residential design. The result could be lower food and fuel bills for the occupants, as well as better local diet.

EMPLOYMENT

It should be assumed that the transtition to renewable energy systems will result in increased local employment, without creating an influx of outside people to compete for those jobs. Renewable energy technology, whether it is a regional fuel alcohol distillery or a windmill maintenance facility, results in jobs in the skill areas where Alaska most needs solutions. Wind generators, for example, are no more complicated in their mechanics than an automobile; anyone who can be trained to fix a car engine can learn to maintain wind generators. Alcohol distilleries are no more complex than existing pulp mills or refineries in the state. Part of state bidding specifications should be that final assembly of new energy technology must be performed in the state. This will create both permanent jobs and trained talent in maintaining and repairing the energy systems selected for use in the state.

To a great extent, the jobs will be in existing communities, benefitting the resident unemployed because this isn't the type of work that is likely to attract massive Outside migration into the state.

EDUCATION

From grade school to the university system and vocational institutions, education will be an essential factor in making the energy transition. Schools could help teach tomorrow's energy users, and also help indirectly to teach parents through the information youngsters would bring home. High school shop classes and post-secondary vocational schools could help train a work force in installing many of the new technologies discussed. Proper installation from the beginning will be an improtant factor in public acceptance or rejection of new technology. Our university system should engage in "hands-on" research that will produce research directly applicable to Alaska. University participation in regards to energy should be directed at adapting proven technology to Alaska uses. "pure" research in fisheries may be appropriate in Alaska, pure research in energy physics is not. Alaska will never produce the

ideal automobile or the energy efficient airplane; that is something for Ford and Boeing or Cessna to do. Alaska may, however, produce the world's best wind generator because we need the world's best wind generator to stand up to Alaska's climate. Part of the education process will extend to the existing construction and building trades industries and contractors and labor unions will need to work with their people to keep them abreast of the changes which are going to come in the decade of transition we have before us.

ALASKA'S ENERGY FUTURE: THE STATE ROLE

Elected leaders in Alaska are going to have to establish the policies thast will make Alaska self-sufficient in energy needs by the year 2000, or perhaps by the year 1990. The first objective of that policy should be a determination to wean Alaska from its dependence on petroleum for in-state energy needs; the corolary to that should be that the state shall use part of its income from nonrenewable resources to invest in renewable energy projects. The Permanent Fund as a back-up, the Renewable Resources Corporation and Fund, as well as well placed annual appropriations should be used as seed money to get started in that direction. Communities, individual homeowners and the private sector of the economy will all have parts to play, and part of the state effort should be directed at a well-thought-out program of tax incentives and other inducements and mandates to get the process moving.

Alaska could be the shining example for the rest of the nation. We now have the finances to do it, we have a small population by comparison with the Lower 48, we don't have the institutional and capital barriers they have — and we have the critical need to do it. Alaska's energy future should be a renewable energy future.

ALASKA'S ENERGY FUTURE HOW DO WE GET THERE FROM HERE?

At the time this is being written, many of the links which will be necessary for the transition to a renewable energy future in Alaska are already being forged. Forward-looking people in almost all walks of life are preparing the foundation on which the transition will be built. Alaskans are historically an innovative people, combining the best of Yankee ingenuity and the strongest will to survive in a sometimes hostile land.

Each of those people is a link in the chain that can and should result in energy independence for Alaska.

The first link is absolutely essential is a commitment on the part of the Governor and Legislature, and the state government in general to establish policies from which Alaska's self-sufficient energy future will emerge. Demonstration projects are in progress in others. We need more of both so intelligent choices can be made on a community-by-community basis, according to resources available locally. The foundation of legislative policy must incorporate the following broad concepts:

- —It is in the interest of national security to lessen national dependence on foreign energy sources, especially petroleum.
- —It is in the state's interest to lessen the population's dependence on petroleum used for generation of electricity, space heating and transportation.
- —It is in the state's best interest to develop its renewable energy resources for in-state use, looking toward energy self-sufficiency.
- —It is in the state's best interest to use its revenue from nonrenewable resources to invest in rapid development of renewable energy resources.

The Legislature and Governor's Office are both working on development of the necessary legal groundwork that will result in a broad renewable energy policy. Through a Department of Energy grant, expert national help is available for this essential work. The goal is to ensure that state policies are ready for rapid licensing and regulatory procedures, financial assistance for communities and state residents, and well coordinated general policy supportive of renewable energy.

Biographical Sketch

Bob Speed is currently working as staff to a joint legislative committee working with the National Conference of State Legislatures to develop a comprehensive renewable energy policy for Alaska. The first part of that legislative package will be introduced during the 1980 session of the Alaska Legislature, and will deal with hydroelectric and geothermal energy policies, as well as incentives and assistance for Alaska residents and communities to convert from petroleum to other appropriate sources for heat and power. The package will include recommendations for financing the transition. Concurrently, a House interim committee is working on a comprehensive energy conservation bill also to be considered in 1980. Mr. Speed has been administrative assistant to Rep. Terry Gardiner for the past two legislative sessions and is a resident of Ketchikan. Mr. Speed holds a Bachelor of Science degree from Huxley College of Environmental Studies, where part of his studies were geared toward "alternative" energy systems. Prior to working for the Legislature, Mr. Speed was a reporter for the Ketchikan Daily News.

FUTURE USE OF STATE LANDS

by
Ted Smith

In order to make rational assumptions or suggestions about the future use of state lands in Alaska, it is necessary first to try to get a basic understanding of the present chaotic condition of state land ownership and management. Accordingly, we shall look first at the historical perspective of acquisition and use of private, federal, and state lands, in the order, and then evaluate the current status of ownership and use, also in those same categories. Finally, we will look at some possible directions and policy options that will bear on use of state lands in the future.

A. Historical Perspective

1. Acquisition and Use of Private Lands

Acquisition of private lands from the federal government became possible in the late 1800s when the mining laws and homestead laws were extended to the territory. Prior to statehood, these laws, plus the Bureau of Land Management offerings of townsites and small tracts, were the only method of acquiring land available to the private citizen. In all, about one million acres passed into private ownership by these various methods.

Use limitations on this private land were nearly absent. Only a few home rule cities exercised any zoning power.

2. Federal Lands

The federal government purchased the Russian title to Alaska in 1867. The question of federal acquisition of aboriginal title was not finally settled until the passage of the Alaska Native Claims Settlement Act in 1971. This act (ANCSA) transferred title to 44 million acres to various native village and regional corporations and made a cash settlement of $955 million in return for extinguishing all native claim to title. Federal decisions on management and use of federal lands resulted in the establishment of national forests, national wildlife refuges, national parks, military withdrawals, and the Navy's petroleum reserve in the Arctic. By statehood, these various withdrawals for specific federal management purposes totaled about 70 million acres. Use restrictions on these lands were those imposed by the federal managers and were generally such as to encourage the specific use for which the withdrawal was made.

3. State Lands

Prior to statehood, the territory of Alaska had an opportunity to acquire lands from three sources: school lands granted by the federal government for the support of public schools, university lands granted for the support of the state university, and mental health lands granted to support the Territory's mental health program. These lands were collectively called trust lands and, because of the early date of acquisition, constitute some of the more valuable lands in state ownership. They were granted to the State on the condition that the proceeds from their management be used to support their respective functions. All together, approximately 1.2 million acres of land were granted the territory under the provision of these acts (100 thousand acres of school land, 111 thousand acres of university land, and 1 million acres of mental health land).

The major source of state land is of course the statehood grant which amounted to about 103.5 million acres to be selected by the State from federal holdings. This included 400 thousand acres to be selected from the national forest and another 400 thousand acres to be selected from the public domain for community grant purposes. The new state proceeded very cautiously with its land selection process. The costs of ownership were quite high for a state that did not see its first $100 million budget until 1963. These costs included not only the salaries of the state managers, but the cost of fire protection which was pegged at two cents per acre by contract with BLM, and loss of income in the Federal Highway Trust Program which amounted to approximately $15,000 per township selected. Nevertheless, the State did proceed with selecting the more valuable lands and by the late 1960s, the selection

process led to conflict with aboriginal claims to the land. Accordingly, in 1968, then Secretary of Interior Stewart Udall issued an order freezing all federal lands against state selection. This freeze stayed in effect until the passage of the Alaska Native Claims Settlement Act, at which time it was continued in Section 17(d)(2) authorized withdrawal of 80 million acres for inclusion in national parks, wildlife refuges, forests, and wild and scenic rivers. Section 17(d)(1) authorized unlimited withdrawals for study as national interest lands.

Management of state lands was a matter much in the mind of the framers of the state constitution. Article 8 of the Constitution sets out the statement of policy as follows: "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Article 8 also authorized the Legislature to establish special purpose sites and to set up a program of lease and sale of state lands. Reflecting the emphasis of the Constitutional Convention, the first state Legislature passed a comprehensive law establishing procedures for sale and lease of state lands. The first special use sites established by the Legislature were wildlife refuges and sanctuaries established in 1960. These were followed later by various bills establishing state parks and recreation areas as well as the Bonanza Creek Experimental Forest. It was not until the passage of the Land Policy Act, by the 1978 Legislature, that legislative direction was given to the process of giving preference among competing uses for a given area of land.

The first active management tool applied to state lands thus was the sale and lease of lands. The original method established was to offer such lands at public auction. Appraisals were made to determine the minimum bid acceptable and ten years was established as the paymnent period. Leases were sold the same way: at public auction with a minimum bid based on the lowest acceptable annual rental. Leases were subject to reappraisal to fair market value every five years.

In 1968, the Legislature established the "open-to-entry law." This provided a means of acquiring unsurveyed lands. The cost and time involved in surveying, by this time, had become a major impediment to the rapid disposal of state land. However, in the eight years preceding the open-to-entry law, the State averaged approximately 6 thousand acres per year transferred to private ownership. The open-to-entry law was in effect for approximately five years until it was closed on August 15, 1973 by administrative action because of various abuses and administrative problems. In this period of time, about four thousand entries were made on state unsurveyed land. Because the maximum parcel allowed under this program was five acres, slightly less than one township was transferred to private ownership through this program during the five years it was in effect. In 1975, the new administration adopted a policy of lease instead of sale of state lands. Accordingly, only 1500 acres were sold in 1975 and no land was made available for sale in 1976. By the end of 1976, a total of approximately 100 thousand acres had been transferred to private ownership by the State since statehood.

In 1977, the "no sale" policy was reversed and the first sale inaugurated by the present administration was held in Ketchikan. Also, in 1977, the Legislature passed the sweeping revision of state lease laws which, rather than having reappraisals based on fair market value, fixed the lease rental for a 25-year period and limited any increases to no more than 50% of the prior lease rate.

The absence of state land in the market place contributed to the populist demand for distribution of "free land." The 1978 Legislature reacted by mandating a disposal program amounting to 30 thousand acres of homesite and open-to-entry lands and 20,000 acres of other lands. The Legislature provided sufficient funds to survey this amount of land and required a statewide public information campaign to obtain a list of individuals interested in aquiring state lands. The administration responded by meeting the 50 thousand acre mandate plus making a 60 thousand acre agricultural disposal in the Delta Area. The 1979 Legislature made a sweeping revision to all state land disposal laws repealing the open-to-entry program and making acquisition of state land more difficult by requiring construction on the land and, in some cases, prohibiting subdivision. The Legislature also funded a disposal level for Fiscal Year 1980 of 100 thousand acres, and included a letter of intent specifying locations where land should be offered.

The Municipal Selection Act is also a significant method of acquisition of state lands. In 1964, the Legislature provided that incorporated municipalities could acquire 10% of the vacant, unappropriated, and unreserved land within their boundaries. This was seen as a revenue generating measure to complement the Mandatory Borough Act effective that year. Originally, the municipalities entered into agreements with the Division of Lands which provided that the State would administer the land with the boroughs receiving the revenues. This proved unsatisfactory and, in 1978, a bill was passed by the Legislature which made specific grants of land to eligible municipalities. Because the selection process which was established tied up 150% of the allocation to municipalities while they made their final selections, the 1979 Legislature shortened this period of time to have the process completed by October 1, 1980. This was seen as a step in accelerating disposal of state land to private individuals. The Municipal Selection Act will result in the transfer of 870 thousand acres of state land to municipal ownership.

The 1978 Legislature also cancelled the trust status of school and mental health lands. In exchange for the cancellation of the designation on specific tracts of land, the Legislature authorized establishment of a fund for support of these institutions with the revenues from all state lands being deposited in that fund in accord with the percent of ownership of all state lands represented by the trust lands. The University was offered the same opportunity, but the Board of Regents elected to continue retention of designated university lands.

The designation of special use sites authorized by the Constitution and first implemented in 1960, continued with the designation of critical habitat areas, game refuges, and game sanctuaries where management of these lands would be consistent with the principle purpose of protecting fish and game. The establishment of state parks and recreation areas began with the approval by the Legislature of the Nancy Lake Recreation Area in 1966. The heightened environmental awareness of the late 1960s and early 1970s led to the establishment of a number of other park and recreation areas so that the system total reached 1.5 million acres by 1974.

This same environmental concern put many use restrictions on both state and federal lands. The 1976 Legislature restricted the sale of land suitable for agriculture to the sale of agricultural interest only. The Homesite Law, passed by the 1977 Legislature, directed the State to zone lands both inside and outside the borough for a specific use. These two acts for the first time put the State into the business of zoning private properties.

The Mandatory Borough Act of 1964 established planning and zoning as one of the mandatory powers of the borough. Most boroughs, however, have been very slow to implement this authority. Most areas of the larger boroughs are zoned as "unrestricted." Therefore, the principle restriction on use of lands outside the cities continues to be state and federal laws having to do with air and water pollution and protection of fish or wildlife habitat.

B. Current Status of Ownership

1. Private Lands

About 10.5 million acres have passed into private ownership from the operation of the Alaska Native Claims Settlement Act. Approximately another one million acres has gone into private ownership since the Alaska purchase through the operation of various other federal land laws. Since statehood, the State has transferred approximately 200 thousand acres into private ownership. Another 100 thousand acres will be offered during the fiscal year ending June 30, 1980. Management of these private lands must be consistent with state and federal laws regarding air and water pollution. If they are in the coastal plain, management must be consistent with the Coastal Management Act. Additionally, the forested lands must be managed in accord with the State's Forest Practices Act passed in 1978. In general, government has said that there is a wide public interest in how the private landowner manages his land. Numerous agencies have been set up to oversee various aspects of this and, as a consequence, there has been a widespread move towards deregulation. In particular, Congress has just approved an Energy Mobilization Board to provide a "fast track" for approval of energy projects. In the House version, the Energy Mobilization Board would have the right to waive federal and local laws under certain circumstances.

2. Federal Lands

The Alaska Land Bill, presently being shaped in Congress, will be a principle determinant of the extent of and management for federal lands for some time in the future. It seems likely that either through congressional action or administrative withdrawals, permanent federal holdings in the State will amount to approximately 200 million acres.

The main question that the (d)(2) bill will answer is, "How will the federal holdings be managed?" That is, will they be managed as single use or multiple use areas and what portion of them will be in wilderness? Wilderness is the most restrictive category of management of federal lands and management by the Bureau of Land Management or U.S. Forest Service for multiple use is the least restrictive category. In between are National Park Service and Fish and Wildlife Service management. The major controversy arising from the (d)(2) settlement is how the 200 million acres of federal land will be apportioned among various management systems.

3. State Lands

To date, the State has received either patent or tentative approval to about 36 million acres of land. BLM transfers under the Statehood Act are expected to average about 14 million acres per year for the next several years until the statehood grant is completed. Of this 36 million acres, slightly over three million has been designated as state parks and recreation areas. About 1.4 million acres is currently included in wildlife refuges or critical habitat areas. Another two million acres has been identified for addition to these retention categories. About 3½ million acres has either been disposed of or placed in the land disposal bank created by the 1979 Legislature. The State's disposal program has been legislatively mandated at 100 thousand acres for fiscal 1981.

The Land Policy Act, passed in 1978, established a system of resource analysis and classification which is intended to identify needs for resources and provide a systematic method of transferring them into appropriate ownership. However, the legislative mandates for disposal have effectively shortcut this process by eliminating the time necessary to plan for landuse. The Department of Natural Resources anticipates that its first regional plans giving a broad brush analysis of land allocation will not be completed until the end of June 1980.

Several use decisions have come under legal challenge recently. The largest long-term timber sale made by the State to date has resulted in a request for an injunction being filed by the Southeast Alaska Conservation Council. The University of Alaska has entered a comprehensive suit aimed at establishing its right to management of the trust lands granted the state and territory for the University. Additionally, a private citizen has sued to invalidate the cancellation of the school trust lands. In Kenai, a borough assemblyman has entered a court challenge to the borough's residence requirements in a proposed land sale.

C. Future Directions

Management of both federal and state lands are at a crossroad. Many of the questions surrounding the management of federal lands will be answered by the passage of a (d)(2) bill or, in the absence of such a bill, by executive action which will place additional federal lands in established management categories. Many major decisions, however, remain to be made about the management of state lands.

One of these decisions is, how much, and what land should be made available for private ownership. Obviously, land must be made available for homes and businesses throughout the state, but how much of this land should come from state ownership? About two million acres of the best and most accessible land is already in either municipal or private ownership through the operation of federal/state land laws and the Municipal Selection Act. Much of this land is vacant. The Matanuska-Susitna Borough, for instance, estimates that there are 40 to 45 thousand parcels of land which are currently vacant in the borough. Undoubtedly, there is a price scarcity there, i.e., prices are so high that land remains unsold. Some people accuse the State's failure to dispose of land and/or its public auction process for driving land prices sky high. However, at least one prominent realtor claims that the price of raw land has not changed since the early 1970s. He says that the increase is due to

higher standards demanded of subdividers, required development of facilities, and provision of amenities. There are also many uses which private owners cannot realistically be expected to accomodate. Public recreation is obviously one of those uses as is preservation of wildlife habitat and protection from geophysical hazards.

There are also some economic activities that are best conducted on public lands. For instance, a proliferation of small ownership can make it uneconomic to prospect for subsurface minerals because it would be necessary for the exploration company to buy out the improvements prior to any subsurface development. Additionally, the large land base necessary for growing timber will generally make it uneconomical for a private landowner to hold sufficient land to provide a base for a wood products industry.

Public cost of private ownership must also be considered. Many municipalities are fearful that state subdivisions within their boundaries will lead to excessive costs for the future provision of services such as roads and utilities. Additionally, the establishment of subdivisions which require year-round residence in order to gain title (as under the Homesite Act) can lead to a demand for schools in remote areas.

Protection from wild fires is also an expensive propostion. The state and federal governments combined spend about $20 million per year on wild fire fighting. As the proportion of state land changes from federal to state, the State's share of this annual expenditure will increase. Additionally, as residences are established in rural areas, the intensity of protection required will increase and the likelihood of ignition from bursh fires will also increase. All of these factors will mean higher and higher state expenditures for this purpose.

Another major question is how lands should be transferred to private ownership. At present, all sale methods (except auctions) have a residence requirement. Varying periods of residence within the state are required in order for an applicant to be eligible to acquire lands. All sale methods except sale of homesites require fair market value payments and all sales are subject to discounts based on residency which, for a veteran, can be up to 75% of the sale price. Award of a homesite or a remote parcel requires construction of a habitable dwelling prior to title and (for homesites) requires the applicant to live on the site a specified period of time. Neither method permits conveyance of the title until the entry terms are completed (for homesites) or for ten years after a sale contract is entered (for remote parcels). These provisions are probably intended to do two things: to give preference to Alaskan residents in acquisition of land and to limit speculation in land. However, the lack of title even for mortgage purposes and the requirement to construct and/or live on the site coupled with the exemption of state subdivisions from compliance with borough access road requirements will throw substantial development costs on the people whom the preference is intended to benefit. There are also some constitutional questions involved, i.e., are the various residency requirements legal? Should a resource belonging to all the people be granted to some of the people at less than fair market value?

The last major question that needs to be answered is: How is the public's interest in land use protected subsequent to transfer of the land to private ownership? There are several options here, all of which have been used in varying degrees. Local zoning is, of course, the major one. State zoning either directly or through the Coastal Zone Management Plan is also a possibility. Grant of restricted or limited title has been used in many cases, most notably in the agricultural interest transactions. Also, regulation of activities through water pollution controls and other environmental acts are an existing method of controlling private land use. All of these mean more future operating expense to the State because these laws must all be policed by various agencies. Strict application of these various controls may actually result in inverse condemnation of private property. In any event, both the controls and the administrators thereof are politically unpopular.

Thus Alaska stands at a crossroad. Before she can move into future decisions on land use, there are three major steps which must be taken. First, all planning procedures established by the Land Policy Act of 1978 need to be implemented. This act established a process of inventory and evaluation state lands and assessment of needs of resources that will lead to rational decisions in land management. Unfortunately, this takes both time and money. To date, the legislature has not provided the money for inventory and has denied administrators the time necessary to evaluate disposals by mandating acreages. Two steps are essential: funding

for resource evaluation must be considered as an investment in state land, and capital appropriations therefore made commensurate with the need; and the Legislature must not pre-judge the level of demand by setting arbitrary levels of disposal. These steps will permit land use designations to be made after a full evaluation of costs and benefits to the State.

Second, the Legislature must define a rational policy dealing with conveyance of lands to private parties. Present laws must be examined to first define the objectives they are designed to achieve and then see if in fact they achieve these objectives. Unrealistic requirements such as building a house and living on the land without title or access should be eliminated, and waiver of local laws should be possible only when there is a clearly overriding state interest. The policy of disposing of public resources at less than fair market value needs to be reexamined (especially in the case of lease law) in order to see if the public good is being served, or if there is a better way to provide the desired social benefits.

Finally, we need an acceptable method of identifying and furthering the public interest in the private use of state lands. An acceptable method must yield the desired results and be onerous neither to the private owner nor the public at large. This is a problem that most likely has no ultimate solution. Land is not an infinite resource, and as population densities increase, the greater the impact of your neighbors actions becomes. "Quality of life" means different things to different people. For some, it means wilderness living where seeing the neighbors is a matter of choice involving travelling many miles. For others, it means paved streets, flush toilets and regular garbage collection service. For most, it means access to the special things that they love about Alaska — secenery, wildlife, camping, hunting, outdoor activities of all types, clean air and clean water. Alaska has space enough to provide these things and still allow use of natural resources, but the experiences of other states indicates that this won't happen without imposition of some controls. The appropriate place for zoning controls is the local level. State use of such controls should be limited to the unorganized borough or those cases where there is a greater good to be served. Retention of lands in public ownership is an obvious method of land use control and one that should be used unhesitatingly. Controls over private land to preserve environmental quality is undoubtedly necessary but has become needlessly complicated. The Legislature should undertake a major overhaul of laws dealing with such controls in order to reduce overlapping jurisdiction and simplify the procedures.

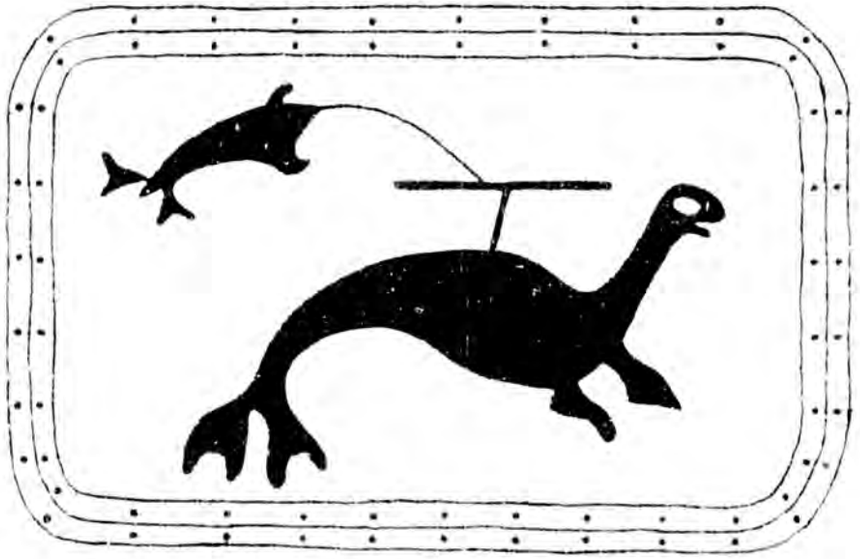
Future use of state lands must be responsive both to the needs of Alaskan society and the national interest. The (d)(2) bill will provide a framework for the national interest. We now need an equivalent framework on the state side.

Biographical Sketch

The author is (since December 1976) Director of the Division of Forest, Land and Water Management in the Department of Natural Resources. He served in the Alaska State Legislature in 1975-1976 and from 1970-1974 was Director of the Division of Parks, also in the Department of Natural Resources.

He is a professional forester, graduating from the University of Washington College of Forestry in 1956 with a major in Logging Engineering. He has worked in forest inventory for Northern Pacific Railway; Alaska Lumber and Pulp, Sitka; and the State of Alaska.

Opinions and recommendations in this paper are those of the author and do not necessarily reflect the position of the administration.



LIFE QUALITY, LAND AND COMMUNITY

Prepared by
Janet McCabe

I feel I should start by stating that I have no illusions about what is meant by the term "quality of life". It is a phrase with as many meanings as there are people. For some, the standard of life quality is inward, having to do with personal feelings; for others, the measurement lies in outward circumstances. For some people, life quality is very much a matter of immediate family relationships: others seek an extensive web of human contacts. Some people love cities and towns and to them life quality is the man-made environment; others must have contact with the natural world. A cold beer in front of the TV is quality for some, for others, it is the suffering necessary to scale Mt. McKinley.

In these remarks, I want to deal only with a very small segment of the infinitely varied spectrum of factors that make up the quality of human life. I want to talk about the relationships between people, the land around them, how these relationships appear to be changing and what these changes indicate in terms of the direction of governmental action.

My remarks are from the point of view of an urban dweller. I will not presume to talk about relationships to the land from the point of view of the person who subsists directly from the land. That is a very different and special kind of experience of this land, affecting life quality in different ways. I hope that this conference will include the views of Native people who subsist from the land.

For all people and over all of time, land has had a meaning and significance that is much larger than its physical reality. To be able to use land has meant security and often life itself. To own and control land has long symbolized power and wealth. Free access to land is associated with happiness and joy.

In Alaska, land has acquired special symbolic meanings. As "The Great Land" our State's character and unique quality are identified with its vast expanse and the scenic grandure of its land.

Since Territorial days land in Alaska has symbolized the relationships between people and government and many people in Alaska have come to view ownership and control of land as the acquisition of power by one group or another. In the 1950's the Statehood movement was argued as a means of giving the people of Alaska control of their own destiny through control of lands. The Statehood land grants were supported before congress as a means of strengthening the fledgeling State so it could stand on its own feet as an equal among other states in relation to the federal government. The State adopted the same approach in relation to its own local governments and, hence, municipalities were granted ten percent of the unappropriated, unreserved State lands within their boundaries.

Later, the Alaska Native Claims Settlement Act conveyed land and, in actual effect, political power to the Alaska Native Corporations. During the creation of the Settlement Act, conservationists saw a need to protect the national interest in Alaska's remaining federal estate, and the "d-2" issue was born. Again, during the debate over this issue land has often been viewed as the currency of power. Rightly or wrongly, many Alaskans have seen the "d-2" issue as a reassertion of federal power in Alaska.

It is not surprising, given this history, that the individual Alaskan citizen has concluded that he also should have a piece of the pie. This conclusion was reinforced by the fact that rampant local inflation has also inflated the price of privately owned land, at least, the price of land that is located where it can be used. Thus the Homestead Initiative was supported and, last year, the Alaska Legislature passed House Bill 66 which set in motion a massive conveyance of State land to private ownership.

In retrospect, I believe that this series of massive shifts in land ownership and status has had a much deeper effect on Alaska's people and society than is evidenced by the recent drive for more private land ownership. Land status changes are contributing to changes in our social attitude, changes that we can expect to affect the quality of our lives as we move toward the year 2000.

Alaska is in part an island unto itself and, in part, it joins the rest of the nation, sharing in national trends and influences. Throughout

the nation people have expressed a growing feeling that government, in general, is too big and too complex to be influenced or dealt with by the individual citizen. However, in Alaska the rapid shifting of land status has intensifed this sense of mistrust and powerlessness in relation to government. Rural villages feel that the national interest lands will limit their ability to subsist; urban people tend to view the land withdrawals as an economic threat and a cause of unemployment. They feel cut off from the land by the conveyances to Native corporations and by the federal governmental withdrawals. Though many of these concerns may be unfounded, they are, nonetheless, a real and substantial force influencing the relationships among people of different cultural backgrounds and between people and government. When people feel threatened the anxieties, hostilities, and divisions which have been heightened by land status changes must be addressed and dealt with by people in government and disassociated from government, they adopt a variety of defenses. We are seeing many of these in Alaska. The most negative kinds of defenses are a general public apathy and a lessening of interest in voting and participating in government decisions. Special interest groups tend to form and adopt intensive, single purpose platforms. The concept of the general public interest is diminished, and there is a loss in willingness to compromise and sacrifice for the good of the whole. We see a rise in single-issue politics and leaders are condemned or praised for their stand on one issue, rather than for the overall quality of their leadership.



Some forms of defense are positive and constructive. When people feel they can't deal effectively with big organizations, they tend to create their own more human-scale communities. The past decade has seen a revival of grass-roots movements and efforts to strengthen and develop community organizations that people can relate to. Throughout the nation, as well as within Alaska, neighborhood community councils have been formed and community schools are being established to create neighborhood centers where people can meet, study and recreate. Instead of calling on government, people are turning more to themselves. The later 1960's and 1970's have seen a revival of voluntarism. People seem more willing to come forth to help each other as individuals. There has been a revival of minority pride as ethnic groups are reidentifiying their cultural heritage. These are healthy trends — trends that contribute to the quality of life of our society — trends that people in government should recognize and support.

What do these trends say about the relationship between people and the land around them, between people and their surrounding community? Clearly, people are looking for the community environment that recognizes and reflects the human scale. They want a sense of neighborliness, a sense of involvement with their surroundings. Cities that are too big and impersonal, or suburbs that are too vast and uniform are negative influences on the quality of life.

James Roase, the successful developer of the new town of Columbia between Baltimore and Maryland, and a leading figure in the revival of Baltimore's downtown has talked about what people want from their surrounding environment, saying:

> "All the forces of the forties, fifties and sixties worked towards disintegration of the center city and toward the growth of the suburbs. Almost all those forces are in reverse today, beginning with transportation. The old federal government bias toward the building of highways. Now it's toward the support of public transportation, and that's going to express itself in all kinds of new ways . . . We are coming to a point in America where the growth of cities will be accommodated in communities rather than in subdivisions. . . . There will be increased interest in the rationally developed new community, the old small town, the smaller city, and the downtown. All these have

in common the diversity, the convenience, the sense of community that's missing in the suburbs."'

These trends and changes have a great deal to say in terms of governmental priorities and programs. Government needs to build its credability as an entity designed to serve people by recognizing societal trends and helping people achieve their concepts of life quality. In terms of governmental management of public lands, these trends say that the lands that are of most significance in the every day quality of people's lives are those that are close to home, within the neighborhood or within easy reach of the places where people live and work each day.

The recent emphasis on millions of acres in Alaska has tended to obscure the fact that it is the *location* of lands, not their quantity,that determines their significance in people's lives. The sheer size of Alaska and of its acres that are being shifted between governmental managers and between government and private owners have given us a distorted notion of the amounts of land that people are actually able to use and occupy. To keep a sense of proportion it is helpful to note that less than 200,000 acres of Alaska have been cleared, built on or otherwise directly altered by man, either by settlement or resource development. In comparison to the 375 million acres which comprise the total area of the State, the settled area amounts to less that 1/1000 of a percent.[2]

The developed area of the whole Anchorage bowl is under 70,000 acres. Though we may talk of millions of acres, man's extent over the State's surface is very small. The frictions and costs of traversing distance are great and becoming greater as energy costs increase. Access and location are the prime factors which determine the value of land surface for settlement purposes.

Unless we recognize the importance of location, it is easy to overestimate the impact of the forthcoming state land disposals on people's lives. The annual acreage to be converted to private ownership is equivalent in size to more than half the currently developed area of the whole state. However as the State administration readily admits, most of the lands that the State has in stock are the left-overs remaining after homesteading and other private land aquisition and municipal selections. They are generally so far from places of employment and so inaccessible that they cannot be reached without considerable cost and inconvenience. People may gain the rewards of a sense of ownership, some may be able to build and enjoy cabins for occasional recreation use, but because of access difficulties many people will probably never set foot on the State lands they seek to acquire.

These realities, together with our society's growing emphasis on improving communities and neighborhoods at an everyday human scale indicate that it is time to pay more attention to the few remaining public lands in Alaska that are located close to home. In some areas it is still possible to design land disposals and subdivisons so that natural open spaces are interwoven with a group of private lots and all residents have easy access to natural lands; not necessarily developed parks that require expensive up-keep, just natural wooded areas. The State's "Muskox Subdivision" near Fairbanks is a good example of how this can be done. The State, municipalities and private subdividers should dedicate a significant percentage of all subdivided lands to public use and open space in locations indicated on a comprehensive open space plan. This requirement is common practice in many other states.

The emphasis on neighborhood quality should be extended to our cities' downtown areas. Anchorage, like cities at a similar latitude in Scandinavia, could benefit from an urban forestry program. Clusters of evergreens on widened downtown sidewalks would be attractive in winter as well as summer. A downtown arboretum or greenhouse could display the Anchorage municipality's special talent for gardening throughout the year. A winter garden of this type would provide a focal point which would contribute significantly to the quality of the downtown neighborhood.

Government could reinforce and encourage the trend to improve small communities and neighborhoods by use of land for neighborhood centers. Anchorage's proposal for neighborhood recreation centers has much merit. We should continue to build and improve community schools and we should give more emphasis to neighborhood walkways, bikeways, and trails — the low acreage public lands that contribute significantly to everyday life.

There are many other ways of using lands to help people improve the quality of life in their immediate community. The examples I have used are mainly from Anchorage. I hope that conference par-

ticipants from other Alaskan communities, villages as well as large communities, will add to my list.

In short, I am arguing for governmental actions that recognize the human scale of everyday life, actions that build neighborhoods and strengthen individual identity with communities. In turn, action of this type will help reaffirm the tie between people and their government.



Footnotes

[1]James Rouse in *Planning*, AIP, Sept. 1979.

[2]Statistics compiled to Federal-State Land Use Planning Commission for Alaska, May 1977.

Biographical Sketch

Janet McCabe directs the Alaska Area Office of the Heritage Conservation and Recreation Service, the Department of Interior service responsible for providing federal assistance and funding for cultural, recreational and resource related programs. The agency has a special mandate to coordinate federal, state, local and private parties to accomplish common interests relating to the quality of life.

Prior to joining the CHRS, Ms. McCabe was a Land Management Planner with the Federal-State Land Use Planning Commission. In this capacity, she directed the Commission's staff work pertaining to state land policy, and handled topics of federal-state coordination. As one of Anchorage's Bicentennial Commissioners, Ms. McCabe initiated the Anchortree Program, through which private and public efforts have been mobilized for annual tree planting. A land planner by training and profession, Ms. McCabe has a master's degree in urban planning from Harvard University and experience working in planning with numerous communities throughout Alaska. She and her family have lived in Alaska for eighteen years.

NOTES

COMMUNITY FIRE PROTECTION PROGRAM

By
Robert R. Shirnberg

The Alaska State Firefighters Association and the Alaska Fire Chief's Association, at their respective annual meetings in October of 1979 in Petersburg, Alaska, were presented a program entitled, "Community Fire Protection Incentive Program".

Both the Alaska State Firefighters Association and the Alaska Fire Chief's Association submitted to their respective memberships a resolution calling for support in the preparation of program material to enact the Community Fire Protection Incentive Program during the 1980 session of the Alaska State Legislature. Both bodies passed unanimously this resolution.

A joint AD-HOC committee was formed, comprised of members of the ASFA and the AFCA to prepare the necessary material and to carry out the legislative program presentation.

The State of Alaska has the honor of being No. 1 in many categories. We are by far the largest state in the Union. Our fisheries and resources from the sea are No. 1 in value. Our resources on oil and gas production are approaching No. 1. Our mineral potential is the greatest of all states.

Our state also has the dubious honor of being No. 1 by some margin in the loss of life per capita by fire and the property dollar loss per capita. It appears that the growth of our state is assured with projections of ship building facilities, processing and support facilities for a bottom fishing industry, oil and gas production with related petrochemical industrial plants, mineral development, etc. With the population and construction that will come with this growth and with our present methods of providing fire protection, we will retain the dubious honor of being No. 1 in per capita loss of life and property damage as a result of fire.

We in the fire service recognize that a new approach in providing for both public and private fire protection needs must be developed. We recognize that the Community Fire Protection Incentive Program does offer the method to redirect fire protection systems and combine the best features of both public and private fire protection in a manner that will improve and better the community against the ravages of fire. It provides a method whereby the costs for public fire protection can be controlled as the community expands and grows.

The Community Fire Protection Incentive Program provides a method whereby the private property owner and businessman will have the incentive and support necessary to provide for the installation of private fire protection systems in their property. This incentive is created through a three part program as follows:

Permanent Revolving Loan Fund

This loan fund will provide loans to private property owners and businessmen at an interest rate and such terms that will create an incentive to install private fire protection systems such as hydraulic sprinkler systems.

The terms of the loan will be such that the direct insurance saving received for the installation of the sprinkler system will be calculated in the repayment schedule. It is the intent that the property owner will realize a real dollar return on the installation of the sprinkler system. An example would be that if the net insurance saving was $6,000 annually, the loan terms would require a $4,000 annual payment, resulting in a net return to the property owner of $2,000 annually until the loan has been paid off, at which time the property owner would receive the entire $6,000 benefit.

Tax Incentive

Remove from the property tax rolls the assessed value of the private fire protection system. There is no question of the roll that the private fire protection has in supporting the public fire protection system. It is taken into consideration in the I.S.O. rating schedule, it has a decided effect on reducing the overall insurance rating of a community's fire defenses. It protects the community's tax base. It protects the jobs and the economy of the community.

With our present policy of taxing private fire protection systems, we discourage the property owners from installing such voluntary systems.

Again, the private property owner and businessman will be encouraged to install private fire protection systems if we remove the tax burden that is placed on such systems.

Water Standby Surcharge for Sprinkler Connections

Some water utilities have placed an excessive standby water rate to property owners that have installed hydraulic sprinkler systems in their property. In many cases these special rates have eliminated or exceeded any dollar saving the property owner may have enjoyed because he has installed a sprinkler system.

In some cases the owners of property equipped with sprinkler systems have shut the sprinkler system down and discontinued its use and accepted the higher insurance rate because there was a dollar saving between the water standby rate and the increased insurance premiums.

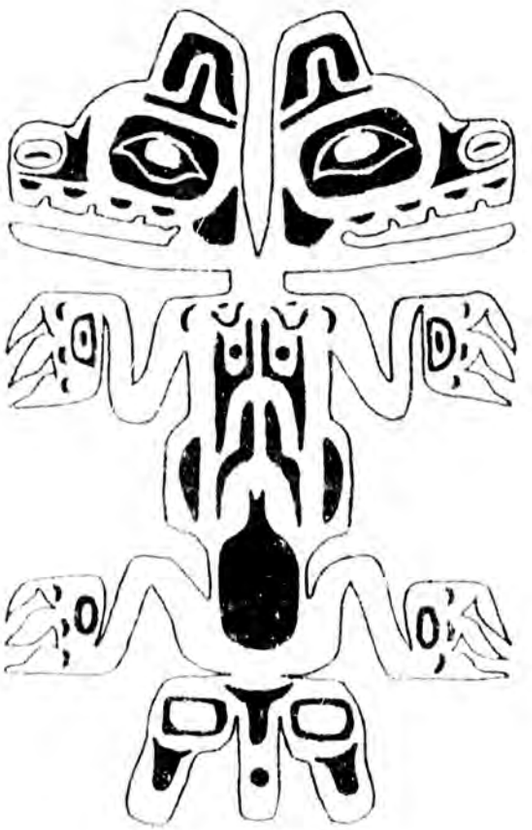
As can be seen, the excessive water rate charge is a direct attack on the incentive to install private fire protection systems.

Therefore, it is necessary that special water rates for properties equipped with sprinkler systems be reduced to a very nominal fee or eliminated altogether.

This program intent is to provide for the property owners and businesses the incentive and assistance to install fire protection systems. The program is to be made available to property owners in all areas of the State of Alaska, from the larger municipalities to the smaller communities and very rural areas. To those communities with full time paid fire departments to those with volunteer fire departments, and also those areas without any fire protection at all. The program makes assistance available to areas that are isolated, such as remote cannery locations, and a method to provide for fire protection of such facilities.

With such a program in effect and within a few short years, we will see a decided reduction in our property fire loss and loss of life from fire. We will realize a direct saving in the cost of our public fire protection systems. We will be able to better meet the fire protection needs of our expanding and growing communities, and be able to control the costs of this expansion.

Fewer jobs will be lost through catastrophic fires, the economy better protected, the tax base of the community better assured, and those public programs that are supported by the tax base better protected.



A PAPER ADDRESSING THE ISSUE OF UNEMPLOYMENT AND THE CALCULATION OF UNEMPLOYMENT STATISTICS IN THE STATE OF ALASKA

By
Human Resources Company

This paper is written to address the issue of unemployment in the State of Alaska.

History

The Human Resources Company, a private post secondary business education institute has, for the last five years, been active in the educating and placing of individuals with entry level secretarial and bookkeeping skills in the job market. These programs have been conducted in Anchorage, Fairbanks, and Barrow. Additionally, individuals from the Mat-Su area have been enrolled in the Anchorage programs.

Students eligible for program participation must have been unemployed for a period of one week (in some cases) up to fifteen weeks (in other cases). Therefore, it can reasonably be assumed the frequency of applications for the programs could be used as one reflection of the unemployment image in a community. It is important to note that confounding variables such as publication of program availability and the neutrality of the application process, variables which could affect application frequency, are not affecting the data. This assumption is supported by the fact that Job Service does all the publication and the primary application activity. These processes are, by regulation, culturally fair.

The application process is two-fold:

1. The applicant must meet CETA requirements of unemployment for one to fifteen weeks.

2. The applicant must meet CETA familial poverty income guidelines.

Therefore, it can be assumed a significant portion of unemployed individuals are not represented in this cluster of Alaskans. This non-represented group includes unemployed individuals for whom some member of their family is employed in a position with a salary above the poverty level and/or individuals whose unemployment is of a shorter duration than fifteen weeks.

Regardless of this non-represented cluster, in every instance there have been significantly more applicants for each training program than space available in the program. Additionally, the ratio between the number of applicants and the number of spaces available had increased within the last year. This datum point is true despite the fact that the number of programs has increased five-fold in the last year. Unfortunately, a strict data point for the above information is not available because Job Service is not required to keep such information. The point to be made is that in the observation of the Human Resources Company, these indicators of unemployment tend to show a significant increase in unemployment.

Observation of the labor market from the opposite viewpoint, availability of jobs for qualified applicants tends to support this view. Using the last four years of HRC placement activities, job counselors have observed three significant shifts:

1. Employers are increasingly requiring more experience and higher skill levels in the secretarial and bookkeeper occupational clusters.

2. Salaries for said skill areas are decreasing significantly since 1975.

3. Fewer entry level jobs are available in the clerical fields.

Issue No. 1

These informal indicators of unemployment increases do not tend to be supported by the Statewide unemployment rate, which is at 6.7 for 1978. Therefore the issue to be investigated is as follows:

"Why does there appear such a discrepancy between aforementioned informal indicators of unemployment and the formal statistical data point of the unemployment rate?"

At this point, HRC suggests three factors to consider in the development of unemployment statistics:

1. In one form of the unemployment statistical calculations, the Department of Labor uses the unemployment insurance recovery rate. This statistic does not include:

a. Unemployed individuals who do not have unemployment insurance.

b. Unemployed individuals who have used up all of their benefits.

2. In another form of the unemployment statistical calculation, the Department of Labor conducts a door-to-door survey. Due to a definitional problem, the door-to-door survey does not count the following individuals:

a. Unemployed individuals who are discouraged and therefore not actively seeking work.

b. Unemployed individuals whose historical employment has been seasonal. This group is found largely in the bush. It is in the bush villages where seasonal work is the only work available.

3. In all forms of the unemployment statistical calculation, the Department of Labor has no indicators as to the number of unemployed Alaskans who leave the State due to unemployment. It is important to note that Seattle's healthy economy may be attracting many unemployed Alaskans.

Recommendations Re: Unemployment Statistics

1. It is recommended that unemployment statistical calculations draw information from non-traditional sources such as:

a. Application rate for CETA programs.

b. Applicant flow through Job Service.

c. Labor Union hiring hall statistics.

2. It is recommended to expand the nature of the unemployment statistical calculation in order to include:

a. Discouraged job seekers.

b. Seasonal job seekers.

c. Skilled laborers who are union members.

3. It is recommended to develop dialogues with private employers in order to determine the frequency and nature of available jobs, and the wage rate and qualification levels. This information should be compared with the Job Service Job Bank statistics.

4. It is recommended to develop dialogues with Labor Union Officials to gather hiring hall statistics.

Issue No. 2

Making the assumption that the rate of unemployment in Alaska is significantly higher than the statistics indicated, the second issue to consider is as follows:

"What are the immediate and modifiable causes of the increased unemployment rate?"

Certainly, the most immediate and modifiable cause of unemployment may be traced to the recent and dramatic shortage of loanable funds. This shortage has dried up activity in the construction industry. This in turn affects a plethora of other job producing industries.

Secondly, a widespread apprehension regarding Alaska's economic future has tended to make Alaska's private enterprises much more cautious in terms of expansion. This caution has depressed the job market.

Obviously, there is a myriad of other causes of unemployment; however, the two aforementioned causes are containable and modifiable.

Recommendation

1. It is recommended that the State actively seek to deposit its reserves in smaller, construction-oriented financial institutions such as credit unions, and savings and loan associations.

2. It is recommended the State of Alaska develop dialogues with all financial institutions across the State. The purpose of the dialogue would be to develop monthly financial flow information. Such information could be published quarterly in an effort to clarify the economic "pulse" of the State (loan rates, etc.). Business caution is not necessarily based upon a poor economy, but rather on an unpredictable economy. Making the economic future predictable would tend to encourage business persons to at least "trust" the future.

3. It is recommended the State of Alaska actively seek to do business with Alaskan firms of all potentials. Money generated from the State into the private market does not benefit Alaska or Alaskans if it does not stay in the State. Such contracting practices as:

a. Sole source contracts;

b. Personal services contract;

c. Automatic contract increases without an invitation for bid, or request for proposal

should be terminated as swiftly as possible.

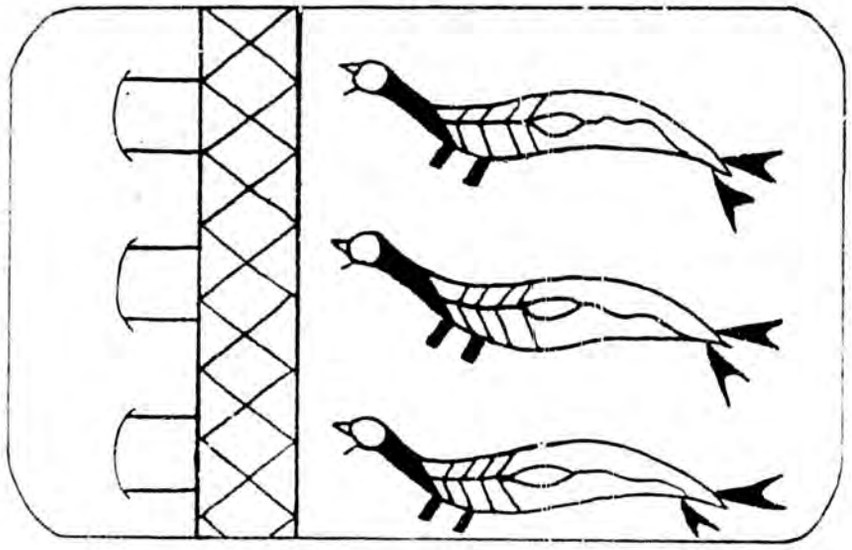
Summary

The author of this paper does not propose that the aforementioned issues and recommendations would define accurately or solve Alaska's unemployment problem totally. The author does believe, however, that accurate reflections of unemployment and economic flow would produce a more predictable labor/financial future upon which Alaskans could make reasonable business, individual and social decisions.



ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

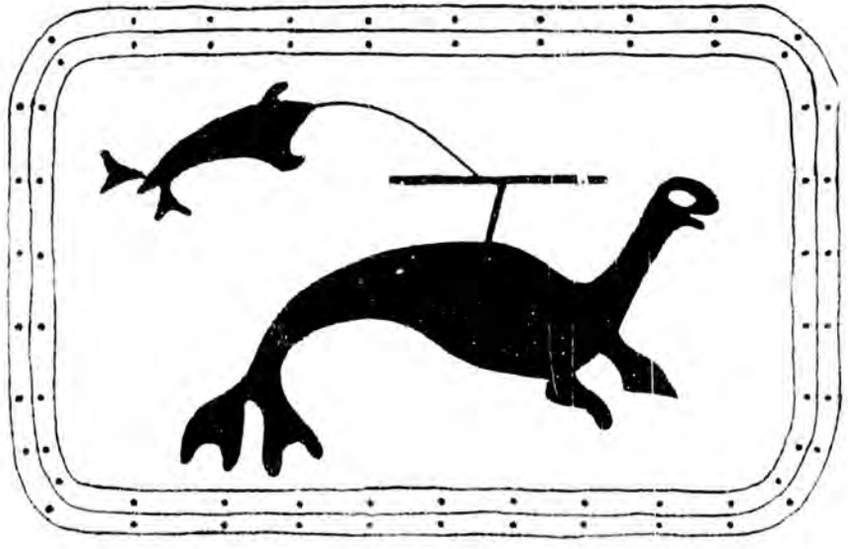
By
Ronald K. Inouye



I would like the Alaska State Legislature to consider broadening the scope of the current Alaska Council on Science and Technology and to provide sufficient annual funding to meet more of the unique research needs of the state.

I would urge that the scope o f the current Council be broadened, inclusive of the social sciences, the arts and humanities. The Council on Science and Technology was created to meet the unique research needs of the state in science and tchnology, as such information is indeed necessary for guiding the public policy and assisting the state's decision-making. I believe there are research questions in the humanities, the arts and social sciences which are of equal and vital importance to the state and which should be state supported.

As one who is involved in education, I am aware of the disadvantage researchers from our state encounter when applying for national research funds. Even when the national funding coffers are full, Alaska researchers have a difficult time justifying research expenses to proposal reviewers who know little of the state's needs nor of the costs of doing business in this part of the world. Nationally funded research is presumed to benefit large numbers of people directly and at little cost; these conditions, while appropriate in Lower 48 settings, are virtually impossible for us to meet in a state with a small population and high costs. Additionally, the benefits of research in Alaska are oftentimes unique and not applicable to the other states, diluting the possibilities of federal financing.



I believe that our state could benefit from according the social sciences, the arts and the humanities with the recognition as areas of importance in state-funded research.

RENTS

By
Gloria Thompson

What constitutes a "month's rent" for a rental apartment? Is it a half month's rent—the deposit—part of the deposit or the full month? Can three kids under 18 years of age move into a $350.00 a month apartment, paying $100 only and remain in the apartment with the protection of the police against the house owner? The answer is, unfortunately, yes. Because of the looseness of the prevailing rental laws here in Alaska, actual crimes are being perpetrated against landlords and much cheating owners of their due payment exists. Once the renters obtain **any kind** of a receipt at all (even for the $100 which was **part** of a deposit) they cannot be put out without much expensive legal work, i.e., obtaining an eviction notice, serving them and then waiting out the 10 days for them to vacate—also an attorney must be hired to write the letters and set all of this in motion.

While I was in Florida during the months of April and May, 1979, I instructed my son to advertise (I wrote the ads) the nicer upper apartment of my duplex and try to get suitable renters. The ad read, "$350 a month, $150 deposit, furnished." A girl 16 and a boy 17 answered the ad and said that they only had $100 but would come up with the rest after they had moved in on June 1st. My son, 18, didn't know how to handle this and he got a friend, 58, to come over and this friend accepted the $100 and made the girl, 16, sign a note saying they would pay the rest by June 8th. He gave her a receipt for $100. They said they were sister and brother but the boy was Jewish. **Two** young men, another kid of 15, moved in at the same time as these two. They in turn, accepted some rent money from three other young people and put down mattresses in one of the two bedrooms of the apartment—sublet it, if you please.

I came back from Tampa on June 11th after a very long trip and many hours. I asked my son, "Did you get the rest of the rent?" He said, "No, they are sleeping up there." This was 4:00 p.m. I went up, knocked on the inner door and much movement ensued. There were four of them resting in order that they might be able to perform much activity during the whole of each night that they were in my home. I asked if they had the rest of the rent money, $400. They said they hadn't. I very calmly told them that they had enjoyed 11 days of free rent for six people and would they now just pack up and leave. The girl said, "We have a receipt." She got some counselor on the phone who screamed at me that **"You can't throw them out, do you hear!"** I told everyone that they had not really **rented my place at all..**that it did not constitute a real rental. I called the police to bear me out. They sided with the kids and said, "No, you will have to go down and get an eviction notice" and then serve it and they can be evicted 10 days after serving this notice. I told them I did not have the money for any of this action. No matter, that was the way it had to be.

The police let me remove some fine books, afghans, Beethoven records, books, linen, pillows and quite a few nice things that had been left up there. This big moving business up and down the basement stairs I performed with asthma making my lungs ache and very short of breath, up and down, while the kids laughed.

They said they had paid $200, not $100. In two days time, I obtained the real receipt that this friend had them sign. It read they would pay the $200 more on June 8 (which date had come and gone) and that they would have the entire $500 paid "by June 31st". So, they had lied about having paid more than the $100 for which they had a receipt. When I got home, I told them the news, ringing the front door bell and standing courteously ouutside on the porch. They excitedly told me that I had to get an eviction and that I could not turn off the hot water and heat and that I had to let them use the laundry room. They told me how I was going to run things or else. I called the police again. I stayed outside and did some weeding in the front yard and it needed it.

The police came out to tell me that they could not be evicted without the whole legal megilla and "don't turn off their heat and hot water either". I said, "Could I go in and get that large painting from over the couch, it does not go with the apartment?" "No," said Officer Shambaugh. I said, "You come with me, we'll go in there together." He proclaimed, "Don't go in that apartment, don't touch that painting, put down that painting," and with that last statement,

he handcuffed me and put me under arrest, strong arming me and shoving me back and forth in front of seven strangers. The girl's father and uncle had come over to see that this mean old landlady did not harm their amateur prostitute.

Officer Shambaugh rushed, shoved and dangled me outwards towards the door and in so doing my foot struck the uncle. "Oh," cried the arresting officer, "Assault and battery," and lo and behold, he took me to the station, I was before a woman judge there, who said, "It seems as if the kids paid **part** of the deposit and **none** of the rent." This zealous officer said, "There was a promise to pay" and I was taken to the woman's prison and booked and fingerprinted, the whole thing. It was an exhausting, humiliating and physically abusive experience. I was released in custody of my 26 year old daughter who has her own apartment on Barrow Street.

Officer Shambaugh turned my duplex and all my possessions over to these strange and wayward kids. There was no relative of mine present during all this. He made large black and blue bruises on my arms which lasted for over two weeks. My thumbs were so numb that I could put pins in both of them (or either of them) and not feel it and this condition lasted over a month.

Socially I have suffered more than emotionally. Friends of my two boys have taunted me with, "Well, I have never been arrested." People tell me, "You can't be such a good Christian, I saw your name in the paper for assault and battery." One so-called friend said, "A lot of people saw this in the paper." I replied, "And a lot of people didn't." Besides shame there was expense as I saw two lawyers. Mr. Charles Tulin who said it was about the rottenest thing that could happen to a woman alone, that it would **not** have happened if I had been a couple or a man. The other attorney charged me $97.50 for writing a letter, using strong terms to threaten the kids to move, which letter I never used with them.

I endured their nightly party noises for six nights thereafter—so much banging and fighting going on that I called the police two more nights. I was alone (my young son stayed in West Virginia) in the basement apartment and afraid of them and of their condition. I've had no experience with any of this sort of person before. The police came once after two hours and the second time did not respond at all. They told them to "quiet down" on the first call and then left.

They moved, in part, the following Monday, June 18, leaving so much behind that I was afraid to go in and begin to clean up. They did not turn in a key **but passed it around to anyone who needed a place to go for the night.** I would hear footsteps at night, either one person or two persons, and they would bed down. This also frightened me plenty. Finally, I changed the locks on the two front doors and packed up their things. A man, 24, came to get the boxes on June 24. He had to come down and ask me to gain entry. He said he knew nothing about the whole thing, but had given the kids money to sleep in the apartment. He was not the same type as they were.

I have not rented the place again and have done without this extra money. I was a widow who remarried in 1970. This husband went to work on the pipeline and did not return after April 10, 1977. We had a complicated three day divorce trial where he claimed half of my home here and other land. Therefore, I am not well off, but live mainly on my late husband's social security death benefits as my youngest son is 15. I could use a little financial help from a renter, but am too scared to rent any more.

It is up to the State Legislature to spell out and think it through "just what constitutes a renter". The present law does not answer the question.

Please be advised that I had rented to others, off and on, since November, 1977 and received as much as $400 for the apartment and it is worth this. However, never did I run into anything like this last adventure. It goes without saying that had I been in command of my home these renters would not have moved in at all. But, with apartments empty, there are many no-goods who are pulling this same stunt.

Please take it under consideration in the 1980 legislative session.

P.S. Officer Shambaugh was named "Officer of the Year" much to my consternation.

INSTITUTIONAL HEALTH CARE

By
J. B. Barry

The State of Alaska taxpayers could save a minimum of $10,000 a month if the resident population of each Hope Cottage and Harborview were reduced by ONE. This is a minimum of $120,000 a year. These figures reflect only the basic cost of care.

The $10,000 does not include Medicaid, (another taxpayer expense) the burgeoning bureaucracy deemed necessary to administer to a handicapped individual or the special education expenses incurred by students from other school districts being placed in Anchorage or Valdez.

Currently at Harborview Developmental Center in Valdez, the State operated institution for the mentally retarded, 92 clients are served. In FY 78-79, 156 positions were funded for Harborview at $5,566,800! That is over $60,000 in salaries **per** client!

The $5,000,000 is above and beyond the daily amount charged for the care of each resident, funds derived from Supplemental Security Income, Aid to the Disabled (more taxes) or any of the other extras listed (still more taxes).

Additionally, Hope Cottages, Inc. maintains 14 cottages. These cottages need houseparents. Two additional cottages require houseparents **and** twenty four hour nursing care. There is also an administration building on Bering Street. To provide a more "home-like" atmosphere, Hope is constructing two new 10 bed intermediate care facilities to replace an existing 20 bed facility.

Who pays for the upkeep, maintenance, the purchasing and building of all these physical plants? WE DO. Either by taxes or direct contributions, it's all coming out of the same pocket.

A good example to consider is the Satellite Home Program. They place only moderate to severely handicapped individuals presently residing in institutions. They pay $1,075 per month to foster parents. Fantastic savings to the taxpayers compared to the tremendous cost of institutionalization. Sounds too good to be true, doesn' it?

It is true, but there is a major flaw. The program has been in operation for three years and has placed only three individuals. Three in three years!

It is safe to assume the level of payment to foster parents has remained constant in three years. Want to bet the administrative costs of the program have remained the same?

When I mentioned the possibility of giving the $1,075 to the biological parents to enable them to take their child out of the institution, it was greeted by the administrators with an abundance of silence. However, assurances were made that as soon as the foster network was perfected, the very next step would be home placements. At the rate they have established in the last three years, not many of us will still be on this earth to see it happen, nor will the royalty oil payments be here.

Why is caring for the Handicapped so Lucrative?

Like too many aspects of government or welfare programs, the situation concerning the retarded and handicapped and its terrible consequent costs to the taxpayers, families, children and society evolved from the humanitarian ideal to provide care for the disadvantaged.

Follow the ludicrous evolution. First, lacking support services for the family, the child must be placed in an institution. Level one is created. The institutions are filling up.

Create a network of mini-institutions and call them "group homes". The public has an impression of the handicapped in a cozy home-like setting and they just "eat up" that idea. Level two is created.

Now the bureaucrats are really getting somewhere. If "group homes"went over so great with the public, let's try foster homes. Take people out of "group homes" and put them in "for real" homes. One child per home. What a novel idea! John Q. Public falls all over himself applauding the concept. The bureaucrats are

delirious! Level three is created.

Now they sit back and maintain nothing could possibly be missing from this plan of total and complete care for the handicapped.

THE IMPACT OF OUT-OF-HOME CARE ON THE FAMILY UNIT

Oh yes, the family. That pesty group of folks that have given hard working bureaucrats headaches and ulcers from day one. This very same group even has the audacity to demand the needs of their child take precedence over form filling and paperwork. Therefore, a plan must be perfected to put these pests in their rightful place—out of our hair!

First we place the institution so remote physically that it will be a real hardship to drive or fly to. (e.g., Valdez) The hotel rooms in the town would be $56 a day. Of course, in the winter the rooms are only $48 but that would be no major problem. The drive in the winter would be so hazardous, few would ever attempt it.

For those hardy souls that do make it to the institution on a winter weekend, we will make sure only substitute administrative personnel will be on duty. These people would know nothing of the weekday activities of the child and would write down all the parent's questions for us to answer by mail in due time.

To further discourage these family ties, there would be no private room available at the institution for visits. If they want to be alone with the child, let them take him or her to their hotel. If their room happens to be on the second floor of a hotel without an elevator and their child is 105 pounds and non-ambulatory, that's their problem, not the administration's.

They are welcome to visit in the resident hall. These parents realize what personal contact means to their child or else they wouldn't be there making pests of themselves. Why should they, of all people, begrudge the other twenty residents of that hall pulling, shoving and clammoring for their attention? Those other children need affection too, you know.

By really trying, we can make these parental visits so stressful they will soon cease altogether. The State cannot bother with parental feelings of guilt, frustration, loneliness or anxiety. We have our priorities. We must make sure an increase in funding makes it through the Legislature this session.

Disgusting scenario, isn't it? It happens every day across the United States. Alaska is no exception and may very well be the leader.

The dehumanizing effect of institutions transcends the family to the child. The child is rewarded for following the "pack". Any individuality becomes "unacceptable" behavior. Children must fit the molds established by the institution. The change from the child the parents knew to the "institution child" adds to the stress and sense of failure to the parents. All their work with their child ends up with "proper, regimented institutional behavior".

Some parents turn to alcohol to ease the pain. Others block emotionally all reference to the child ever having been in their lives. Still others, unable to stand the combined strain any longer, get divorced.

Oh, but wait, you say! What about "group homes" close to the parents? That way the parents could have the child on weekends and holidays. How would you like such visitation rights with your child? Ask the thousands of divorced parents with these very rights about their frustrations. How many eventually stop the visits and the monthly checks usually stop shortly thereafter. Anyone can check the welfare rolls for verification.

The child has become a visitor to the life they once lived, confused and disoriented by two sets of people and two different locations.

What to do then?

THE MOST COST EFFECTIVE SOLUTION TO OUT-OF-HOME CARE

It should be fixed in the mind of every taxpayer that institutions and "group homes" are outrageously expensive and definitely deficient alternatives to home care and not vice versa.

The absurdity of foster placements must be made absolutely clear. How can money and support services be given to complete strangers for care of a child without even the slightest thought given to the parents?

No amount of training can teach a foster parent the subtle nuances of a child's behavior that signal an impending ear infection, the cutting of a new tooth or the beginnings of discomfort with a too snug orthopedic brace. The parallel would be a new baby's cry. The parents can tell if the baby is wet, hungry, scared or just lonely. To the outsider, it all sounds like squalling.

Perhaps all families are not able to care for their child in the home. No one knows. No one has ever cared enough to ask. It has become "against the system" to keep the family intact. Out-of-home care has become the first, not the last, alternative.

The following is a true story of what happened to an Anchorage family.

After 12 years of struggle in a system that harks you to "Walk For Hope", give to the less fortunate, support this, support that, etc., etc., ad infinitum, there comes a day you can no longer cope. To reach this point you can no longer do it alone, emotionally, physically or financially.

You call Hope Cottage. The only person who can help you with your questions is out of the office. He will return your call.

A very nice man tells you he will send a packet of forms to fill out and return. He then asks you about your child. You hear yourself reciting the terms you have heard and used for 12 years.

A 105 pound, 12 year old Caucasian female, multi-handicapped from Rubella Syndrome, including mental retardation, cerebral palsy, seizure disorder in the right hemisphere, non-ambulatory without the aid of orthopedic appliances.

No matter how many times you have used this description, it always strikes you as an odd way to describe your beautiful, loving daughter whose one misfortune in life was being born of a mother who contracted German measles.

The nice man expresses surprise that you have kept your child in the home for such an extended period of time. However, since your daughter is non-ambulatory, there are only two cottages that could help her but—those two are full, of course. You will be placed on a waiting list. The waiting period? Six weeks to two years.

In desperation you cry out at this complete stranger. You tell him you can't make it another six weeks or two years. You need help **now** or you wouldn't be calling. One doesn't plan two years in advance for the day of desperation to set in!

He suggests the foster home program run by Clyde Farrington and Harborview in Valdez. You thank him quietly and hang up. You feel like a fool for breaking down to a complete stranger. You mentally kick yourself for losing control and pick up the phone again.

You call Clyde first because you have known him for a long time. Your daughter was his first student when he came to Alaska on a Vision and Hearing Impairment Grant your organization had helped to secure. When a parents group was formed for the V.H.I. children, you were the first one called to lead it. You attended conferences on leadership, copeing, advocacy and assertiveness on behalf of the group. Your home was the overnight hotel for out-of-state conferees to Anchorage workshops, parent advocates and special education people. Your relationship was expanded and ongoing with Clyde, not just the typical parent-teacher one.

He comes on the phone and expounds on the Satellite Home Program. Being such a fantastic program, there is a waiting list of 35 at that time. When you express shock at the program being around for three years and you never hearing about it the reply is simple. Their thrust is to get children out of institutions and into homes. You reply your thrust is to keep your child out of the institution and in the home.

Impasse established. No precedent for operating in such a logical manner. Not enough public support salaries will be generated if this revolutionary idea of home care catches on.

Out comes the phone book again. You call everyone in town who has been to or knows anything at all about Harborview. The opinions vary: never been there, too far away, better than it used to be, it's clean, an insane asylum, good school program, and nice place to visit but—.

The people you have spoken to are parents, legislators, advocates and medical professionals. The questions take on new meaning to all of them for they have witnessed your struggle all those years. So they answer your questions and they express regret

that no alternatives are available.

You make the trip to Valdez already feeling the loneliness. You hold your daughter close, stroke her hair, memorize her every move and you cry.

But none of this prepares you for the trip home. The uncontrollable weeping as each mile takes you that much farther from your little girl. The opening of the door to a house that used to be a home. The bed she slept in two nights ago. Scattered toys. An idle rocking chair. Stuffed animals awaiting her return.

You take it a painful day at a time, knowing eventually the pain will have to lessen. The confusion on the faces of friends not knowing what to say when they realize she is gone. The stammering of the person who says, "She's better off there with her own kind" when they see the crushed look that lightly tossed remark has caused. So you see, the real cost of institutionalization and the destruction of a family unit does indeed become most expensive to everyone concerned.

Let's put the astronomical waste inherent in this system aside. Take the $1,075 a month presently being given to strangers and offer it to the parents of children in institutions, group homes or on waiting lists. Let them purchase the services required to keep their child home. The money will be spent more efficiently by a caring parent than a paper pushing bureaucrat.

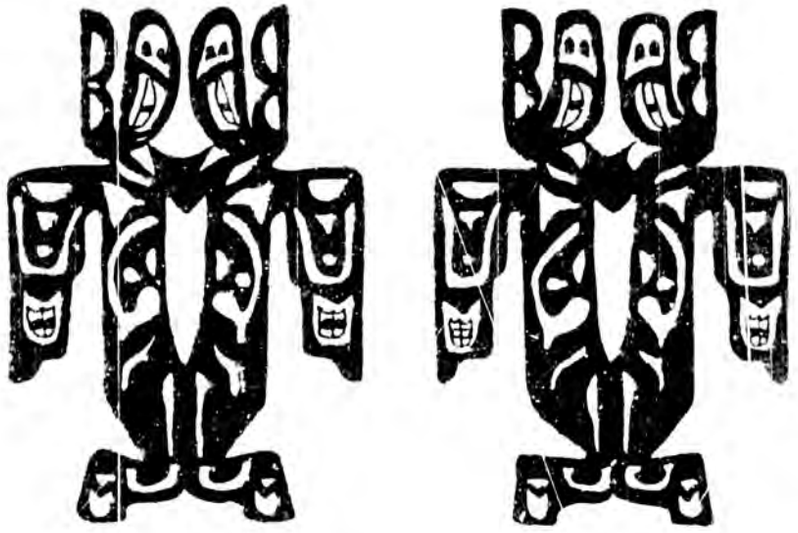
The most expensive institution care is for a multi-handicapped, non-ambulatory child. This care tilts the cash register at a minimum of $36,000 a year for basic costs excluding medical. There is at least one family in Anchorage that would use the money to purchase a van with a hydraulic lift, drive Thompson Pass in the dead of winter and bring their child home. That one purchase by this family would save the taxpayers of Alaska over $23,000 that year. The other benefits speak eloquently alone.

For the parents of the marginally or moderately handicapped, this money might provide enough income to allow a parent to stay home without wrecking the family budget. This in turn would provide the continuing support and encouragement needed for their children to become young adults with the self confidence and abilities to hold jobs in our community. These young adults break the cycle. They become taxpayers instead of tax burdens.

We don't need high priced consultants to figure out how to do this or to tell us "it should be done". There is a wealth of free talent here in Anchorage. The parents of the handicapped are doctors, attorneys, accountants, insurance agents, labor leaders. They have volunteered their time before and will be glad to do so again.

CONCLUSION

We can no longer afford to allow institutions, "group homes" or foster programs to flourish behind the banner of "Helping those unable to help themselves"! Preying on the sympathies of the public has been too lucrative for too long. This vicious cycle of waste for out-of-home care must be stopped. The taxpayers can no longer be over-burdened with three layers of bureaucracy to support an unwieldy system that will never be as cost efficient as the good old American family.



FRONTIER CHILDREN, 1979

By
Margaret Fischer, Ph.D.

Alaska is a vast expanse, one-fifth the size of continental United States with a population less than that of the State of Nevada. It is the largest and least inhabited per square mile of all the states. The weather varies from mild 50- to 70-degree temperatures in the long days of summer to frigid subfreezing temperatures in winter which drop as low as 60 below zero in the Interior. Coastal winters are comparatively mild. In such year-round ports as Valdez, as much as 26-feet of snow may fall during a season but the temperature rarely falls below freezing. The population of approximately 400,000 is comprised of Eskimos, Caucasians, and the Indian tribes, primarily the Aleuts, the Tlingits, and the Athabascans. The Native settlements are located on inland rivers or along the 26,000 miles of coastline of the Arctic Ocean and Bering Sea. The Caucasians typically live in urban settlements such as Anchorage, Fairbanks and Juneau. Russian, French, Norwegian, and English ancestries predominate; however, because of its close proximity to Russia (55 miles at the nearest point) the United States military forces account for a sizable number of the Non-Native populace. The remainder are private entrepreneurs, government employees, oil pipeline workers, and Sourdoughs of various persuasions. Salmon, halibut, and crab fishing, lumbering, gold and copper mining, and tourism are the leading industries. One of the most striking aspects of Alaska's population is its relative youth. The average age for Alaskan citizens is about 26. Nearly 50 percent of the population consists of persons under age 18. Nineteen year old citizens have the right to vote.

The styles of life, the standards of living, and the social systems which prevail among Alaskans differ measurably. The modern and the primitive co-exist within comparatively short geographical distances. In the Native villages an ancient social system prevails.

A common misconception is that people in the polar regions live in igloos which are dome-shaped shelters made from blocks of ice. The igloo is only used as a temporary shelter during travels or by Eskimos on hunting trips. In areas where timber is available, homes are made of wood and turf. As no trees grow in the northern Arctic, houses are made of flat stones, driftwood, and peat. Windows are made from the intestines of seals if glass is not available. The house consists of one large room seldom more than 15 feet in diameter by 9 feet high. A wide platform is the family's sleeping bunk. At times as many as 12 persons may live in such a dwelling. The impossibilities of washing clothes in the low temperatures of the north along with the fact that Eskimos may rarely have a second set of clothes, make it necessary to go naked inside their houses while their clothes are being dried or cleaned of lice. It also allows them to get fresh air for their bodies. Therefore, from their childhood Eskimos are used to seeing men and women in the nude, and no shame is connected with the human body and its needs.

A hunter may have more than one wife or may borrow a friend's wife to help with the cleaning of skins or with home-making chores while on a hunting expedition. Eskimo and Arctic Indian women as a group demonstrate a striking fecundity with a birth rate more than double that for the United States as a whole (53 per 1,000 pop.). The high birth rate is more than offset, however, by the fetal and infant wastage evidenced by the high fetal, neonatal, and post neonatal death rates of the infants which is more than four times the United States average. Prematurity is the single most important factor associated with mortality in the neonatal period, which may in part result from widespread anemia and iron deficiency in the maternal group. Postnatal infectious diseases play a major role in contributing to the infant mortality rate. Tuberculosis, otitis media, and meningitis are epidemic; however, there has been close to a 75% reduction in the Alaska Native infant death rate over the last twenty years. In 1976 the expectation of life at birth was 62%. Compared to the United States total population the life expectancy for Alaska Natives is about ten years behind at birth and nine years behind at age one. At age 65, however, they show the same life expectancy as for the total population. The median age at death is 62.5 for males and 73.2 for females.

Native women who breast feed their babies do not wean them until the child is three or four years old, often later. While Alaskan Natives generally cherish their offspring, male babies are con-

sidered more desirable than female babies. A physically or psychologically handicapped child may be viewed as an embarrassment to relatives. The baby is seen as "broken" and rejected by the mother. The rule of survival of the fittest has unfortunate connotations for the handicapped child. Because of the high incidence of consanguinity and incest in the small villages, hereditary defects transmitted genetically should be greater than the norm, yet only a few are identified. For example, there are less than 100 severely/profoundly retarded children who are institutionalized in the State facility for the developmentally disabled when ordinarily that group represents about one percent of the population. The dearth of media may account for the low rate of referrals as many Native parents may be unaware that help is available. It also appears possible that an unwritten law of the Arctic that everyone should contribute to the struggle for food and clothing is an important factor. Those who do not or cannot are despised by all, and feel themselves beyond the pale of the community -- the most terrible punishment to any Indian or Eskimo. People who are handicapped are not looked upon favorably and are apt to meet with "accidents."

Health services for the Bush communities are delivered presently by 100 public health nurses who schedule visits four times a year. There are ten native hospitals in Alaska with satellite health stations and village-built clinics throughout the State. Primary health care is provided by Community Health Aides. Hospital and dental care and medicines are free to all Natives. The leading health problems are ranked as alcohol abuse, accidents and injuries, chronic otitis media, and influenza and pneumonia. Epidemics of meningitis and tuberculosis have disastrous consequences on the young. Alcoholism, rampant among Native youth and adults, is a problem of immense magnitude. Alaska ranks fourth among 50 states in per capita alcohol consumption and first in the nation in alcohol-related deaths. Among Alaska Natives, the alcohol-related death rate is approximately five times as great as that for non-Natives.

For the child in the Alaskan Native village, the school is a focal point of his life. To counteract poverty and malnutrition schools provide breakfast, lunch and a snack. The schools are often open in the evening to allow children to take showers or they may serve as a refuge in case of heavy drinking or battering by one or both parents.

Since 1972 the schools have attempted to enhance the abilities of the Native children in both English and their native tongue. The lack of materials for the 23 native languages with their many dialectical variations causes English to be the main vehicle of instruction. While many Alaskan Natives speak both best and most often in their native tongue they write in English because they have never been taught to write in the native language. Non-English speaking Alaskans are limited in learning as the media (newspapers, radio, and television broadcasts, when they are available) are in English. The National Bilingual Materials Development Center of the University of Alaska under a Title VII grant develops materials in Native languages in a variety of subjects from music through literature. Finding trained teachers is a problem. In some villages no one can write.

Welfare programs seem to have created as many liabilities as they have benefits. It has given the Alaskan Native time for leisure activities and yet he does not have the options for recreation available to him that people in large communities have. If he cannot read or understand English broadcasts the long hours of dark and cold of winter are often spent drinking, and a vicious cycle ensues.

A comprehensive services network has been developed by the Department of Health and Social Services and by private Native associations to help the children of the Last Frontier and their families to develop to their highest potentials and to function effectively by making needed improvements in community support services on an ongoing basis. The primary objectives are to foster pride in the heritage and traditions of the Native cultures, to preserve their customs, folklore, and art and to promote physical, economic, and social well-being of the Alaskan Natives. It may take a prodigious effort but it is worth that effort to make the dream a reality.

Recommendations

An Epidemiological Survey is proposed to assess the incidence of developmental disabilities including mental retardation and mental illness among the Native and Non-Native populace in the State of Alaska.

Purpose

1. to obtain accurate data on prevalence.

2. to ascertain the etiological make-up of the disabled.

3. to identify high risk populations.

4. to assist in ameliorative and preventative planning.

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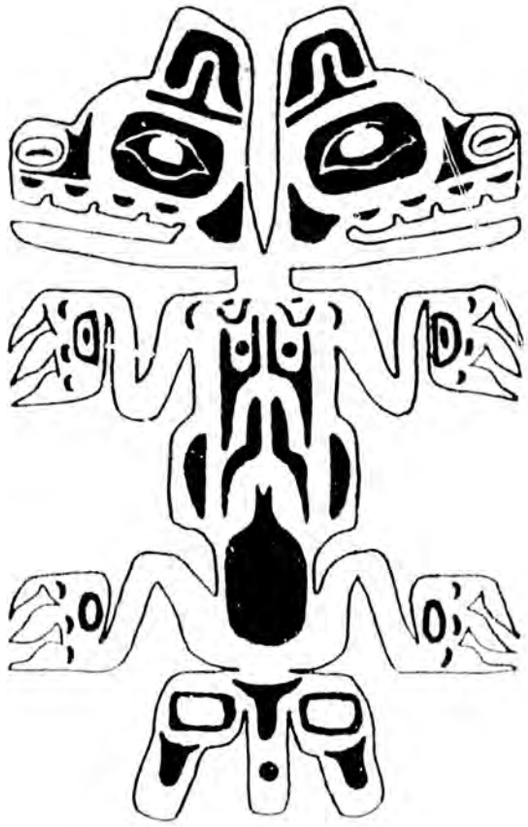


PROBLEMS OF RE-ENTRY AFTER INCARCERATION

By
Natalie Brooks

I have been involved with prisoners for the past five years because of the following activities: founder of a Visitation Ministry to Eagle River Correctional Center by the United Methodist Church of Chugiak, chairman since its inception of the Citizen Advisory Committee at Eagle River Correctional Center, and music teacher in the Arts in Prison Program at Eagle River Correctional Center and Ridgeview Correctional Center. As a result of these activities I have become involved in the lives of many prisoners and have experienced with them their difficulties in re-entering society upn release. I have become acutely aware of the near-impossibility of "making it" on the outside. The roadblocks in their way are nearly insurmountable and I am always amazed when someone is able to overcome the odds. What is being done in Alaska to help newly released offenders only scratches the surface of the need. The following programs are a sampling (some of these are not just for ex-offenders):

Glenwood (Halfway House) - Can only take a small percentage of those released on work or school release.

Studio Club (and other alcohol and drug abuse programs) - can take only a small percentage.

Jaycees Helping Hand Project - small

New Start Center - tries to find jobs for ex-offenders, but it is difficult.

National Alliance of Businessmen - provides a few jobs.

Bean's Cafe - provides food and a warm shelter for Anchorage's street people during daytime hours.

Criminal Justice Center TV Ads for hiring ex-offenders - Excellent in giving the public a different perspective and have helped the job situation.

Office of Vocational Rehabilitation - helps a limited number of handicapped individuals in job training.

Volunteers in Corrections - Has established one-to-one relationships with many prisoners and may carry over when they are out.

Probation and Parole - Don't seem to have much impact on ex-offenders' lives; have large case loads; not all ex-offenders have to report to them.

Prisoners who do not go through other community residential programs (like Halfway House) are typically released with little or no money, no job, no skills or training, no place to live, no appropriate winter clothng. They often have no family to go to, no friends on the outside, no social connections. They have been totally dependent on the state for all their needs and suddenly they are expected to cope with meeting all their own needs. Imagine yourself in this situation: you are taken to a city in a foreign country where you know no one; you can't speak the language very well and you have only $20.00; the customs and culture are strange; when people find out you are an American they refuse to have anything to do with you; you don't know your way around the city and must walk; no one will hire you and you can't find a place to sleep. That is the kind of situatuion many ex-offenders find themselves in. It's no wonder that many do something that will return them to security (i.e., jail) as soon as possible.

This may seem like an exaggeration, but it is an accurate picture of many ex-offender's situation. I have experienced the frustrations, anger, fear and pain right along with several ex-offenders in this situation. And because of the high cost both in money and human suffering, I would like to explore some of the causes of the problem and offer some suggestions.

I see at least eight reasons why people fail in their attempts to re-enter society. The first two are the most basic, with several relating to No. 2:

1. Lack of money - None of us could survive very long in our society, particularly in Alaska, without cash, credit or collateral. Why do we expect ex-offenders to be able to do it?

2. Poor self-image - This is the root cause of many problems ex-offenders face. Subconsciously, many feel they deserve failure (or only limited success).

3. Loneliness and Broken Connections - Often the only acceptance an ex-offender gets is from his peers. If he has been in jail long or if the jail is remotely situated, his family and friend connections are often broken. Humans need social contact to survive and he may get this only in bars, from "street people", and from other ex-offenders.

4. Cultural Shock - Some kind of decompression and experience is needed to make the transition from regimentation and dependency to a free society (which may be very different from the one he left on entering jail).

5. Reverting to Script - Also known as force of habit, or the familiar. Without strong support in changing behavior patterns or reinforcement of changes made while incarcerated it is almost inevitable that he will revert to his previous life script.

6. Despair, Depression, Giving Up - Only a very strong person could endure the rejection and hostility that come to an ex-offender daily. And it is my experience that none feel good about themselves to begin with.

7. Society's Refusal to Mark the Debt "Paid" - People convicted of crimes never stop paying for it. Our society is extremely stingy with forgiveness.

8 Miscellaneous Character Defects

Underdeveloped value systems, hostility, lack of coping skills, alcohol or drug dependency, etc. - the things that put him in jail the first time.

SOLUTIONS

There is no one magic answer. It is a highly complex problem which may be ultimately unsolvable unless prisons are eliminated (except for those who are a clear danger to society and probably wouldn't be re-entering). The problem exists because prisons exist. Accordingly, it follows that anything which keeps individuals out of prison is a solution. There are a number of alternatives to incarceration. One of the most sensible is restitution, which not only helps the victim, but relieves the victim and his fellow taxpayers of the $30,569.00 a year cost of maintaining an inmate in an Alaskan prison. Several others exist, such as probation, drug and alcohol treatment centers, and community service.

Another sensible solution is shorter sentences. It is axiomatic that the longer a person is incarcerated the harder it will be for him to adjust upon release. Incarceration by its nature is psychologically destructive, so no matter how good the program within an institution it can't counteract the harm that being isolated from society does.

Anything that works to prevent dehumanization within an institution is helpful. When security is a major emphasis and people are treated like dangerous wild animals, they tend to fulfill that expectation. And of course when people are caged they tend to want revenge on the society that does this to them. When institutions are adequately staffed, when policy is consistent and not capricious, when trust exists and people are not labeled, then prisoners are able to have some dignity and feeling of worth.

Anything that gets the community into an institution and the inmates into the community will be a help in the adjustment process.

Some specific suggestions, some long-range and others more immediate, follow:

1. Child abuse programs. Studies show that a large percentage of prisoners were abused children; child abuse repeats itself, generation after generation. Alaska has one of the highest rates of child abuse in the country, and yet our legislature doesn't give funding enough to scratch the surface of the problem.

2. Family sponsor program. Several states have similar programs. A prisoner is assigned to a volunteer family before release. They can visit him and he can visit them on a furlough. They provide assistance in job hunting, perhaps lodging briefly, moral support, someone to turn to, a sort of "family connection". I tried to start a program like this four years ago but gave up when necessary legislation died after the *Anchorage Times* labeled it "the prisoner vacation bill". An example of the power of the media and the lack of courage of elected officials.

3. Money upon release. Alaska is one of only 4 states that gives *no* money to released prisoners. This is surely the hardest state to survive in without money. This is scandalous and incomprehensible to me.

4. Halfway Houses. Anchorage's halfway house doesn't begin to meet the need. Several are needed. If people must be locked up they need a place to adjust gradually to freedom.

5. No remote prisons. If any new prisons are built (which I personally am against) they should be in Anchorage when inmates can keep in touch with their family and friends. This is crucial to keep connections unbroken. It is even more important for the women, many of whom have children, that they not be moved to Palmer. There is no public transportation there and few prisoners' families can afford any other kind.

6. A chance to earn money while incarcerated. Inmates are presently limited to a maximum wage of $3.00 per day. That amounts to slave labor in a country that abolished slavery quite awhile ago. Inmates should be paid decent wages for work they perform and be given more opportunities to earn money. Some form of prison industry would seem to be the answer, but this could also be achieved by much wider use of work release. Prisoners could be a good source of manpower of state park projects but they should be paid adequately. A percentage of wages would go for room and board (as it does now), but decent wages would keep some prisoners' families off welfare and enable others to save for release.

7. Volunteer programs. There are many creative, successful projects with prisoners across the country. If the Division of Corrections were more cooperative, less concerned with rules and red tape, and had a Coordinator of Volunteers position, I'm sure several programs would develop here. Some of the best work done with prisoners comes from volunteers who are not hampered by cynicism, worries of job security, bureaucracy, etc. Volunteers bring enthusiasm and idealism and have been lifelines for some prisoners. The more "straight" people an inmate knows, the better his chances of success on release.

8. Family Support. A program to help families of prisoners is desperately needed. Their needs fall into two categories.

(1) Basic survival - warm clothes for the kids, how to get food stamps, how to get to the jail to visit, medical aid, emergency food, rent money;

(2) Emotional support - how to cope with having a family member in jail, teaching the kids how to cope with being teased about having a father in jail, feelings of shame, someone to talk to.

9. Peer Support Group. These could function something like AA: people who've been there helping each other. This could not be possible unless the law against associating with known felons is changed. This has the potential of being one of the greatest helps an ex-offender could have.

10. Public Education. Better communications (not just PR) from and within all Criminal Justice agencies is needed. The public must be educated about the realities and the possibilities of the Criminal Justice system. The Criminal Justice Center has had a good start in this area. If the public were better informed it would be easier for legislators and administrators to make good decisions and to stick with a philosophy that works. As it is now every time there is public (or media) pressure the Division of Corrections changes course.

11. Education for legislators and key state officials (including governor, attorney general, commissioner health and social services, commissioner public safety). These are the peoople who make the decisions and often act from ignorance. The Criminal Justice Center could provide a good two or three day training, even that would vastly expand perceptions on criminal justice issues.

12. Advisory committees. Each major state correctional center should have a citizen advisory committee and there should be a statewide committee with a member from each center committee. These people could function effectively as liasons between the public and the institutions and assist in developing good relationships between them.

The constitution of the State of Alaska specifies that the purposes of imprisonment are protection and rehabilitation. It does not mention revenge or punishment. If we followed the direction pointed by the constitution we would have far less re-entry problems, a much lower recidivism rate, and a more crime free society. In Alaska it's not too late to do it right!

ALASKA REPERTORY THEATRE LOOKS TO THE FUTURE

A Statewide Cultural Institution For All Alaskans

STATEMENT OF PURPOSE

Alaska Repertory Theatre was founded in 1976, as the State's first non-profit professional performing arts organization. It is our goal to make professional theatre accessible statewide. We aim to provide theatre productions and services to residents from the smallest bush villages to the major population centers. Alaska Repertory Theatre strives for artistic excellence in its productions and works towards upgrading cultural opportunities for all Alaskans. We will continue to be a resource to other arts organizations and will encourage the development of other Alaskan cultural institutions and facilities.

Brief Statewide History

Alaska Repertory Theatre is about to begin its fourth season as a professional non-profit theatre in Alaska. Conceived as a statewide company, Alaska Rep has been working to achieve the goal of providing professional theatre services for the entire state from the smallest bush communities to the largest population centers.

Over the past three seasons Alaska Repertory Theatre has performed for 150,000 Alaskans in nine communities throughout the State. Given the unique population distribution in Alaska, the theatre has two home cities, Anchorage and Fairbanks. During the first three seasons, the company has produced twelve mainstage productions (twelve in Anchorage; four of the twelve were later moved to residency in Fairbanks).

In October 1978, Alaska Repertory Theatre completed its first statewide tour of a mainstage production, THE FOURPOSTER, which toured seven small Alaskan communities. The production was presented in Kenai, Seward, Valdez, Glenallen, Juneau, Petersburg and Ketchikan.

The 1979 season was a milestone for Alaska Rep. The Theatre produced its first production outside the mainstage season. A CHRISTMAS CAROL was presented as a special pre-season event. The production proved to be a highlight of the holiday season playing to over 13,400 people in Anchorage.

During the 1980 season, A CHRISTMAS CAROL will be presented in a six-week residency in Fairbanks (December 1979). This will be our largest commitment to date in that community. Local people have been cast in the show and rehearsals are being held there. The show will run for two weeks of performances at the University of Alaska Fine Arts Theatre.

The scope of Alaska Repertory Theatre is much broader than mainstage productions presented in Anchorage, Fairbanks and the 1978 Statewide Tour. The Theatre has produced seven school performances of major productions, a children's improvisational show titled ***The Fantasy Factory***, and ***Scenes From the Classics***, a sampler of classical theatre pieces for high school students.

Alaska Repertory Theatre is structured to be a resource to the entire Alaskan community. For three years the Theatre has conducted a professional training program for young Alaskans who wish to pursue careers in theatre. Alaska Rep has also conducted scores of workshops throughout the State on many aspects of theatre production and management. We have provided theatre consultants for projects in many communities including Fairbanks, Kenai and Seward. Since the first season we have administered a cultural enrichment program which provides tickets to Alaskans who might not otherwise be able to attend the theatre. Among the recipients of this program have been handicapped citizens, senior citizens and juvenile offenders. Last season, we had our first program for deaf persons which provided a sign language interpreter for our production of A CHRISTMAS CAROL. (From October 1978 through October 1979, Alaska Rep provided over 1200 hours of in-kind services to other groups in the areas of administration, education and technical assistance.)

A Statewide Cultural Institution For All Alaskans

Alaska Repertory Theatre is unique to the regional theatre movement. Our statewide commitment puts us in the national limelight because of the scope of our operations. We are fast becoming a major cultural institution and are looked to as a model for other statewide theatres. Richard Coe, drama critic for the Washington Post calls Alaska Rep "America's most adventurou. professional regional theatre."

During the next ten years Alaska Repertory Theatre proposes to expand its programs throughout the State. It is the goal of the Theatre to enrich the quality of life in Alaska, and to provide cultural opportunities which will develop audiences and enhance the education of our young people. The expansion of statewide services will take place in three major areas: 1) production; 2) education; and 3, community resources. Outlined below you will find our ten year projections in each category.

1. Production

Alaska R~p is committed to providing productions of the best in classical theatre, modern American works, musicals, children's theatre, new plays and adaptations of native Alaskan folklore. In order to provide productions statewide we will have bases in several communities throughout the state which will be coordinated at the Anchorage office. We propose to provide quality performances to Alas·ans by:

-Producing mainstage seasons in Anchorage, Fairbanks and Juneau which will be sold on a subscription basis.

Touring productions to communities throughout the state.

-Producing performances for television which could be transmitted to the bush via satellite.

-Producing Children's Theatre to tour schools statewide.

-Presenting and producing arts programming on Cable television.

-Fostering an opportunity for Alaskan playwrights to develop their works for the stage.

-Fostering the development of Alaskan native folklore for theatrical presentations.

-Presenting productions from other national and international companies.

-Developing a "sound state" for tne presentation of experimental and developmental works.

2. Education

It is Alaska Rep's goal to develop and expand its current Educational program offerings by:

-Providing school shows of mainstage productions of major works.

-Offering statewide workshops in theatre management, production and history.

-Providing seminars, audience discussions and backstage tours to help identify, examine and discuss the humanistic side of drama.

-Expanding the Professional Training Program which trains young Alaskans who wish to pursue a career in theatre.

-Providing credit to university students who wish to expand their knowledge of theatre by working with professionals (theatre practicums).

-Developing an interest in theatre by seeking funding to provide tickets to those people who may not be able to afford to attend the theatre, i.e., senior citizens and handicapped persons.

3. Community Resources

It is the intent of Alaska Rep to encourage the development and expansion of other Alaskan arts organizations. In the future we expect to reach out to other groups throughout the state by:

-Expanding our statewide lending library of theatre scripts, anthologies, technical manuals and audio/visual materials.

-Providing administrative, artistic and technical consultants to communities and organizations statewide.

-Loaning production equipment and costumes to other arts groups.

-Assisting with the development of performing arts facilities throughout Alaska.

SUMMARY

Alaska Repertory Theatre will continue to lead the development of cultural institutions in the "last frontier." The arts will play amajor role in *the development of* Alaska.

With the development of the state and its resources will come a population increase. A factor in the establishment of new businesses will be the lifestyle that will be provided for their employees. Skilled workers will be attracted by the quality of education for their children and the availability of recreational and cultural activities. The arts will be considered important indicators of the caliber of the Alaskan lifestyle.

Tourism is a renewable resource which is fast becoming a major source of income for the State. Alaska Repertory Theatre will offer programs of interest to tourists. The variety of activities available for travelers will help promote the growing tourist industry.

Alaska Repertory Theatre has been recognized throughout the United States as an exciting and innovative arts institution. In the future the increasing visibility of this theatre company will serve to create a new and positive awareness of Alaska.

As Alaska is no longer isolated from the rest of the world, we are fast becoming a focal point for the economic future of the entire United States. Too, Alaska is establishing its viability as a major crossroads for international trade, tourism and commerce.

Alaska Repertory Theatre will be a leader in the cultural development of the state. As a statewide performing arts institution we will strive to enrich the future of this great frontier by upgrading the quality of life for all Alaskans.



AN ALASKA CITIZEN INFORMATION SYSTEM

By
Donn Hopkins

Abstract

Citizens commonly do not further their own best interests when voting or making other civil decisions. One major cause of poor civil decisions is a lack of adequate information. Without better informed citizen decision-making there will be continued waste of available resources or increased loss of citizen control over government, or both. A statewide citizen information program can best meet the need for better information. The citizen information program should afford each citizen the opportunity to directly help select the kind of information to be obtained. Basic financial support for the program should come from state funds. The information program should permit use of the best available research and information services. I propose a specific Alaska Information Program, which incorporates the above four objectives. There are alternative means for establishing the proposed Alaska Information Program.

Introduction

I asked to be included in this 28th Alaska Science Conference because I would like your help with a specific proposal. The proposal is for an information program to meet the citizen information needs of all Alaskans. I offer it now for your consideration, possible modification, and necessary support. I call the program, simply, Alaska Information Program.

Definition

Let me explain, first, what I mean by "citizen information needs". Citizen information needs are the information needs of each individual citizen as a whole personality; not as an educator, not as a scientist, not as a government planner or private developer, and not as a legislator or other government official. The information needs of citizens are the various and changing needs each person has for information that permits him to act in his own best interests whenever he votes in a public election or makes any other civic decision.

Existing Conditions

Citizens commonly do not further their own best interests when voting or making other civic decisions. There is ample evidence in our social and economic trends of their political impotence: a weakening of the United States' international position, increasing crime, increasing waste of human and natural resources, increasing centralized control over individual actions, and widening personal doubts about self-worth and competency. All of these trends are contrary to the perceived best interests of most citizens. If we were furthering our own best interests when voting and making other civic decisions these trends would be reversed.

Lack of Effort

A large portion of Alaskans do not try to have a significant civic, or political, effect. Is this really due to apathy? Not likely; most people do care about their own well-being. Is it laziness? Probably, to some extent. If not apathy or laziness, then why do most of us not exercise our political rights to a greater degree? I think the main reason is because the potential rewards for doing so appear to be not worth the effort. This condition, of course, is widespread. I think the vast majority of all Americans believe they can have little or no effect on the functioning of their governments or on the course of their civilization. With such beliefs it is little wonder that most citizens fail to further their own bests interests through the political process.

I disagree strongly with these beliefs. My own is that every citizen can have an important political effect if he will only try. The proposed Alaska Information Program would make it much easier for all Alaskans to try, and to become politically potent.

Lack of Information

One major cause of poor civic decisions is the lack of adequate information. Most people do not have the information they need to

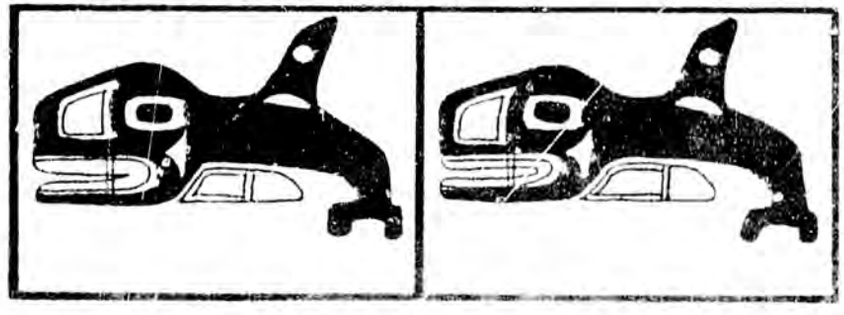
be politically potent, and they do not know how to get it. They need two general types of information: 1) information about their existing political rights within the mechanics of their own governments, and 2) information about the public policy issues of concern to them.

Other Causes

Other major causes of poor civic decisions are: 1) current lawful restrictions on citizen participation in the making of government policy decisions, 2) readily available diversions or escapes from personal and civic concerns, and 3) a general belief that Americans are better off than all other people and, thus, are doing about as well as is possible in today's world.

Information Needs

There are three general kinds of information that a citizen needs about a public policy issue before he can politically represent his own best interests in that issue. (And, on average, no one can represent his interests as well as he can.) First, he needs to know the significantly different alternative policies relative to that issue. If he is not aware of all the major options he may be beaten before he starts. Second, he needs to know the probable costs and benefits to himself and to others of each alternative policy, including direct and indirect, and immediate and future, costs and benefits. Third, he needs to know the chances of getting his preferred policy on the issue adopted and successfully pursued. He needs to know what other citizens want before he selects a policy to support in order to get the most of what he wants.



Expected Trends

Without better informed citizen decision-making there will be continued waste of available resources or increased loss of citizen control over government, or both. If we keep on doing what we are now doing, as citizens, the existing trends will continue. If we wish to change the trends we must do something different from what we are now doing. If we wish to change them for the better we need better information.

Waste of Resources

Our resources are being wasted through overuse, non-use, and careless or destructive use. We must re-assess the means available to us for ensuring personal security, freedom, and happiness from the available resources, now and in the future. Then we citizens must act through our governments to make the best possible use of the available resources.

Public Planning

For those persons who abhor government planning because it commonly results in more government regulation, let me try to reassure you that it need not be so. Planning is, essentially, the assembling of information needed to make wise decisions. Government planning by citizens can result in less government.

Public Policies

The hard truth is that there is always a public policy on every human activity. It is part of the nature of government. The policy may require very little or a lot of government regulation or other activity. The policy is either explicit in a constitution, charter, law, or regulation, or it is implied in these statements.

Often there are contradictory public policies which create confusion, waste, and stress within a society. Even in these cases the relevant contradictory policies constitute a single policy on each identifiable issue, but, because of the internal contradictions, the policy cannot be successfully pursued. As the amount of government regulations increases so does the possibility for internal policy contradictions and stress. The resultant internal stress tends to break down the society.

The stress is manifest in problems which are usually sought to be solved by more government regulation, which causes more stress, and so on. The end for the United States from following this procedure is not pleasant to anticipate: first, a dictatorship and, the, defeat by a larger dictatorship because we shall have lost the creative advantage which is enjoyed by a free people.

My observations of governments, from both within and without, have convinced me that almost all government officials want more power, and usually the more they have the more they want. They can only get this power by either taking it from other government officials or from citizens. Ultimately, of course, they get their power from the citizens, who -- willingly or unwillingly -- give up their inherent physical rights to government in exchange for certain real or imagined benefits.

Planning by Citizens

When a problem occurs within a society which its members cannot cope with, governments are called upon to provide a solution. After all, that is the purpose of government: to do for citizens what they cannot do for themselves. The basic error is made when only government officials, often advised by special interest groups, formulate the solutions to the problems. The solutions are designed to give both the officials and the special interest groups more of what they want, including more power for the officials.

If individual citizens want to recover some of their natural, inherent physical power, or rights, then *they* must start formulating the solutions to their common problems. The solutions must not be left up to the officials. To do this, all citizens must have easy access to information about the problems and the alternative solutions, or policies.

Statewide Scope

A statewide citizen information program can best meet the need for better information. A citizen information program could function at any level of government; and, initiating such a program at the local level might be easier than at the state level. However, the local governments derive their powers from the state, and the state exercises substantial powers which have not been delegated. Also, there are large parts of the State of Alaska which are not served by a local government. For these reasons I believe the entire state should be included in the program and all state citizens should have an equal opportunity to obtain additional information as made possible by the program.

Another reason for a statewide information program is that each major region of the state has some concerns that are different from the other regions. By ensuring that all regions may investigate their special concerns the needs of the entire state can be more thoroughly considered when statewide policies are formulated.

There are advantages relative to the national government which result from a statewide information program. The most important immediate advantage to Alaskans is that the state can formulate citizen-based policy positions to be presented to the Congress and the President relative to national policies affecting Alaska. We will also be in a better position to go to the people of the United States with recommendations as to the best use of Alaskan natural resources.

If a statewide citizen information program is successful in Alaska then it could serve as a model for other states and nations to use. The ultimate benefit from the program could be a secure, free, and happy world.

Direct Citizen Participation

The citizen information program should afford each citizen the opportunity to, directly, help select the kind of information to be obtained. Each citizen should be able to help select the existing government operations and the public policy issues to be investigated.

The most direct system for selection would be an information voucher to be issued to each citizen. He could spend it in concert with as many other citizens as he wished, to obtain their commonly desired information. It would be up to one person or a group to convince others to join in supporting a specific investigation.

Another possible system for selection of topics would be for the entire state to be divided into small districts, with each district being allotted an information budget. The amount allotted could be

based upon the number of votes cast in the latest general election or the number of citizens residing in the district. The main advantage of having the funds allotted to small districts instead of individuals is that there is a ready-made group of people in which information needs can be discussed. The main disadvantage is that the majority of votes in each district would decide how its allotted funds would be used, and minority concerns might not be investigated. Several districts could join together to support a given project.

A third possibility is a statewide system of voting on topics for study. The available funds would be allotted in proportion to the number of votes cast for each topic. Funding limits could be set for each topic that would ensure a useful and efficiently produced report. This system would require that the program be administered by a statewide office of information, and the benefits of direct citizen participation would be reduced to a minimum.

State Financing

Basic financial support for the information program should come from state funds. The program, however structured, would result in more efficient and responsive government. The expenditure of state funds is therefore justified. It should be possible for supporters of specific investigations to utilize, in addition to estate funds, any local or national government or private funds that are available. The amount of state funds to be allotted in support of the program could be set as a percentage of the total state operating budget. In any event, there must be enough funds available to encourage citizens to participate in the program and to produce useful results.

Best Available Services

The information program should permit use of the best available research and information services. The hiring entity would be an ad hoc citizens group, one or more districts, or a state agency. Whichever it is it should be free to select whatever research or information organization it thinks can do the best job for the money that is available. Included would be both public agencies and private organizations, with offices inside or outside of the state.

Work should be accomplished under a fixed fee contract. There should be a complete written report on the work and findings of every contract, with copies of the report made available to the public for the cost of printing and distribution.

Proposal

I propose a specific Alaska Information Program, which incorporates the above four objectives: 1) the program be statewide, 2) each citizen may participate directly, 3) the state provides basic funding, and 4) use of the best available services, as follows:

1. The state appropriates, annually, an amount of money equal to two percent or more of its operating budget to fund the program.

2. The total amounts appropriated are divided equally among all persons who vote in the biennial general election.

3. The payments to the voters are made in the form of two annual vouchers which may be used to purchase stock in eligible corporations.

4. Eligible corporations are non-profit corporations which have been established to undertake a specific investigation of certain existing local, state, or national government operations or certain public policy issues, or both.

5. The corporations, alone, are responsible for the expenditure of their respective funds.

6. The state redeems the vouchers from the corporations.

7. Voting stock in the corporations is secured, only, by the payment of vouchers.

8. Vouchers are not transferable between individuals.

9. Vouchers expire, if not redeemed, within three years of their date of issue.

10. The state requires annual independent audits from the corporations.

Advantages

The two principal advantages of this proposed program over other possibilities are: 1) it returns the most power to individual citizens, and 2) it is very simple.

The proposed Alaska Information Program gives a concerned voter real political muscle. He can find out what his governments are doing and tell them what he wants them to do, and how to do it. Not only does it return tremendous power to the voters, it also puts them to work -- thinking and talking about ways to get better government. With this kind of power more people will vote, and also become active in other government affairs.

The proposed program is so simple that it can be initiated quickly and easily, and it requires no new bureaucracy. The only major effort that might be undertaken by an existing state agency is the printing and distribution, at cost, of reports on the investigations. This can be done by the Alaska Division of Policy Development and Planning in the Office of the Governor.

Establishing the Program

There are alternative means for establishing the proposed Alaska Information Program. The easiest would be for the Legislature to enact it into law. However, some legislators or the Governor might be unwilling to return that much power to the people. Now, they set the policies, and only those investigations are done which they want done. Another possibility is to enact the program into law by initiative, but it could be hard to get the necessary appropriations. The Administration might even find some reason why the proposed program is unconstitutional. In this case it is likely that a constitutional amendment would be needed.

To be sure, if a program such as this is to become a reality there must be strong citizen support for it. Everyone at this conference and in the science community can help by considering the alternatives and then recommending to others the kind of citizen information program that yu think is best to further your own interests, and theirs. Please help.



ALASKAN NATIVE EDUCATION

by Lucy Jones-Sparck

Introduction

The subjects in this paper have been discussed informally and formally many times and in many places and in many ways.

The paper tries to deal with what happened to the native process of life education when the Western education was introduced. The goal being that the reader may come to appreciate its real existance. That it is understood that this Western education was well meaning yet failed to make provisions for the possibility of identity crisis which eventually happened.

It is hoped that material under **curriculum**, will help a reader to come to look more closely at the need for creating a more positive native self-identity to build a more confident person so he may be a more productive citizen. That where ever possible the cause can be supported and/or initiated.

It is not the intent of the paper to put those existing or past institutions down in their educational efforts, that when one is aware of other ways, or facts, one may take steps to do better. Also, efforts that have been made are not totally unnoticed nor unappreciated. This paper in its limited way is intended to give support to the native studies cause, particularly, to some aspects of determinants to be considered in planning curriculum development for schools who serve the native student.

SOME INFORMAL ANALYSIS OF THE EFFECTS IN ALASKAN YUP'IK EDUCATION

The Yup'ik, in essence, had the real competency based education with real Humanistic objectives.

Imagine, before the white man came, the Eskimo family had the real sense of educating their offspring stretching cooperatively to the extended family and to the whole village. They had the basic confidence because they had the support from the village through reinforcements in village affairs such as men's Qaygig (men's big fire bath house) also used for men's various activities and initiating young men into manhood. For the girls, the arts of living were ongoing in the house by women in the house. This way of life was not complicated by any presence of another culture to confuse the formation of self identity.

A child was taught to do things gradually from infancy. They were not set to do things by themselves unless they had been taught and seen to, that teachings were learned with competence. The price to be paid for inadequacy was, harm to oneself or to another or in some cases, an embarrassing situation of being ostracized, depending on the incompetence.

Each period of motor development had with it, the concurring teaching of social competencies appropriate for that age or period. The education in sociology and psychology was ongoing thoughout life for everyone.

The Russian Period 1786-1867 with its first recorded school at Kodiak taught arithmatic, language and religion of Graico-Russian Church. Notice where the educational system of the natives was not explored. For the first time, the Aleuts and the Indians were taught by a foreign educational system. They learned "basic skills" in a different language, with examples visualized in a foreign setting. Their lives were touched in which they had no say on the process of the education nor on the process of the introduced employment/economic system.

The skills of living, traditionally taught personally to survive physically and emotionally were replaced by impersonally mass education to speak in a foreign language, to form new concepts of right and wrong in relation to the religion being taught. The subjects were isolated and taught to be learned within these isolated units. When the student "graduated" they learned some language and arithmetic, but they also had not gained real competency in the native ways nor the total western ways because these ways were not included in these new school curricula.

The American schools did little or less when they took over. During these times most villages particularly the now AVCP area, were not greatly influenced by these educational developments.

The missionaries who came to the areas started the instruction in religion on informal basis to the villagers. Some missionaries and the missionary schools started to advocate some changes in the outward appearances of fashion and housekeeping. In addition, the foreign ettiquette was introduced as was the religion and language. When one does not have an accepting field to practice such learning, one can and does get discouraged, nor does one get an adequate learning. Imagine, this foreign culture coming into an existing culture that had its intricate and functioning ways already, yet go out to develop a whole curriculum in its own way without consulting the people. As Sr. M. Stella said, "Education was nc limited to the 3R's and the 4c's, (Christianity, character, culture, and cleanliness). It ebraced all that goes into making of better homes, and good homemaking and of better living conditions and higher standards and ideals, the aim always being, to keep the best of the native culture, while initiating to European standards and usages."[1] p.12 As reality would have it, once those students finished their schooliong, they had no where to go with the newly acquired education. True, a ferw could be and were used by the invading employers as laborers. But unfortunately the schools had no real curriculum for the "native" studies. The schools never really have known the ways of the natives, except to interpret for themselves the "tangible" ways of the natives: the everyday survival activities, arts and crafts and some interpretations of acts according to western psychology. And now sinse their children were absent from the home and from the usual activities, the native parents no longer had the opportunity to teach the life skills to them. The parents were also asking to reinforce this new way of things by cooperating. If the parents did not know what to do, they kept quiet and let things happen and hope for the best. Again, as reality would have it, the students had no where to go with these newly acquired foreign social ways; they did not quite make it in the "white" world and were somewhat confused in their own culture.

Close to one hundred (100) years later a young native man voiced many others publically, "... the schools did not prepare me to enter either culture successfully ... I did not belong in the white culture and when I went back to my village, I did not know how to subsist like my parents because I did not learn how."[4] Sr. Mary Stella, S.S.A. whose quotation is above of the 3R's and 4C's and best of the nature culture, was referring further to the beautiful arts and crafts that were native. While this is appreciated, any educators,professional or otherwise, must realize that arts and crafts nor learning the motions to an Eskimo dance is *not teaching a student a total healthy self-identity in which to build his self confidence,* if emotional, social, and intellectual background that these are derived from, are missing.

The state and BIA efforts toward bilingual and bicultural education have not gone unnoticed wherever they are tried. The people working on the projects seem to believe in it. It is a start toward forming native self-identity.

It is for many students who have missed what their background is that many native parents are crying for native studies. In many instances the parents are also desiring native education for themselves.

For the past few years many natives of Alaska have started to realize that, as they get education to the Western world they have lost a part of themselves, and even those who were not educated to the Western world have come to realize that they also have not been educated in the native way also.

CURRICULUM

Since most native persons (especially if the features are distinctly native or Indian) are still not readily and totally accepted in the total white culture, there ought to be efforts made to include in the regular funding to teach the native ways. Such natives would do better if they felt comfortable with themselves first as natives before they can take on the ways of the white culture. If one is truly comfortable in accepting what he is, he can better survive any unpleasant treatment he may receive because of his origin, and unless he knows of his background as noble as it had been, he will remain, in may instances, hollow and ashamed.

1. Some facts to be considered.

The positive self-identity and thus, self-confidence of an in-

dividual is crucial to his well-being and productivity as a citizen, and in order to achieve this, a person needs to understand himself and how this is related to his race and culture. As educator John Holt said in his book *How Children Fail*, "The intelligent person, young and old, meeting a new situation or problem opens himself to it; he tries to take in with mind and sense everything he can about it; he thinks about *it*, instead of himself or what it might cause to happen to him; he grapples with it boldly, imaginatively, resourcefully, and if not confidently, at least hopefully; if he fails to master it, he looks without shame or fear at his mistakes and learns what he can from them . . . clearly its roots lie in a certain feeling about life, and one's self in respect to life."[5] Without self-confidence, this type of boldness gets hard to attempt.

The educational process could help the Alaskan Native discover who he is. In most villages, there are still those men and women who remember being taught the ways of the native. This means, not just ways of survival, arts and crafts, or Eskimo dancing, but also how to face psychological and emotional problems, as well as to face any social situations in traditional ways. Included also are concepts which our "present" education system recognizes as history, education, philosophy, government and religion, to name but a few. This is not necessarily to go back on these practices, but the knowledge itself can enhance respect and knowledge of heritage.

There is an urgent need for the educational systems to recognize the real existence of these facts even if they have to be presented to students only as history. Another reason for the urgency is the fact that much of these facts are contained, not in textbooks, but with the older people themselves; and time may run out before we utilize them.

In curriculum planning, more than lip service needs to go into the Native studies or heritage. If the humanistic education is seriously taken, then the Native Studies should be initiated wherever appropriate and implemented adequately wherever needed. The only persons who can truly help to plan these studies are the Native peoples who have proven themselves and recognized in their own communities to be responsible in this field whether they are certified or not. The educational systems also need to accept the fact that these native persons should be given the exceptions to the certification requirements. They hold the knowledge that no other certified person really has in depth.

Normally, when the native studies are attempted to be placed in the curriculum, it has been pre-planned with outlines that make sense only to the school system. In this way a native person is asked to come into a class and speak about *this* subject or tell a legend in this time frame. (This tends not to work too well in the long run for several reasons, among which is, the ambiguity of the goals.) They may not have been involved in the planning of the course and therefore are uncertain as how to please the employer, which usually is the case of learned behavior of "uneducated" natives when they are employed.

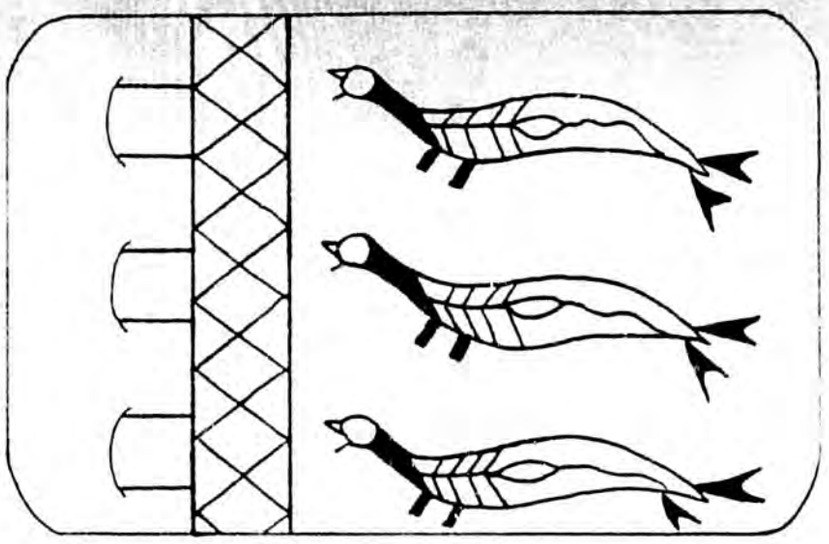
The formal educational systems also need to recognize the facts that the traditional native educational system was never really divided into sections to be learned; rather it had been "on-the-job" type life education to survive and to live with oneself and relate to the environment and society under many situations, and in all levels. And since there are schools operating in a somewhat different manner, the natives need to be involved in all levels of their heritage studies curriculum planning.

Tools of survival have changed, so has the subsistence way of life. In some cases it has become an alternate choice of lifestyle. Most villages now have to try and survive under the monetary economic system. With no previous experience in this system they are asked to manage the corporations created for them. The native peoples need to have a meeting point of how they view the changes. The older people's views have been too long silent; so much so that the educated have created a gap (generation gap?) especially between the young and the "uneducated". This becomes more than a generation gap as it is a cultural difference gap. When this happens, a person can lose out on the strengths to build on his positive self-identity, thus, self-confidence. It is time that the educational system take steps to correct this unintentional by-product.

It is important that not only should the curriculum plans be made to accommodate the native education in native studies, but the attitude and motivation of those responsible for its delivery should be looked at. If neither is positive in the administration, then the studies may never get started nor be given a fair chance to succeed.

and also, as Saylor and Alexander put it " . . . we should also note that an important product of curriculum planning can be the changes in attitudes and motivations of teachers."[6] This can be implemented by well-constructed workshops, staff development and the like.

In closing, the educational authorities need or have to recognize and accept the facts of the foregoing and decide to put into effect the plans to develop curriculum so that we may together take the steps to educate the Alaskan native to know and accept himself and go on to live his life the way he chooses to.



Footnotes

[1] Personal communication with father and other older people.

[2] William R. Cashen, ed. "Russian Period", in *Teaching in Alaska* (ASRTA, 1976), p. 5.

[3] Sr. M. Stella, "The Sisters of St. Ann", Op., p. 12.

[4] Peter Galila, Alaska State Policy Growth Forum, Bethel, Alaska, March 16, 1977.

[5] Jon Holt, *How Children Fail*, (Dell Publishing Co., Inc., New York 1970) p. 205.

[6] J. Galen Saylor, William M. Alexander, *Curriculum Planning*. (Holt, Rinehart and Winston. I- 1966) p. 39.

ADVENTURE BASED EDUCATION

By
Beau Bassett

I am pleased to submit for this conference's consideration a paper entitled, "Frontier Challenges in Juvenile Justice". This paper documents the need for and traces the history of adaptive Outward Bound programming for adolescents in Alaska. It strongly supports the intent of Senate Bill 12 to develop adventure education programs in order to promote the growth and maturation of our youth.

As an attorney, educator, and former Outward Bound instructor who is working to improve youth services in the State, I urge you and the delegates at this conference to continue to explore this frontier in juvenile justice. We have much to learn but more to gain.

I am currently Director of the Alaska Wilderness School which is developing an adaptive Outward Bound program in South Central Alaska. I am also a member of the Steering Committee on Adventure Alternatives in Corrections, Mental Health, and Special Education, a professional group within the Association of Experiential Education.

FRONTIER CHALLENGES IN JUVENILE JUSTICE

BACKGROUND

Adaptive Outward Bound Programming: A Brief Historical Perspective

During the past ten years, a movement to develop adventure alternatives in corrections has gained momentum throughout the lower 48 states. In their search for rehabilitative strategies that are more effective than traditional institutional methods, states are increasing their use of adaptive Outward Bound programs for juvenile and young adult offenders. These programs, numbering close to one hundred across the country, form the largest single professional group within the Association of Experiential Education.[1]

Outward Bound, the model for many adventure-centered programs, uses the challenge of wilderness training and service activities to give people a greater sense of their own potentiality, and opportunities for group interaction and leadership, to strengthen their commitment to society and a sense of themselves in a religious or universal perspective.[2]

Most programs have a similar structure. The programs last approximately three weeks and have four phases: basic skills training; a long expedition; the solo, a three-day period of solitude; and the final testing events. In basic training the skills necessary to survive and travel in a wilderness environment are taught. This is followed by a long expedition that has clear objectives -- to climb so many peaks, to canoe so many lakes, to explore so many islands. There is a sense of purpose, a fixed destination, clear-set goals. Solo, usually three days alone in a remote setting, with minimum of food and shelter, provides a period of contemplation. And finally there are experiences that test fitness, skills and teamwork, such as small groups without an instructor expeditioning through unfamiliar terrain. A long-distance marathon event is the final personal challenge.[3]

Certain program principles are common to all programs. Activities are planned that provide stretching experiences. The difficulties become progressively greater; success is built upon previous success. The small group is the prime social unit, nine to twelve members living together, acting as a team, needing to develop cooperative efforts and group decision-making abilities in order to succeed. Team activities are programmed, such as the wall, which is a 13-foot obstacle that must be scaled by all members -- an impossible task without teamwork. Morning readings, evening discussions, group sessions, underline the purpose of the activities, emphasize the values and bring conflicts to the surface. The activities are not an end in themselves, but merely the vehicle through which personal growth and self-awareness can take place. They provide the opportunities for value-forming experiences.[4]

One of the central concepts behind the program is Stress-Challenge. The *Stress-Challenge Concept* was originally conceived by William James, who in an essay titled "The Moral Equivalent of War" observed that stress in war developed moral character, especially pride and dignity. He viewed this as being due in part to the interactions and interdependence of the members of the small military group. James saw an educational application of these observations. Nature, from which man had become alienated through the process of civilization, could provide the stress in peacetime situations. A confrontation with nature in small groups would bring man's latent physical and psychological strengths and weaknesses to the surface. James believed that an educational program based on this premise would satisfy man's primitive longing to belong to a common cause, and would foster order, discipline, physical fitness, responsibility, and an understanding of the environment.[5]

Dr. Kurt Hahn utilized this concept to develop a model to educate the "whole man". Hahn believed that what lasts from an educational experience is not necessarily the enhancement of memory, but the enhancement of being. He felt it was important to learn the relevance of personal contribution, group pride, and trust in the ability and judgment of others in reaching a common goal. He believed that physically-challenging and stress-laden activities would help promote the development of character and persistence. From this belief, Dr. Hahn established the first Outward Bound School in 1942. Since that time, Outward Bound, and a number of adaptive programs based upon the principles of Outward Bound, have successfully reintroduced man into society.[6]

The stress-challenge concept which is fundamental to adventure education, has been applied to juvenile programs because it presents juveniles with value forming experiences which can serve as a *catalyst* to allow them to make changes in their patterns of behavior. The Program's purpose is not primarily to teach outdoor skills to individual youth, but rather it is to affect behavior modification and to strengthen the youth's relationship to his family and his community. The concept of juveniles working in teams and attempting to overcome predesigned challenges to achieve short-term goals can have the effect of improving a young person's peer relations and help break the failure pattern that he has had to cope with for many years.

The second concept which is crucial to the adventure education program is *Follow-Up*. Follow-up is the continuation of a program of supportive services to a population of students who have recently completed a 3- to 4-week wilderness challenge experience. While the wilderness component is designed to provide a successful experience that sparks the desire to change, the goal of follow-up is to provide a network of support to enable students to make positive changes in their lives. Learning to take responsibility for oneself, incorporating increased self-knowledge, pride, respect and ambition in one's life is an evolutionary process. It is a process of trial and-error, a process of movement backward and forward. A student needs to feel that people do care, that he is a unique human being, that he can succeed, and that someone will stand by him each step of the way. Students graduating from a wilderness challenge experience will usually go through an adjustment period upon returning home. This period may be characterized by continuing family difficulties, school problems, drug and alcohol usage, and emotional problems. Because of the potential recurrence of problems for a student, a follow-up program can significantly reinforce the benefits derived from a short-term adventure experience.

At the 1978 Conference on Experiential Education in St. Louis, Gordon Cardwell presented a paper on *Research and the Fallacy of Recidivism Studies on Wilderness Programs for Troubled Youth*. In this paper he made the following statement:

> . . . If the wilderness/adventure experience is identified as a *continuum of experience* rather than an isolated activity, then parole or aftercare services must adapt to the unique needs of students graduating from this type of program to the community.
>
> The program components of a wilderness/adventure school can improve 100% or 1000%; however, the key to the future for the child lies with the adoption of his changed attitudinal values to the community. Therefore, it is the writer's contention that recidivism studies on a wilderness program are meaningless unless those wilderness programs have a *definite follow-up plan*, and the follow-up plan involves personnel who have been trained in the process of the wilderness/adventure experience.[8]

PRESENT STATUS

The Case For Alternatives: Troubled Young People in Alaska

Considerable effort has been made in the last four years in Alaska to examine the circumstances surrounding troubled young people and their families. The Juvenile Justice-Community Crime Prevention, Standards and Goals Task Force, in August, 1975, sought to identify the significant problems affecting youth and families in Alaska. Among those identified problems were:

High percentage of alcohol use and abuse
High rate of unemployment
Truancy increasing
Vandalism increasing
High incidence of mental illness
Insufficient contact between school counselors, parents, and students
Insufficient alternatives to the criminal justice system
Insufficient diversion programs[9]

In 1977, the Director of the Alaska Division of Social Services established the Task Force on Youth Services. The Task Force set out to determine what additional programs or services were necessary to meet the needs of youth in Alaska. The final report of the Youth Services Task Force concluded:

> The severity of youth and family problems in Alaska has reached alarming proportions. Alaska has the highest rate of reported child abuse, the highest rate of residential alcoholism, and one of the highest suicide rates in the country. Incidences of running away from home, juvenile delinquency, and divorce are out of control. The need to provide effective and responsive youth services in Alaska is critical.

Specific Data

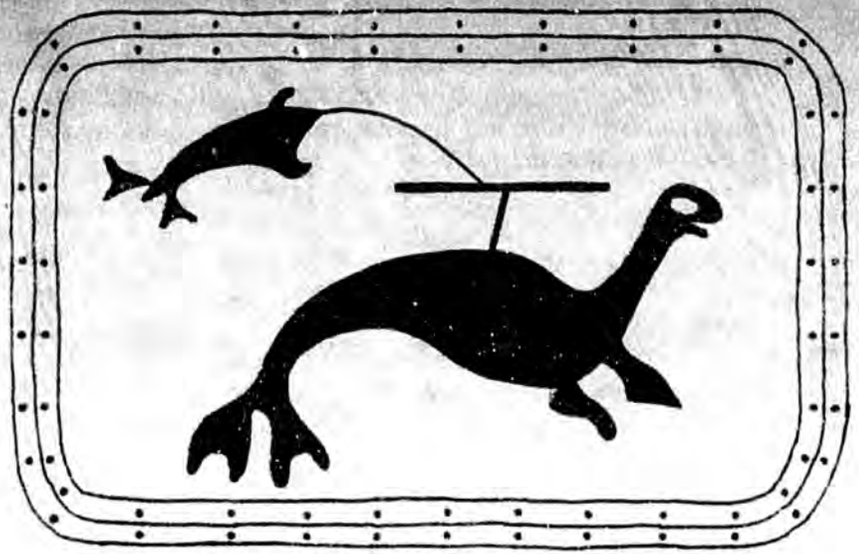
Even though this year is the International Year of the Child, and as much as one-third of America's population is under 18 years old, it still holds true that "the easiest people to ignore in American Society are children."[11] The consequences of neglecting this segment of the nation and its potential is a major consideration of the criminal justice system. Nowhere is the serious level of anti-social behavior on the part of young people more clear than in Alaska juvenile delinquency, court, social service, and school statistics.

Over 6,000 young people under 18 years of age entered Alaska's juvenile justice system in 1977. Young people between the ages of 10 and 18 comprise approximately 15% of the State population and yet, accounted for 29% of all arrests in 1977. Alaskan juvenilesaccounted for 57% of all arrests for serious or Part I crimes and 22% of all Part II crimes in 1977. [12]

A total of *1,708 juvenile arrests* were made by the Anchorage Police Department in Alaska's largest city in 1977. The police department in Anchorage made the highest proportion of juvenile Part I arrests, 64% of the total juvenile arrests made by that agency. 53% of all juvenile arrests made by the Kenai Police Department were for Part I crimes, and 47% of the Palmer Police Department arrests of juveniles were for Part I offenses.[13]

Of the 3,828 arrests of juveniles by all State Troopers, and by police in Anchorage, Homer, Kenai, Kodiak, Palmer, Soldotna, and Valdez in 1977, 2,098 were for Part I offenses. In addition, 7% of all juvenile Part II arrests in 1977 were for drug offenses, and 16% were for liquor law violations. During that year, 501 juveniles were admitted to Alaska jails in Bethel, Cordova, Kodiak, and Seward.[14]

Alaska court system statistics reveal that 2,545 referrals were made to the juvenile intake office in the Superior Court of the Third Judicial District in 1978. These referrals represented a total of 2,778 delinquency offenses, an increase of 11% over the 1977 total. There were a total of 448 drug and liquor offenses reported by the intake office and 1,249 cases of petty larceny, destruction of property, and joy-riding reported. Petty larceny rose 230 cases, a significant 32% increase over the 1977 total. In 1978, 324 delinquency and probation revocation petitions were filed against juveniles by the Superior Court in Anchorage. This resulted in 255 juveniles being placed on probation and 29 juveniles being institutionalized.[15]



The Anchorage Police Department had 470 juvenile runaway reports filed with it in 1978. Police statistics, usually the best indicators of juvenile problems, are a poor indication of the runaway incidence rate because current State law defines narrowly the police's role regarding runaway or homeless youth. Police and youth services workers believe the actual number of runaway youth is considerably higher because many parents do not notify the police.[16]

In 1978, the Anchorage Office of the Division of Social Services opened up 849 new child-in-need-of-aid cases and filed over 87 petitions against parents and legal guardians alleging the neglect, abuse, abandonment of or refusal to care for a child or children.[17]

During the 1977-78 school year, the Anchorage School District figures indicate that 3,047 students enrolled in grades 7-12 withdrew from school.[18] It is difficult to estimate what percentage of the withdrawals were actual drop-outs. The level of truancy and school suspension has increased dramatically in the last two years. Drug problems in many of the high schools in southcentral Alaska have brought about stiffer drug penalties and a greater number of student suspensions in area schools.

While statistics substantiate the failure patterns of a significant percentage of young people in urban areas of the State, statistics are not as available for rural areas. Nevertheless, young people in rural villages are having great difficulties. The Criminal Justice Center's recently completed Alaskan Village Justice Study reached some very serious conclusions. The village justice study was based on the results of interviews and data collected in 56 Alaska native communities. It found that the population estimates for the communities surveyed indicate that between 40 and 50% of the residents of the villages are 14 years old or younger. Approximately 53% of the village residents are below 19 years of age, well above the statewide average of 34%. Many interviewees emphasized that there is an increased use of alcohol and drugs, particularly among young people who had been outside the village and returned with "bad habits".[19]

The village public officials were asked to assess 16 categories of services in their villages. 54.9% of the responses indicated there were no youth services in their villages. This was the second highest deficiency identified from all the categories. This was the second highest deficiency identified from all the categories. The study concludes that village police officers and officials surveyed suggested the need for recreational activities which would help keep young people in the villages entertained and out of mischief. The magistrates surveyed indicated that acts of juvenile delinquency (i.e., theft, vandalism, and joy-riding) were their second most frequent category of deviant behavior. They indicated that the amount of deviancy among young people seems to be rising.[20]

Lack of Treatment Alternatives

The juvenile justice system in the Third Judicial District suffers from a critical lack of prevention, diversion, and disposition alternatives for pre-delinquent and delinquent young people. In 1977, 89% of the 6,055 juveniles that entered Alaska's juvenile justice system were diverted informally. Of the remaining 11% that were handled formally by the court, 2% were placed in locked correctional institutions (i.e., McLaughlin Youth Center or the Colorado Youth Authority) and 9% were placed on probation either in the custody of parents or the Division of Corrections.[21]

Diversion

Prevention programs when applied to juvenile behavior inhibit the development of criminal tendencies by providing socially acceptable models or activities. In Alaska there is no mandate to any one agency of the criminal justice system to provide statewide crime prevention programs. The Criminal Justice Planning Agency has assisted several communities in establishing programs for juveniles which provide recreational outlets and counseling services. These programs are located in Nome, Ketchikan, Gambell, Tyonek, Craig, Hoonah, Cordova, and Petersburg, and offer solutions to excess leisure time and the lack of legitimate recreational alternatives.[22]

In most of rural Alaska there is a dearth of recreational facilities and programs for young people to prevent juvenile delinquency or reduce juvenile crime. The lack of suitable choices for unstructured time is not a phenomena of the teen years, but begins early for children in a society that has failed to give them viable roles. In over 50% of American families, both parents are working, creating a large segment of children with no direction other than that provided by television or their peers during large blocks of time. These problems are even more conspicuous and far reaching in urban and rural Alaska.[23]

Diversion

Diversion in juvenile matters is aimed at preventing the development of delinquent life styles via non-stigmatizing community based agencies that are outside of the official justice system. The most important decision-making point for juvenile diversion occurs during the intake process where youth are either channeled into the formal justice system or referred out. In 1977, 89% of the juveniles referred to court intake in Alaska were channeled out of the system through letters to parents and warning conferences, or were referred to informal probation.[24]

In the 1977 Alaska Justice Facilities Planning Study prepared under contract with the State Division of Corrections, Approach Associates Consultants concluded that juvenile diversion programs are underdeveloped in Alaska.[25]

Disposition

Disposition occurs after a juvenile is formally adjudicated delinquent on a petition filed with the court. The court can order a juvenile to be placed on probation in the custody of parents or the Division of Corrections, to be institutionalized, and/or to make restitution. The following quarterly average juvenile program placements were made by the Division of Corrections for the disposition of juveniles in 1978.

Private Care - In State (Turning Point, Group Homes)	84
Foster Homes	36
McLaughlin Youth Center	94
Out-of-State Placements	36
Juvenile Detention (Anchorage, Fairbanks, Ketchikan, Juneau, Nome)	68
Total	318

Total number of juveniles receiving service from the Division of Corrections (including probation)	793

The 1979 Juvenile Confinement Budget for Alaska is $6,750,500. The McLaughlin Youth Center's component of that budget is $4,031,300.[19] During 1978, a total of 62 juvenile males completed a McLaughlin treatment program in an average of 13.8 months.[27]

The present reliance on full cost of care group homes and institutional facilities is resulting in unnecessarily long juvenile placements and in a significant number of Alaskan juveniles being placed out of State. This furthers the disintegration of the juveniles' relationships with their families, proves extremely expensive to the State, and exhibits little evidence of providing effective rehabilitation.[28]

PROPOSED DIRECTION

Senate Bill 12:
A New Direction Through Adventure Education

The Senate Interim Committee on Juvenile Confinement has concluded that there are problems in both the operation and effectiveness of the programs presently used by Alaska for dealing with juveniles who are found under Alaska juvenile law and practice to require confinement or physical removal from their family homes.

1. Present confinement programs do not appear to provide juveniles with:

   a. The help necessary to achieve a positive self-image, or

   b. Acceptable social behvior.

2. Procedures for dealing with juvenile offenders include placing them in foster homes without adequate knowledge of the juveniles' problems.

3. A large proportion of juvenile crime is being committed by repeat offenders who are not being deterred from continued criminal activity by their interaction with the juvenile justice system.[29]

The research of existing programs and facilities which served as a basis for these conclusions have been documented in the paper entitled "Alternatives to Juvenile Confinement", which was prepared by the Interim Committee for the Legislative Budget and Audit Committee.[30] In apparent agreement with their findings, the 1975 Juvenile Justice Task Force established in its final report that:

> The rehabilitative effects of a delinquency disposition are severely limited by the lack of treatment alternatives available to the Department of Health and Social Services. In rural areas the effects may be more severe where children are frequently removed from their own communities to urban or out-of-state facilities because of the absence of local or regional facilities.[31]

Recreational programs can effectively reduce youthful involvement in crime and self-destructive behavior in young people. Therapeutic camping programs have been explored and found to be effective treatment modalities. The development of survival training programs (i.e., Outward Bound) has opened the door for many professionals to utilize the wilderness in therapeutic ventures.[32] Alaska, which has 65% of our country's wilderness, does not have such a program. The foremost goal of these programs is to develop personal growth through attitudinal and behavioral change using the medium of the wilderness. Outward Bound adaptive programs can provide successful cost-effective prevention, diversion, and disposition alternatives for delinquent and pre-delinquent young people.

Youth programs in Alaska are best directed at problems associated with:

-*the lack of identity* and direction on the part of young people,

-*the lack of constructive activities* as alternatives to drug abuse and delinquent behavior, and

-*the lack of active support* and involvement in youth activities on the part of adults of the community.[33]

With the passage of Senate Bill 12, the Alaska Legislature has determined that Adventure Based Education programs have been developed and are operational in other states, and have proven effective in both preventing and altering delinquent behavior in certain types of problem juveniles. It has concluded that Adventure Based Education programs can and should be developed in Alaska as short-term treatment approaches.[34] Any program of wilderness adventure experience must be complemented with a program of supportive follow-up services in order to positively effect the behavior of troubled young people on a permanent basis.

This preferred treatment approach can, for some troubled young people:

1) help prevent and divert them from contact with the juvenile justice system.

2. preserve young peoples' ties with their own family and relations, and preserve and strengthen their identification with their own community.

3. prevent unnecessary referrals to treatment facilities and institutions.

4. provide an alternative to incarceration and group home placement.

5. offer a less expensive and cost effective program as compared to institutional and group home placement.

CHARACTERISTICS OF JUVENILES WHO WOULD BENEFIT FROM THE PROGRAM

Based upon the successful operation of adaptive programs in the Lower 48, a list of behavioral guidelines can be established for the kinds of juveniles who have been most successful in stress challenge programs.

1. The program is very suitable for juveniles who possess a continued history of manipulative behavior in institutions.

2. The experience has been successful for participants with a history of aggressive tendencies.

3. The program is designed for juveniles who have not been responding to other programs.

4. Juveniles who are withdrawn, possess communication problems, and have difficulty forming interpersonal relationships with peers and adults.

5. For the "classically lazy teenager" the program is a good "shocker" and serves to regenerate and motivate young people.

6. For the individual who possesses strong racial and/or ethnic prejudices, the program serves to break down such barriers.

7. For the individual who is in need of a vigorous physical experience, the program improves one's physical stature and fitness.

8. The program concentrates on progressing an individual's interpersonal maturity through high impact adventure experiences and consequently is a valuable maturing process for youth.

9. The program is able to work well with juveniles possessing low levels of motivation.

10. For juveniles with value conflicts, the program strives to provide consistency and the setting of a norm.

11. The program concentrates on helping young people with communication problems, in assisting them in establishing concrete relationships with peers and adults and facilitates their interpersonal growth.

12. The program can help the juvenile who has a habitual low self-esteem; whether it is underlying or manifest.

13. Also Wilderness Stress-Challenge Programs have been known to result in:

a. an increase in the juvenile's ability to deal with others on a one-to-one basis.

b. an increase in the juvenile's ability to be part of a group with healthy values, without losing one's identity.

c. an increase in the juvenile's willingness to consider the welfare and wishes of others in making decisions.

d. an increase in the juvenile's sense of personal worth and self-confidence.

e. an increase in the juvenile's sense of personal direction, interests and goals.[35]

FOOTNOTES

[1] Adventure alternatives in Corrections, Mental Health, and Special Education, Association of Experiential Education, Denver, Colorado.

[2] *Wilderness Adventure Training as an Alternative to Incarceration*; Nold and Wilpers, July 1974.

[3] Ibid.

[4] Ibid.

[5] *Project Underway*, Touch of Nature Environmental Center, Southern Illinois University, Theodore Wichmann, Director.

[6] Ibid.

[7] *Keeping the Flame Alive*, Beth McCabe.

[8] *Research and Fallacy of Recidivism, Studies on Wilderness Programs for Troubled Youth*; G.R. Cardwell, Superintendent, Project D.A.R.E., Ontario, Canada, Sept. 1978.

[9] *Standards and Goals for Juvenile Justice and Community Crime Prevention*;Office of the Governor, Office of Child Advocacy, June, 1976.

[10] *The Findings and Recommendations of the Task Force on Youth Services*; Division of Social Services, Department of Health and Social Services, June, 1977.

[11] *Criminal Justice Plan, 1978;* Criminal Justice Planning Agency, State of Alaska.

[12] *Annual Action Plan for Criminal Justice and Juvenile Justice;* Criminal Justice Planning Agency; State of Alaska, 1979.

[13] Ibid.

[14] Ibid.

[15] *A Report on the Impacts of the August 1977 Changes in the Children's Code Concerning the Handling of Children's Matters in Anchorage*; Beau Bassett, Alaska Youth Advocates, May 1979.

[16] Ibid.

[17] Ibid.

[18] Anchorage School District Reports, 1978.

[19] *Alaska Village Justice: An Exploratory Study;* John E. Angell, Ph.D., Criminal Justice Center, University of Alaska, Anchorage, Feb. 1979.

[20] Ibid.

[21] *1977 Diversion Report*; Division of Corrections, State of Alaska, May 1978.

[22] *Criminal Justice Plan, 1978*; Criminal Justice Planning Agency, State of Alaska.

[23] Ibid.

[24] Ibid.

[25] *"Diversion Alternatives to Incarceration"*; Alaska Justice Facilities Planning Study, Approach Associates, 1977.

[26] *Alternatives to Juvenile Confinement; Background Information for SenateBill 12*, Senate Legislative Budget and Audit Committee; State of Alaska, March 1979.

[27] Ibid.

[28] See Footnote No. 7, Children's Code Impact Study.

[29] Ibid.

[30] See Footnote No. 18.

[31] Ibid.

[32] See Footnote No. 1.

[33] See Footnote No. 15

[34] See Footnote No. 3.

[35] *Senate Bill 12, an act relating to adult and adventure-based education*, In the Senate, By the Health, Education and Social Services Committee.

[36] *Research and the Fallacy of Recidivism, Studies on Wilderness Programs for Troubled Youth;* G.R. Cardwell, Superintendent, Project D.A.R.E., Ontario, Canada, Sept. 1978.

MOM, APPLE PIE AND EDUCATION

By
Clay McDowell

An assessment of education in Alaska presents us with a complexity of major social trends, technological developments and accumulating evaluative and projective data that are profoundly challenging to the existing education structures and rationales. Not only in Alaska but nationally, significant questions as to role, purpose and methods of instruction are being raised. The quantity of significant concerns appears endless, ranging from record-keeping to revenue sharing to "relevancy". It's impossible to devote even a paragraph to each, so in this report I'll attempt to limit discussion of national issues to those which should be of vital concern to Alaska learning programs, while at the same time including those major Alaskan factors that are unique to our particular situation.

An overview of the myriad questions and issues relative to our topic points to four basic areas of educational concern. For purposes of discussion and whim, let's refer to them as the FACE issues of Function, Approach, Control and Economics. These 4 areas are what education is all about . . . and probably what any social institution is about.

Since the last two FACE issues -- control and economics -- will be discussed in other reports, we will dispense with their consideration for the purposes of this article but for three major points which have had and will continue to have significant, and perhaps determining, roles in establishing direction for Alaskan educational programs. These will be mentioned only briefly, although their impact is profound, merits a great deal of attention and, when you're dealing with education will occupy much of your time.

1. Education is big business. Roughly $200,000 was spent in Alaska last year on education from grades K-12. If we include university and college expenditures, vocational and in-service training, and educational counseling, Alaska probably spent close to a quarter of a billion dollars on education this past year. Any business this big is bound to have vested interests, intensive lobbying, and individual and group struggles for power and control. This is especially true in rural Alaska, where the economic impact of education dollars has a significant effect on the local economy. In many villages the *only* full-time jobs are with the schools.

2. Education is publicly supported by local, State and federal funds, and is acutely subject to political pressure from *all* these levels. In addition, federal funds are presently a crucial factor in Alaska native education. What happens in Washington has a significant impact on what happens in rural Alaska.

3. Education is an emotionally laden issue, dealing as it does with the welfare of children. This is a growing concern in rural Alaska, with the problems inherent in providing quality education for the bush students. This has expressed itself in strong movements toward totally local programming and local educational self-determination as opposed to the centralized administration of education in the past which required rural students to leave home in vast numbers.

As stated, these areas of Control and Economics indeed merit consideration, and will have a significant effect on the first two components of FACE, Function and Approach, which we will now examine.

FUNCTION

There is at present a great deal of discussion relative to proper functions of Alaskan and especially Alaska Native education, although all points of view seem to point toward the socialization roles as being of prime import. The question is, socialization to what?

At present we find a variety of opinions as to this role. Should prime emphasis be placed upon education for local socialization, or for socialization within a non-local system? Should school em-

phasize pre-vocational studies, pre-college, "Life-Skills" -- whatever that means?

Present trends seem to indicate a consensus that schools are expected to provide for educational needs of individuals ranging from early childhood through adulthood, and from the physically or mentally handicapped to the college-bound.

Interest in adult literacy and training is apparently increasing. Opinions solicited from local school boards indicate a feeling that career education is highly important. (Dropout studies also indicate that this is important along with the capability of adapting to the social environment of whatever the setting in which a given career might exist.) The themes of self-identity and cultural pride have also been strongly advanced over at least the past eight or ten years.

This may sound obvious, even trite, yet if we take one short, very brief step backward in Alaskan education we see a one or two teacher school concerned *only* with teaching the average child the three R's, and feeling lucky to do that. In fact, though we don't often acknowledge it, that's still a major task in Alaskan education today -- and rightly so.

That all these concepts are important seems to be at least generally accepted. However the degree to which they modify curriculum has created controversy in professional and lay circles. At one extreme are proponents of same-culture immersion, in which rural teachers, curriculum, language and academic approach would be totally Native Alaskan, based on three premises, or statements, or philosophy defining Functions:

a. Self and cultural identity and pride are necessary for success and the prime function of the academic experience is to instill these traits.

b. The function of school is to develop thought processes and concepts. This can be done most readily when done within the framework in which the student habitually operates.

The function of education being preparation for life, schools should offer only that which is relevant to the students' own culture.

This position limits severely both scope and clientele of the educational process.

The other extreme holds the position of majority culture immersion. This position is also based on functional premises:

a. Teaching of skills is an essential function of the school. Many of these skills are necessarily tied to an understanding of the majority culture which has a high degree of utilization of the skill.

b. Career training as a proper school function demands the ability to deal successfully with the culture in which many career opportunities exist.

c. Students know their own culture through living it; it is not a school function to teach it. It *is* the function of the school to acquaint them with that culture they don't know.

This position ignores advances in learning theory concerning process, and basic rights of self-determination and self-expression. However, within both positions are points of validity, and several appropriate school functions can legitimately be drawn from them.

Positive aspects from each extreme identify the following as legitimate Alaskan school functions on which valid, result-producing programs could be built:

1. To determine community and individual educational interests and priorities and involve all components of the community in this determination.

2. To provide, or act as referral agent for, the educational needs, interests and aptitudes of the broad spectrum of individuals living in the local community from pre-school through adult.

3. To develop competence in the functional skills essential for individual and societal success.

4. To develop analytical processes relevant to situational recognition and problem resolution -- the skills of the self-starting, continual learner and independent thinker.

5. To prepare students for the world of work, either through entry level training or pre-vocational and pre-college courses of study.

6. To provide significant opportunities for the development of a positive self and cultural awareness.

7. To develop self-disciplined individuals with positive attitudes toward life and learning.

If these can be accepted as the major legitimate, though by no means exclusive, functions of an Alaskan basic educational program, we can proceed to an analysis of the means to making these functions operational -- the Approach component of FACE.

APPROACHES

The manner in which information is presented is currently known in the trade as a "delivery system." That doesn't fit my particular choice of acronym; therefore, the way the Iceman cometh in this paper is known as the Approach.

This is the action arena in education today. In terms of approaches we are in at least a reform, and probably a revolutionary, era. All aspects of traditional approaches to schooling are being challenged for a myriad of valid (and some less than valid) reasons. Among the more valid seem to be the following:

1. **The Information Explosion:** More data is being produced than can possibly be taught. The advent and development of computer science is causing quantum jumps in knowledge accumulation.

2. **Learning Process Advancements:** As other fields have advanced, so too has our understanding of ways in which learning occurs. This knowledge is being translated into functions and approaches.

3. **Rapid Societal Changes:** Changes in village society and its relation to larger communites over the past 20 to 25 years has been profound, and increased rates of change are in the offing. This is in part due to technological advances in transportation and communication, in part due to the Land Claims Bill and its economic and socio-political impact.

   Changes and growth in Alaskan urban areas has also been profound -- indeed overwhelming -- in the last ten years. In boom and in bust, for good and for evil, the growth and changes are here.

4. **Recent Technological Innovations:** These have vast possibilities for application to education, making such terms as relevancy, immediacy, and self-pacing fact rather than fancy for bush education, as well as for the cities.

5. **Changes in the Learner:** Today's youth enter the educational system with different sophistications, skills and experiences than their parents. In addition, the increase in formal educational opportunities has correspondingly increased the spectrum of learner needs and abilities.

6. *The Demand For Accountability and Relevance:* It's a generally conceded fact -- as evidenced by recommendations of various federal, state, and professional groups -- that change in the schools has not kept pace with changes in need and opportunity, and much that occurs in school may not be relevant to -- in fact, may hinder --positive development. Educators are being challenged to justify their actions with more than rhetoric. This demand is coming from educators, society at large, and students themselves.

7. *"The Movement":* -- for want of a better term -- that began with the civil rights activists of the late fifties and has since encompassed women, the aged, all minorities, youth and environment and peace groups. This major social evolution has led to a reawakening, reaffirming and recognition of the rights of individuals and groups to justice and identity. Alaska, the home of the independent -- be he escapist, individualist or opportunist --exemplifies this spirit. This has had, and will continue to have, a profound effect on Alaska education.

In summary, when we speak of Alaskan Education, we are speaking of a societal function designed to provide a broad spectrum of individuals with a wide range of cognitive, effective and psychomotor skills; with positive attitudes about themselves, their society, life

and learning -- all this to be done in an arena of continual vast social upheaval, technological advancement, and increasing understanding of learning processes; under conditions which will vary profoundly according to the economic, political, emotional and rhetorical factors of the day. To say the least, a challenge!

It is through the approaches, or strategies, that we use to achieve these constantly evolving ends that our schools as instruments of society will rise or fall. Obviously, several tasks need addressing before this can be accomplished. To develop strategies competent to meeting this challenge successfully over the next several years requires an analysis of variables that includes the following:

Examination of those major trends and directions in Alaskan education which we can expect, with some degree of certainty, to expand and develop.

2. Familiarization and continual updating with developments in understanding the learning processes, and with those technological advances that can be used in education activities that stimulate those learning processes and/or increase knowledge and skills.

3. Ongoing determination of relevance between existing and desired educational functions and activities.

1. **Examination of Trends:**

Although often times education seems to be heading in more directions than there are students, I think we can identify a few major, significant long-term trends which we can feel fairly certain will continue. Again I hasten to point out that these are not all-inclusive and that there will be exceptions to each direction mentioned. However, as overall indicators, I think the following appear adequate:

a. Continued decentralization of control;

b. Continued expansion of local village high school programs;

c. Re-education in non-local secondary options;

d. Expansion in scope of all education programs;

e. School population stabilization in villages. Growth in urban areas;

f. Increased emphasis on career education and educational accountability;

g. Continued rural school facility development;

h. Increased use of regionalized technical assistance support systems;

i. Increased use of self-instructional units -- or multi-sensory programmed approaches to learning;

j. Increased use of computerization and standardization of support functions;

k. Increased use of satellite video and computer assisted instruction;

l. Spread of community college programs into rural areas, and an accompanying growth in community interest courses in both rural and urban districts.

a. Decentralization of control:

Present trends indicate that both rural and Federal BIA schools will be subject to increasing local control through school boards of the REAA's through local input into Federal funding for schools and through self-determination policies for Federal Native schools.

Along with this decentralization of control will come a corresponding need for local development of educational priorities and projects for federal grants. This will be necessitated by Public Law 89-10 guidelines as well as Indian Education Act regulations [Public Laws 93-638 and 95-561], which call for local involvement in project development. As these funds play a major role in Native education programs, this will be a significant factor in the development of quality village school systems.

In addition, there has been a definite pro-localization movement in the technical assistance and administrative control policies of the Department of Education and the Federal Government. Vivid examples include the talent bank approach vis-a-vis state "Specialists", the flexibility of graduation requirements, and the formation of REAA's.

b. **Expansion of local bush high school programs:**

In the past four years, there has been a significant increase in the number of local high school programs. Recently more than a dozen new high schools have been constructed or are in the process of being constructed. This spurt, based upon the legal implications of the now settled *Molly Hootch v. State Board of Education* case has caused this to become a dominant mode of secondary education for role high school students within the past two or three years.

Although this is the direction in which most educators and Natives seem to wish to move, there is more than a little apprehension about the educational dangers and difficulties inherent in this shift. [In some quarters this is viewed as a potentially hazardous neo-isolationism!] These will be discussed in the section relating to strategy development.

c. **Reduction in non-local bush secondary options:**

In the recent past, over 1500 Native high school students were required to leave home for secondary school opportunities. This was accomplished through a system of boarding schools, "URBAN" dormitories in Bethel, Nome, Kodiak and Kenai and boarding homes in Anchorage and other cities. If we relate bush enrollment projections indicating a short-term growth and a long-term stability or shrinking in secondary student populations to the above-mentioned development of village secondary facilities, it became obvious that the non-local options as they have existed were under-enrolled, and therefore too inefficient to continue operation. Indeed, this has become glaringly obvious. As this happened, several options for such boarding programs presented themselves:

1. Change to a functional secondary specialization for a selected bush student body attending on a full-time basis.

2. Change to a functional secondary specialization for a general bush student body attending on an intermittent basis.

3. Remain open for those students not reached by local secondary programs.

4. Develop programs related to educational needs other than secondary.

5. Shut down, or change to non-educational uses.

At present, option No. 5 seems to be the only option taken under consideration.

[It would seem that, with thought, other education-related uses for multi-million dollar educational facilities might be developed. However, these too can be discussed in strategy development.]

d. *Expansion of educational opportunities in terms of population and programs offered.*

In a village which, twenty years ago, may have had only a single teacher, we today find a variety of programs for kindergarten, special education, bilingual education, and adult basic education. In addition, there are correspondence courses for State diplomas or for community college credit, numerous visits by education consultants in various fields, and in-service training sessions -- all of which are designed to provide learning opportunities for those previously untouched by the educational system. Although these programs are far from perfect, they appear to be growing in number and quality. It is not likely that this trend would be reversed.

e. Village Population Stabilization.

Statistical data indicates that village populations are, with few exceptions, in a state of relative stability, or in some cases, decline. The affect this will have upon the total education dollars entering a community and how these dollars will be used has yet to be determined.

f. *Increased emphasis on career education and educational accountability.*

As the needs of Alaska and the regional corporations expand and become more visible, the school systems will be pressed to assist in meeting these needs. In addition, as the urgency of meeting these needs run headlong into the apparently inevitable time lag in the establishment of programs in this direction, we will be seeing an increased demand for educational accountability. Movement in this direction will most likely be furthered as local control and awareness of school programs increases.

g. *Educational facility development.*

Over the past five years there has been a burst of village school facil ty construction. Most of these projects are for the provision of local secondary options.

It is likely that this trend will continue; it also is likely that as local school districts are formed, the replacement rate of older,existing facilities will increase. Possible, though by no means certain, beneficial outcomes for programs could develop from this construction activity. Regardless, such projects also provide temporary construction employment as well as future school jobs. These are important and valid economic considerations.

h. *Regionalization of technical assistance.*

This has become manifest in Alaska in two unique and apparently effective systems:

1. *The Talent Bank* -- Most state departments of education hire and maintain individuals as "specialists" in curriculum areas. Their job is to provide technical assistance statewide in their "specialty" -- which is usually far too broad to be a specialty. A rhetorical question: Can one individual reading specialist for example, be an expert in phonetics, in adult reading, in oral reading evaluation, in identification and diagnosis of reading disabilities, in nutritional aspects of reading handicaps, in transitional reading programs, in developmental reading programs, in basal reading series, in interpretation skill analysis, etc. -- and make all these skills available for workshop, teaching program evaluation, project writing, while at the same time keeping current in the field and fulfilling administrative chores -- well, it's difficult, but most states try. However, the talent bank approach catalogs skills and interests of individual professionals around the state recognized by their peers for expertise in specific functions. When a specific skill is needed for a training session, project design or program evaluation, the names of individuals best suited for such activities are pulled, contacted and if free made available to D.O.E. money. And are again evaluated by their peers -- the accountability factor mentioned earlier. Simple, but brilliant -- and apparently effective.

2. *Regional Resource Centers.* With the establishment of REAA's came regional resource centers as supplemental support for those essential but expensive school services not affordable by a single small district alone. With minimal D.O.E. funding and dependent upon the school districts they serve for fiscal support, they represent an opportunity for an excellent symbiosis not present in most educational systems --the user of the requested service deciding whether or not the service is valid enough to continue paying for. Again -- accountability. So far, four of the five originally established RRC's are still functioning, so they must be doing something right. The hand-to-mouth nature of the Resource Center funding can generate conditions such as frantic searches for external support, essential political compromise with varying district demands, etc., but these are not necessarily unhealthy realities, but just realities. So far, things are apparently functioning to the relative satisfaction of the concerned school districts.

i. *Individualized Self-Instructional Units.*

There exists today the possibility of a machine-student "relationship" in tutorial learning situations that in many ways can be more "intimate" than the average teacher-student relationship. Some of the equipment making this possible includes:

1. The packaged unit:

Today there are commercially available packaged learning "kits" complete with reading materials, film strips, cassettes, relevant "objects" to see, touch, and manipulate, lesson plans, objectives and evaluation tools. These are available for all levels and for nearly all subje t areas. These range from elementary math tools

such as quisenaire rods, to complete motorcycle repair and maintenance studies.

2 . The 8mm film loop:

Short (1-5 minute) films on nearly any subject or "mini subject" are packed in a quick, slide-tape cartridge for use by individual students, or groups of two or three, in a small quiet projector. The films are usually in series, with each film showing one step in a series. For example, the method for dissection of a frog may be shown in various stages on 8 or 10 film loops. The films keep revolving on the loops in a continuous cycle for constant reference.

3 . Programmed Learning Units:

First developed by the Armed Forces, these units consist of lock-step individual instruction in which a small amount of information and explanation is given. A question is asked and answered, and the answer checked by the learner. If he is correct, he proceeds to the next step. If incorrect, he is referred back to a pertinent section for review and re-test.

j. *Computer Support Systems.*

At present we have just begun to tap this resource for educational support. It's significance in time and money-savings potential is astounding. For instance, school district offices are now plugged into an "EMS" -- electronic mail system -- whereby same-day, simultaneous two-way information transfer can be accomplished between Juneau and any or all of the remote school districts, and individuals in those districts. Anyone ever dealing with multi-community bush communications, will realize the enormous time and energy savings involved here.

In addition, by March 1st, several Southeast school systems will tie their budgets into the same computer capability. This will put *instant* budget data in the various funding categories in their possession when they need it -- eliminating enormously time-consuming local data collection and retrieval functions.

k. *Video and Computer-Assisted Instruction.*

Adult Education programs and the now notorious t.v. town meetings are only two examples of recent use of televised or computer assisted instruction or information programs utilizing satellite link-ups. Still in the experimental stage, live, two-way communications in Alaska will be a day-to-day fact of life in education. Tutorial type, programmable computers already exist in homes and in schools. As training in their operation and experimentation in their utility continue, we can expect to see computers taking an ever-increasing role in educational delivery to individual students.

1. Community College and Community Interest Courses.

A notable event over the past few years has been the sudden deployment of community colleges around Alaska. The University of Alaska has two such facilities in operation around the State with three community college campuses here in Southeast alone.

With the simultaneous growth of small bush high school programs, the opportunity now exists for rural Alaskans to get the "basic 3" of public education without leaving home -- or at least without going far.

In urban areas as well, the community colleges and community schools concepts have added a new dimension to those long dark winter evenings.

More important perhaps, they are keeping alive the concept that everyone is a teacher, everyone is a learner. Thus a fly-tying course is taught by a fly fisherman, a mining course by a prospector, a lifeboat course by a Marine Highways employee. Simple? Certainly, but the idea of *not* requiring a piece of paper to prove you are "qualified" to do something in a school is unique [though even if thecommunity colleges approve, no credit is given unless the program is signed off on by a "qualified" instructor of record.]

There is a bonus inherent with the community colleges in rural areas -- they provide a center of intellectual fermentation -- a catalyst for idea exchange and planning of community development. As with any new program, there are adaptations to be made and problems to be dealt with. However, the existing and potential for further successes is a cause for celebration in the rural areas.

2. *Developments in Learning Process Theory and Educational Technology.*

A great deal of research has been published over the past several years relating to the way we learn; i.e., the learning process.

Rather than reiterate all that has been said, copies of several pertinent books are available for your review. These include ***How Children Learn*** by Holt, the ***Process of Education*** by Bruner, ***Education and Ecstacy*** by Leonard, and ***Toward A Theory of Learning*** by Bruner (ch. 2&3).

To summarize in a few sentences the divergent points of view represented would not be fair, but a few of the significant findings by these and other researches appear to include the following:

1. Pertinent and frequent evaluation is an essential element of curriculum design from the point of view of the learner and the instructor.

2. A major goal of education should be to create in the learner a pre-disposition to learning.

3. Skill development is essential to growth in learning.

4. Accomplishment and gaining of understanding are internal rewards that can lead to further learning development.

5. Experimentation and experience are two essential elements of learning.

6. The curriculum must be relevant to the goals, needs, environment and experiences of the learner and the growth must be measurable.

7. Learning of the concrete must come before learning of the abstract.

8. Learning can be defined in terms of behavior changes to be developed, and therefore the learning and the effectiveness of the instructional strategies can be measured and evaluated.

9. The cognitive skills have been classified and learning experiences prepared to assist in their development.

10. The cognitive skills of thinking are more crucial in today's world than the cognitive skills of remembering.

11. Individual learners have individual needs and interests, and individual rates of physical, emotional and intellectual development.

12. Immediacy of feedback from the appropriate external sources is a positive asset to growth in learning.

Although this is by no means an all-inclusive list, it does include some of the more relevant findings and development of educational theory, and should be reflected in the curriculum and strategies of the practitioners in our school systems.

CONCLUSIONS.

Using the information from preceding sections, the true tasks of a concerned citizenry and their professionals would seem to be the evaluation of existing and planned educational approaches in the light of

a. what is desirable -- and should be striven for;

b . what is possible -- and should be achieved;

c . what is probable or certain -- and must be accounted for in planning.

How, then, is this to be done? Well that, Gentle Reader, is the rub. It doesn't seem there can exist an answer, only questions, data, processes and conclusions that must change with time, people and circumstances. And perhaps this is what judicial bodies, legislative committees and administrative agencies are all about -- dealing with change. As always, *we* are the yin and yang, the problem and solution, the beginning and . . . . THE END.

EXPLOITATION OF ECOSYSTEMS BY TRANSPORTATION TECHNOLOGY

By
Richard T. Myren

As shown in his perfected *Origin of the Species* and theory of natural selection, Charles Darwin understood the importance of natural barriers and coevolution among species and faunas that permitted differentiation of life forms (species diversity).[1] Such insight was remarkable thirty years before the principle of genetic inheritance was known to the scientific world and even before it had been confirmed by Gregor Mendel.[2] The generality of Darwin's conclusion is profoundly significant and basic to understanding effects of modern transportation technology of industrialized societies upon subsistence and more primitive societies. Fueled by cheap fossil-fuel energy resources since the late 1800's, transportation technology has accelerated social change both within and between the industrialized and non-industrialized cultures. With the development and deeper understanding of life-system relationships, i.e., the ecosystem (defined as the relationships between plants and animals and the environment), scientists have begun to identify and understand life systems that include man. The role of modern transportation technology and its relationship to nature are beginning to emerge as the understanding of the ecosystem develops. I will discuss one important effect of modern transportation technology upon less-developed societies.

The cautiousness of scientists in the emerging discipline of ecology is wise for the subject is complex. Yet overcautiousness can occur and can slow or inhibit our understanding. Dr. Robert May[3], in a brilliant but almost casual insight, observed, in the characteristic cautiousness of a scientist and couched in the form of speculation:

> "[Ecosystems] are liable to be resilient under large-scale natural perturbations (e.g., violent tropical storms) with which they coevolved, but vulnerable to apparently minor disturbances of novel kind (e.g., bisection by a road or electric power line)."

His speculative tone here is unnecessary for this observation of ecosystem fragility deserves the status of a general principle for which numerous demonstrable examples exist. A brief reflection upon man's historical past and how he has modified his environment for better and for worse[4] amply demonstrates that ecosystems do not have repair mechanisms for certain kinds of disturbance, particularly for those in which protective barriers and structures are broken and new competition and gene flow occur.

Gray[5] employs a convenient conceptual model for community perturbation that demonstrates the equilibrium and fragility characteristics of an ecosystem and that is appropriate for the barrier and stability processes. Stability means the system's ability to bound back rather than to persist through time.[6] The model is commonly employed to illustrate in the field of physics the principle of stable and unstable equilibriums. In such a model, a small ball at rest and under the influence of gravity (Figure 1), when displaced, will oscillate and return to its resting place (the "basin of attraction") if it does not cross the hump at point C or C'. If C or C' is crossed and an opposing force does not drive the ball back to its initial position, the ball will find a new basin of attraction.

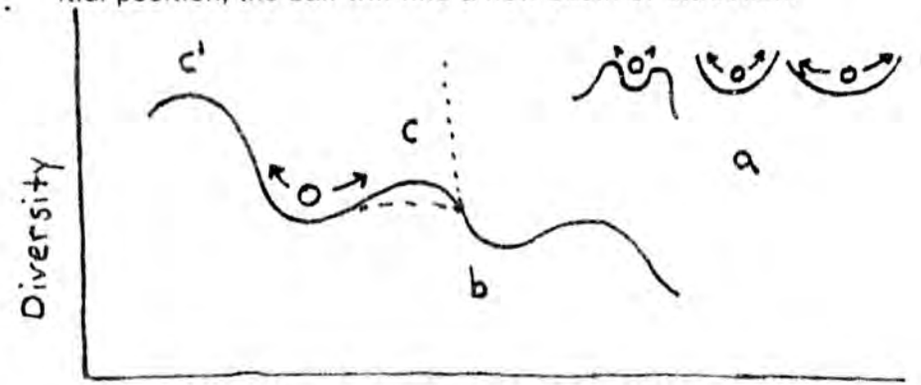


Figure 1. Stability Model. The community is envisaged as a small ball that will return to a new position if the disturbance is too great. From Gray (1979) with axes relabled.

I have labeled the X-axis (in contrast to Gray's examples) as the gradient between natural ecosystems and ecosystems highly altered by man and the Y-axis as species diversity, i.e., the number of plant and animal species. Figure 1 shows:

1. Disturbances of limited magnitude allow the system to return to the initial rest position until the next disturbance, depending upon the shape of the basin of attraction (Figure 1a) and the disturbing force.

2. Disturbances greater than the height of the valley to the peak drive the ball to the next lower cup. If the ball is in a lower cup, more energy is required to drive it back to a more diverse system than the disturbance that brought it to a lower state and if the hump is still intact rather than eroded (as shown by the dashed line below point C).

3. As disturbances increase, the ball travels toward the right, and species diversity decreases.

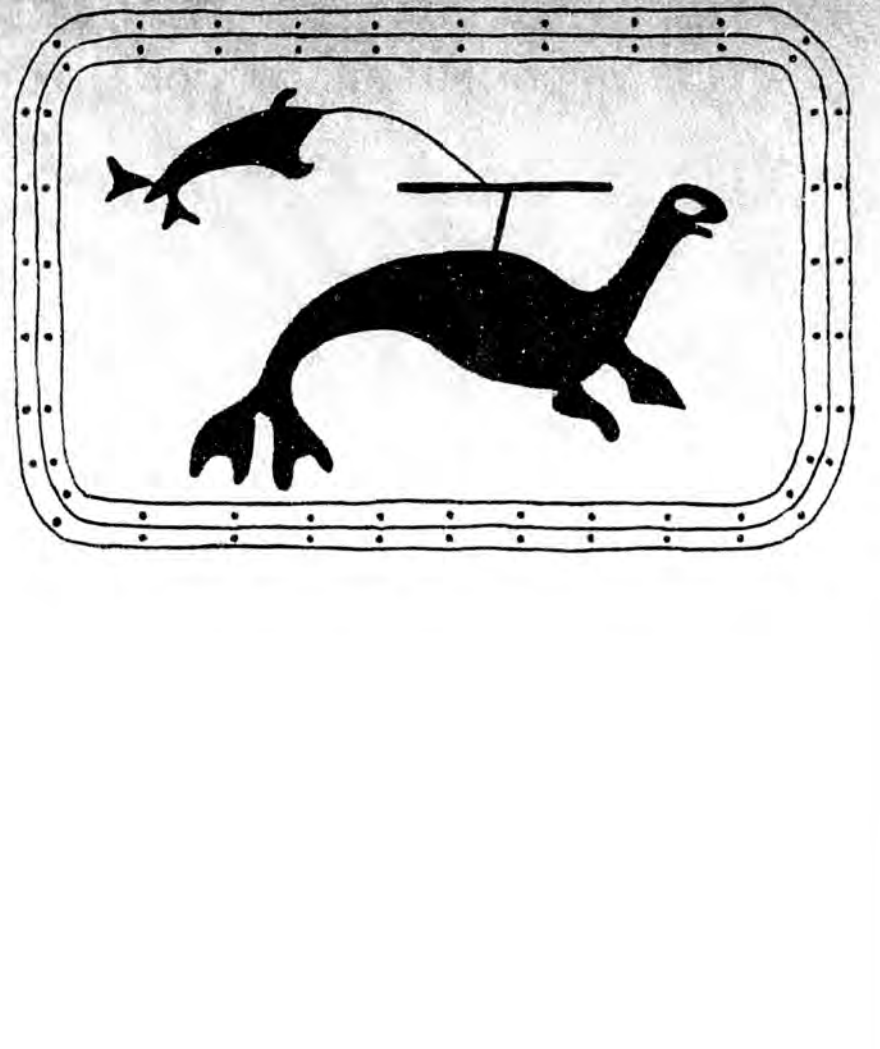
The physical analogue of the ball under the influence of gravity and moving to regions of higher and lower potential energy, though less general, is the ecosystem changing in structure and diversity. Disturbances, such as the displacement of the ball, increase diversity beyond the steady-state diversity of the system at "equilibrium." Such increased diversity has been observed in ecosystems and is supported by Huston's[7] general theory of diversity. Consider, for instance, two disturbances: a disturbance for resource extraction in a small rural community and cutting portions of a forest and extracting the wood fiber or other resources. If the basic productivity of the resource that supports the community or forest is not damaged, the system will return to its initial state after some species fluctuate and temporarily disappear from certain areas. The cultural characteristic of the community will change with the disturbance and return to earlier cultural conditions after the disturbance is removed. But neither system will return to its original state if the disturbance is accompanied by a constant supply of energy; for example, the rural community will be prevented from returning to the earlier cultural condition by continual new energy inputs, and the forest cannot return to its original state if intervals between cutting are shorter than the time to reach maturity.

The importation of new energy in our model can be viewed as the force that drives the system to the right, into new states, from the natural and entirely primitive ecosystem towards the ecosystem under the influence of more industrialization. Presently, the primary source of reduced species and cultural diversity is fossil-fuel power. The system will be held at the lower states by maintaining this power input. However, if, for example, the humps at CC' of figure 1 are not eroded (dashed line) or do not disappear (dotted line) when the system moves to the right, species extinctions do not occur, and productivity of the land has not been damaged, then the system under natural energy inputs (sunlight) can begin to move to the left.

There are no longer barriers capable of withstanding penetration by the industrialized society. Distance, ocean, and geographical formation no longer protect the cultural and biological diversity of the islands of southeastern Alaska, the tropics, or less-developed areas of the continents. Apropos to our model, the innovative technology of transportation, not just the relatively cheap energy source, upon which industrialized man depends, is a force of change. However, the ecosystem model differs in a major respect from its physical analogue: different kinds of energy inputs displace the systems. But given the forces for ecosystem and cultural change, rational choices can be made within limits that do not as drastically or permanently change natural productivity and diversity as other choices. For example, given a choice of exploitation enterprises, it would be better in the long term to leave the natural barriers in place than to disturb them. Flying over the natural barriers would disturb them less and would allow the possibility for the system to return to or near to its original state after extractive enterprises terminate. In contrast, a road through the natural barriers would require energy for construction and maintenance, and the road may function as a permanent disturbance long after the resource has been extracted.

In short, transportation technology -- since the beginning of the industrial revolution -- has accelerated man's capability to pierce protective barriers. Such disturbances are slowed in the National Park Service and other resource-protection efforts, backed by laws (such as the Wilderness Act). These resource-protection efforts have resulted from the realization of the need to reestablish the integrity of natural space and geography in the face of man's often blind, mindless, and uncompromising technological shrinking of

space. Such resource-protection efforts are not enough, however, and are presently applied primarily to preserve areas of outstanding natural beauty, uniqueness, or critical habitat, rather than to enhance the general environment of man. It is time that planners and developers in local, state, and federal governments recognize that natural barriers and geography should not be exploited but should be protected and maintained to preserve the integrity, diversity, and uniqueness of man's own environment.



Footnotes

[1] Darwin, C. 1859. On the origin of species. John Murray, London. A facsimilie of the first edition with an introduction by Ernst Mayr. Harvard Univ. Press, Cambridge, Mass., 1964.

Darwin devotes much of Chapter VI to the importance of barriers although coevolution is not specifically identified. Nevertheless, examples exist of Darwin's awareness of the process between species: in particular, his discussion of the relationships between flowers and insects (pp. 91-94, first edition).

[2] The principle of genetic inheritance was known considerably before the publication of the first edition of the *Origin*. Gregor Mendel's initial publication of confirmation of the principle in plant experiments was in 1866, six years after publication of the *Origin*. The scientific world first "discovered" Mendel's contributions in 1900.

[3] May, R.M. 1975. Stability in ecosystems: some comments. Pp. 161-168 *in* Van Dobben and Lowe-McConnell (eds.), Unifyng concepts in ecology. Report of the plenary sessions of the First Internation Congress of Ecology, The Hague, The Netherlands, Sept. 8-14, 1975.

[4] Allen, D.L. 1970. Historical perspective. Pp. 1-28 *in* Land use and wildlife resources. Committee on Agricultural Land Use and Wildlife Resources, Division of Biology and Agriculture, National Research Council. National Academy of Sciences, Washington, D.C.

[5] Gray, J.S. 1977. The stability of benthic ecosystems. Helgolander Wissenschaftliche Meeresuntersuchungen 30: 427-444.

[6] Holling, C.S. 1973. Resilience and stability of ecological systems. Annual Review of Ecology and Systematics 4: 1-23.

[7] Huston, M. 1979. A general hypothesis of species diversity. American Naturalist 113: 81-101.

FUTURE SELF-SUFFICIENCY AND ENVIRONMENT PROTECTION

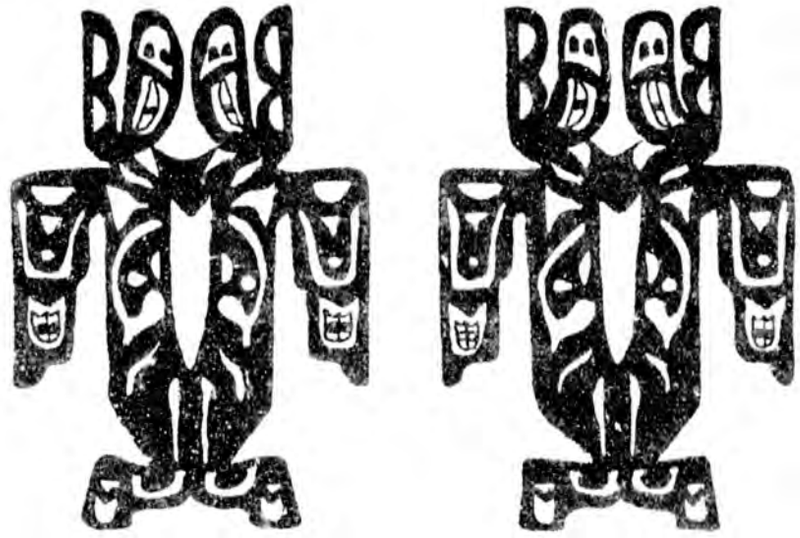
By
David Stannard

We Americans have long prided ourselves as self-reliant "problem solvers" -- a nation of inventors and tinkerers. As part of that, we also have a long history as arch-individualists and reluctant planners. Thus, when we come up against a "problem" too big for us to rise above and see clearly in perspective, then our "tinkering" does little but give the problem time to grow larger. Therefore, this paper tries to pose "The Issues" in their broadest, most encompassing outline. A comprehensive view may suggest coordinated, mutually-reinforcing ways of reaching solutions that would not appear during piecemeal treatment of our "problems".

Recent reports have pointed out that 97% of the food we eat is brought into Alaska from outside. This is a very impressive statistic, though it is, of course, much more generally true of the towns and cities than it is of the villages. Such extreme dependence on the outside is even more impressive when we reflect that it extends into all aspects of our lives -- in fact, not just food, clothing, housing, transport, communications, etc. It is important for us to see that we are even more dependent on the *"software" which we have brought with us* -- social, economic, political values and experience generated in other places and imported to Alaska, largely since World War II. These habits and expectations (which feel "normal" to us) seem to be destroying the environment which brought us here in the first place.

In spite of a widespread yearning for self-sufficiency, most of both the "software" and "hardware" we carry with us remains to be tested for its viable appropriateness in Alaska. It would be wise for us to see ourselves and the way of life we have brought to Alaska during the past 40 years as essentially a 300,000-person invasion force on bivouac, equipped first by federal interests and resources, and then lately maintained by trading off the local oil pool. What, then, will this arctic region *allow* as a *locally self-sustaining life* when these two resources dry up during the next twenty years and we invaders, as well as the native population we proselitized, are left dependent on the land and our personal resources?

Perhaps a clue to what the Region will allow can be found in our pre-20th Century Alaskan cultural heritage. Prior to the recent invasion, which the present majority represents, the people lived in a steady-state relation to the countryside for many centuries: cultures evolved into forms highly stable through time and across the continent in arctic regions. Time and human imagination maximized the quality of life sustainable in this environment. Individuals, small family groups, and even villages of a hundred or more persons held forth in places where local conditions or migration patterns provided a food and shelter density appropriate to the *size* and the *character* of human community that could be self-sustaining there. Whatever wasn't appropriate didn't survive. Individuals and communities that did survive did so because their way of life was appropriate to local potentials -- their lives were well fit to the recognized local resources.

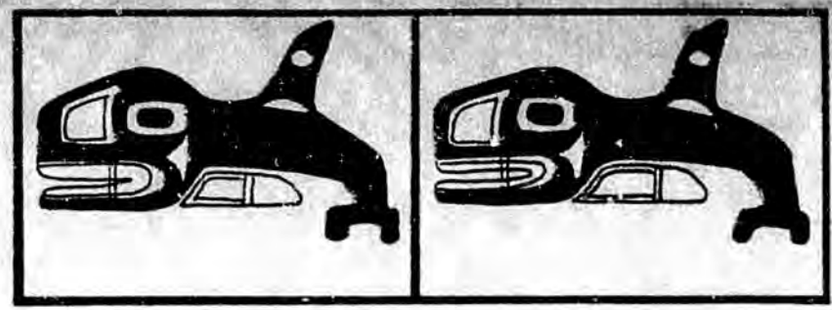


Surely, though, the principle would be useless for suggesting guidelines in respect to political and administrative boundaries, land disposal, transport, capital underwriting, taxation, etc. *unless* highly effective means were developed to recognize and map in elaborate detail the pattern of locally varying renewable resources: food, shelter and energy resources in particular (potential and maintainable). Likewise, in the long view, no one of us is able as an individual to make consistent choices in action -- true to his ideals --so long as he remains ignorant about the varying character of the land and its maintainable resources. Clearly, then, both personal and social hopes cry out for a comprehensive, integrated, and detailed mapping of the ecological and energetic characteristics of Alaska which need to be maintained.

Of course, a great deal of information gathering is already in progress through a multitude of agencies (e.g., USDI/USDA studies, Polar Research Board, Office of Coastal Management, Arctic Environmental Information and Data Center, etc.). The kind of recommendation to be made here relates not so much to information as to the way in which it needs to be evaluated, organized and kept useful.

Effective *means* of estimating the kinds of human activity that would fit and sustain a particular countryside have already been devised. The question of long-term *utility* of these estimates would depend on the set of reference values used in constructing the density maps -- reference values which themselves would need frequent adjustment through experience. These estimating techniques are basic to the design approach in regional planning used by Ian McHarg, and are beautifully summarized in his book *Design With Nature*. Through these means he and many others have been able to estimate the "carrying power" of land and, by that, to dramatically reduce the negative impact on environment that urban growth typically brings. The techniques are, of course, neutral --though they have yet to be applied in estimating potentials for regional self-sufficiency based on local, renewable resources.

Even if it were decided to carry out a regional mapping program of the sort suggested here, it could be devised and put to effective use only if the citizenry were equipped with appropriate "software" -- the language, understanding, and values implicit in these means of evaluating our proper relation to the land. Anyone who has lived a



couple of years or more in the ways of an Alaskan village knows that much of the cultural heritage -- the requisite values and intuitions which emerge from this life of fitness to the land remains alive in hundreds of villages. What is lacking in most of us is the appropriate concept, the abstract images, required to make clear these understandings in contemporary terms. Without them, intuitions cannot be articulated. Among many of the schooled generation of villages, who are the hope of grafting the future onto that local heritage, it is easy to see the disheartening effect of impotence in the conceptual language: persons are caught neither crediting themselves nor credited by those of the old -- *or* the new (invading) -- set of values. The personal and social loss, even now, has been incalculable. The fact is that our future lies with a transmutation of the old with the new, and we will *all* be victims under an avalanche of change if we cannot quickly enough in the future, educate ourselves and our children in the requisite language of ecology and energy flow.

The preceding review focused "The Issues" somewhat, and carried implicit suggestions for action in the political and educational arenas. In these remaining comments I hope to be very explicit.

If it is true that the vanishing oil pools have finally shown us the folly of trying to "master" the environment and urbanize the globe, then Alaska is for the next couple of decades in a fairly unique position: a) in the hearts of its rural population live intuitions and cultural values which evolved congruent with the "carrying power" of the land; b) in its urban population live many people with conceptual grasp of ecological principles and techniques for fitting political action to them; and c) in its enormous, though temporary,

oil pool lies a great capitalizing opportunity to prepare for a new kind of future.

Several immediate suggestions come to mind:

1. *A massive educational program* designed to equip everyone in Alaska with the conceptual language of ecology and energy flow should be devised as soon as possible. This applies, in particular, to the rural population, since they are in a direct, subsistence relation to the land and therefore have the experience and cultural values most needed for articulation in Alaska's future. Programs are needed at every educational level from primary through university to adult, information education. To keep the rural bias of direct experience, and minimize the urban "baggage of expectations", scholarships offered to students of the ecological disciplines should be on priority of years spent in village life. Those from urban background (populations above about 1,000) could be offered student loan monies with discounts for years spent subsequently in rural life. This approach would put people on the land who are best prepared to fit and sustain its "carrying power" and might reverse the urbanizing bias and trend of growth which is keeping Alaska so severely dependent on "the outside". It would also provide the State with a far more articulate voice contributing value and insight from that experience which has kept close to the land.

2. *Local Resources Centers* should be funded by the State, through the Renewable Resources Foundation, and administered and staffed by the local villages. These Centers would study, test, and promote locally any new devices or means which promised to increase dependence on local resources of the renewable sort for food-shelter-energy, and reduce dependence on outside sources.

3. An *Agency For Renewable Resources Density Mapping* should be budgeted. Statewide ecosystem mapping, including resource-density values built up through grey transparency overlays, could serve a multiplicity of purposes -- and become a crucial reference in decision-making. For example, in Finland the entire government zoning and property tax valuation program is established by mapping plant species suites, each of which characterizes one of several stable "Plant Communities" in that arctic region. A national office of land use and tax assessment (headed by an internationally prominent plant ecologist) develops their use and tax zone boundaries by tracing the community outlines of these sensitive indicators of the land's "carrying power".

Such an incessantly updated statewide picture of potential "carrying power", and local environmental sensitivities, would not only provide means of drawing jurisdictional boundaries that were congruent with functional demands of the environment, but should also make it possible to design a land distribution policy much better tailored to the needs and long term satisfaction of individual citizens. People could anticipate and choose their particular part in building a stable, locally resourceful, future for Alaska -- rather than being invited to play the current game of real estate roulette, with more roads and autos and booze required to sort out the resulting chaos.

This is not to suggest that urban concentrations have no place in Alaska's future. On the contrary, the entire purpose of this Agency would be to tease out of our environment that pattern of potential population densities which may be allowed to develop and persist if we know and respect her ways well enough. If a fair approximation of such potentials could be estimated in terms of renewable resources, then it would become possible to rationalize the location of exceptional densities, and stabilize their existence with appropriate trade-offs of regional or outside resources.

4. *A Statewide Conference of Ecologically Concerned Citizens, State Officials and in-State Professionals* should be formed to consider in-depth the possible validity and utility of the preceding suggestion. If Ian McHarg (ecological design consultant) could be hired as a consultant to organizers of the conference, function as Chairman during the proceedings, and prepare a summarizing report and recommendations subsequent to its conclusion, the future of this State would be extremely well served.

No one suggests an Alaskan return to the limits of pre-20th Century life, but the cultural *principle* revealed is extremely important to any healthy society with a long-term future. We can see there a "Principle of Congruence" operating over various levels of the human ecosystem: if the pattern of population density stays congruent with the pattern of *recognized* and *maintained* local resources, a regional culture of stable fitness develops and persists. If, locally, more potential resources are recognized and

adapted, a larger population can be sustained; when local resources are not maintained, the existing population cannot be sustained. Our own 20th Century hope for a much larger stable population in Alaska rests on the possibility that new, far more life-sustaining, local resourses *can* be recognized and maintained: that, perhaps, insight into both ecological principles and the total energy flow will reveal to us a greater "carrying power" of the land.

Obviously, no cultural stability could develop in our own present state where local resources tend to be destructively exhausted and excessive dependence on imported resource tends to go on without regard to ultimate consequences. We, the growing majority, with our baggage of expectations, accelerate the imbalance. In these circumstances, the "Principle of Congruence" could become an essential reference for decision-making in the contemporary political process -- to influence the *character* of judicious statewide development. Since most of us in Alaska find respect for the land, self-sufficiency, and local autonomy as ideals we hold in common, political groups of almost all persuasions should be able to join together in policy-making through agreed upon reference to this concept.



SUMMARY

I have assumed that, because of our pride and self-confidence, we can easily afford to step back and examine the excessive "baggage of expectations" and extreme dependency on outside resources that all of us from "out there" have brought to Alaska with us. This bias is built into almost every action we now conceive, and is destroying our future.

I declared that the cultural heritage of the indigenous population still lives, though these values and intuitions which were well fit to the "carrying power" of the land remain inarticulate for lack of the contemporary conceptual language -- and this lack greatly jeopardizes our future.

I suggested a complex of mutually reinforcing actions that need to be taken soon if the future pattern of our lives is to spread out into congruence with all the sustainable local resources.

LETTER REGARDING HYDROELECTRIC POWER

By
Fermin Gutierrez

For all practical purposes I believe that the State has overlooked one of the largest and most important sources of energy in Alaska, that source being water. I believe that under the Statehood Act, Alaska should be using a portion of its land entitlement in selecting every practical hydroelectric site it can lawfully select, along with the necessary corridors, and where applicable sufficient acreage at tidewater to support industrial complexes. There are those that will argue that the State should not waste its land entitlement selecting hydroelectric sites as most have been classified as such by the Federal government and are available for development. Such might be the case today, but what is to prevent the overzealous bureaucrats from determining or legislating the hydroelectric sites in Alaska into wilderness areas or the like? If someone tells you it cannot happen, please call their attention to Grace Lake in the Ketchikan area which is classified as a Federal powersite now within the Misty Fjords Monument.

There is no reason why Alaska's hydroelectric potential should be dependent on the whims of the Federal government if we move now. Outright selection of practical hydroelectric sites by the State will prevent future Grace Lake episodes, and keep the Federal government from beating Alaska to death with a technical whip.

You have on numerous occasions expressed your concern that a healthy portion of our new found wealth be set aside as a cushion against the time our oil reserves are depleted. I share your concern but do not believe that we have looked far enough into the future. In addition to banking a portion of our present wealth, the energy we are exporting in the form of fossil fuels must be replaced lest we export Alaska into energy extinction.

I question the advisability of Alaska having billions of dollars in the permanent fund and little or no energy. Even with my limited knowledge of economics, it is quite apparent that unless Alaska commits itself to the development of its great hydroelectric potential, the oil exporting nations will in due time have the Alaska permanent fund in their coffers, and they will get it at a faster pace than we saved it when you consider that in the future we will in all probability be paying in excess of ten times more for a barrel of oil than what we sold it for.

I would like to advance a concept wherein I believe the State can retain a permanent fund, provide a non-depletable source of energy, reduce the cost of living for Alaskans, and provide a perpetual source of income for the State Treasury.

I propose that the State of Alaska get into the energy business by constructing hydroelectric projects which would be owned by the State. The projects could either be leased back to those utilities capable of operating same or be State operated. If required, the State would invest the necessary cash in the project, and sell revenue bonds to cover the balance of the costs. The Green Lake Project presently under construction here in Sitka can be used as an example. Let us assume the Green Lake Project were being built by the State under the same financing scheme Sitka used (although I am confident the State would receive more advantageous terms). The State puts up $8.5 million and sells $54 million in revenue bonds for the balance of the project costs. The State determines that it wants X number of dollars paid to it in perpetuity based on the cost of the project or whatever other formula the State might want to use. The annual payments from municipal or private utilities go into the State general fund in perpetuity.

Based on the foregoing example the State would have put up 15% of the costs and brought into Alaska 85% outside money -- not too shabby. In the case of the Green Lake Project, the municipality paid an effective interest rate of 7.3% over the life of the bonds, and there is no doubt that the interest rate would have been 6% had the State issued the revenue bonds. The difference in the cost of interest paid by the municipality over what the State could reasonably have been expected to pay is in excess of $28 million. The savings could be passed on to the consumer or make the State investment that much more attractive.

ALTERNATIVE TRANSPORTATION

By
Allyn Moore

The reality of change in our society, culture and life style encumbers us all to join in the united effort to assure that change is not our master but that we are the master of change. Never before has the need for future vision been more evident and never before has a government been blessed with a greater abundance of natural resources to achieve its future goals. With the proper investment of our present surplus funds, the often articulated economic base for Alaska with employment opportunity for all Alaskans is within reach. Without dwelling on its imperfections, it must be realized that we live in an industrial society and derive most of our amenities from this source. The prime generator of the wealth that supports a self-perpetrating economy are manufactured goods. Alaska today is heavily dependent on the extraction of a finite fossil fuel for her economic well-being. As our oil fields decline we must be prepared to shift our dependence on oil to another more secure source of wealth and energy. The prime requirement and limiting factors of any industrial society are the availability of an ample supply of raw materials and an inexpensive supply of power. Fortunately, Alaska has an abundance of both raw materials and a potential in her water resources for virtually unlimited power. My vision of the future is a state with inexpensive, abundant, clean, secure and everlasting supply of hydroelectric power. This, coupled with the proven incentive of a realistic tax structure will permit the free capitalist segment of our society to provide the future jobs and wealth that will propel us with a greater measure of security into the 21st Century. My vision also includes the extensive use of electric cars for our short range transportation needs. Alaska's small cities with their limited network of road systems and with the availability of abundant electric power could solve forever our short range transportaton problems. I would also like to voice my negative opinion on the building of roads for our long range transportation needs. As the cost of petroleum increases, also the cost of moving freight and people on interstate highways will become prohibitive. The initial high cost of new highway construction and limited capacity for these systems to meet our future needs leave this form of transportation with a severe handicap. Include also the philosophy that all public funded projects should be approached with the goal of enabling all Alaskans to participate equally in their benefits and with the escalation in the cost of private automobiles and the petroleum products to operate them, and many Alaskans in the lower income brackets will be prohibited economically from utilizing the very roads their tax dollars would be financing. With that thought in mind, my vision is of a modern railroad system to serve with less expense and with a greater degree of reliability and speed our interior long distance transportation needs augmented by an expanded and modernized ferry system serving our coastal regions. To facilitate these goals, there must be a political commitment by our Legislature to structure and fund the departments necessary to make Alaska an energy autonomous state.

We are indeed fortunate to have available the natural resources,along with the necessary funding, with only the commitment and will remaining to be invested, which I am confident exists in abundance within our human resources. It is fitting and appropriate that Alaska, the Great Land, should also pioneer the creation of the future society that inexorably will come to pass. My hope is that its structure will be of our own volition. I would like to thank the Future Frontier Conference for enabling these and all other thoughts on what will become our most pressing problems to be presented.



REGARDING RAILROADS

By
Jose Peguero

Alaska needs railroads, and the railroads need Alaska, but most important, Alaska's rate of growth may depend on rail cargo transportation; and planning as well as investing for cargo freight from Canada and the lower 48 is vital now.

We cannot talk about Alaska without mentioning the Alaska population. That population is along the railbelt. The Alaska population boom will keep unfortunately along the railbelt. For whatever reason, the Federal Government is not going to open up the land. If the Federal opens the land, the railroad is the cheapest, fastest, and most efficient way to open that land.

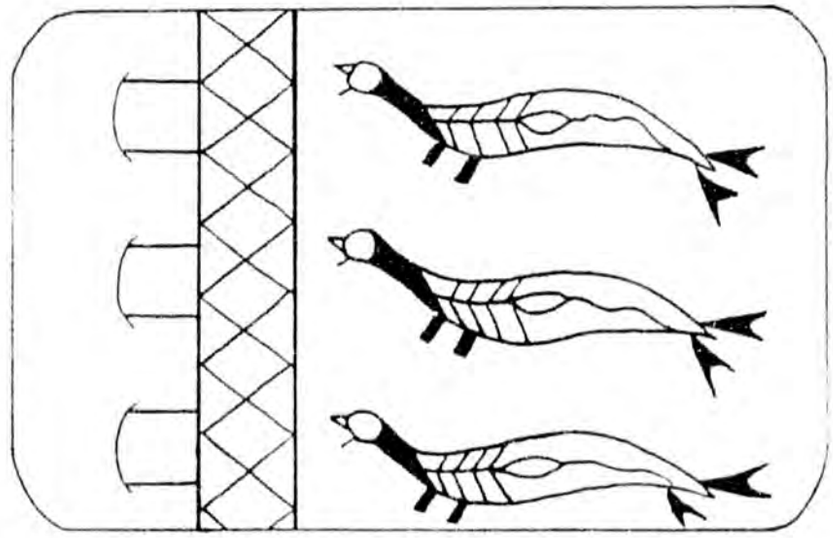
It is more than utopian to think that the Federal Government will contribute to extend a railroad link from Alaska to Canada, when the Federal does not want to open the land now. In order to push the Federal against the wall to open the land, the state has to take concrete measures, to start building by its own effort and resource the railroad link. That will give a very good idea to the Federal, where the state is coming from. If the most important problem for the Alaskan is to open up the land, we should forget about capital move, in which Alaskans are split, and start concentrating on the railroad.

Without a railroad line that link us to the lower 48, no mining will take place in Alaska. Without mining, there are not too many reasons to open up the land. No private investors group will start to build a railroad without giving to them the traditional so many acres as a grant along the entire line of rails. Nowadays, far from the railroad tycoon's age, nor the state, neither the Federal is willing to give such a grant.

The railroad has to keep running in order to make per ton/mile costs meaningful. A railroad to be profitable MUST be interstate. And the same applies for almost any means of transportation, shipping, airline or trucking. And the more combinations there are of all of them not excluding the railroad, the more benefits to everybody, mainly the consumers.

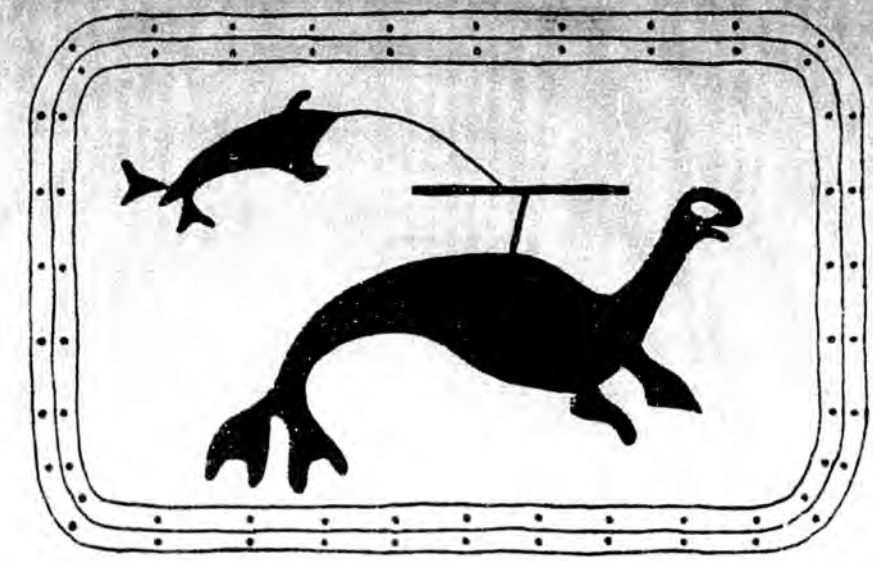
I think behind the government regulation and project lay not a big brother brand of creeping socialism, but always a private vested interest. Unfortunately, or fortunately, we do not have enough private vested interests. Otherwise, we will have seen not just one, but a few railroad links to Canada and the contiguous lower 48. After so much hearsay by everyone in Alaska, the only one that have suited the Federal Government is a mining company. With so many diversity of private vested interests. Behind environmentalism, such a company looks like David and Goliath.

I propose that we should forget about the capital move and concentrate in building a railroad link to Canada and the Lower 48. Because the benefit will be greater to the railbelt area without harm to the southeast.



ALASKA UTILITIES ASSOCIATION

By
Thomas M. Peetz



We would like to suggest to the Future Frontiers symposium that consideration be given to providing a loan fund for all utility companies both publicly and investor owned, operating in Alaska, particularly the smaller utilities. There were 211 certificated utilities in the state as of December 31, 1978. Of this number, only 21 had gross revenues in excess of $1,000,000, and only 11 had gross revenues in excess of $5,000,000.

The greatest problem facing utilities in Alaska is the difficulty in obtaining financing that has a term comparable to the life of the asset being acquired. In almost all cases, smaller utilities are limited to bank financing of 5 to 7 years maximum, even though the asset may have a life expectancy of 30 or more years. The utility, of course, is required to depreciate the asset over its useful life, not the life of the loan. The result is similar to someone buying a house. Instead of being given a 30 year mortgage, the homeowner is given a 5 to 7 year mortgage, but because his "family" is increasing, he is also expected to make additions to his house every year. That is the experience of a utility operator today. Although we are now in a temporary slow growth period, future demands for increased and expanded services are anticipated.

Utility operators are basically "cost-plus" contractors. Their costs are submitted to the Alaska Public Utilities Commission, and after due process a rate is established. Included in those costs is the cost of capital. Although it is of greater concern to the utility companies to obtain a more realistic term (time period), if the state desired to make loans to utility operators at a rate lower than market, the savings would accrue to the rate-payer, since the cost of service is now lower.

Our proposal is to create a procedure whereby utilities, both public and investor owned, could obtain monies from the permanent fund with a term to coincide with the estimated life of the asset being acquired, with a maximum term of 25 to 30 years. To reduce administrative costs, perhaps a bank's participation in a portion of the loan would desirable. The utility would be responsible to show it could repay the loan. The major advantages to this proposal are:

1. The money is spent in Alaska by Alaskans for the providing of vital utility services.

2. Utilities which are forced to make purchase decisions based upon the lowest acquisition cost could now evaluate "lifetime costing". A sound procedure not available to those who do not have access to reasonable financing terms.

3. There is an opportunity to reduce the utility's cost of capital, hence its rates, to the Alaskan peopole, if the legislature wishes to make loans at a reduced rate of interest.

We would be willing to meet with this group, or any other legislative group at any time. We feel Alaskan utility operators provide vital services to the people of Alaska and that the legislators need to understand their problems.

BUY ALASKAN COMMITTEE

By
H. Lamar Gray

The Buy Alaskan Committee is dedicated to promote Alaskan Businesses to Alaskans. Unfortunately, Alaskan Businesses are in a bad state of affairs, as is graphically illustrated by the following:

1. High unemployment
2. Record numbers of business failures
3. Slumping real estate sales
4. High business space vacancies
5. More families moving out of the state than into it

One of the solutions to the problem is for ALL Alaskans to purchase goods and services within the state whenever possible. When we say ALL Alaskans, we definitely include state and local governments.

Right now, the State of Alaska is legally spending tens of millions of dollars for goods and services outside of the state, which could and should be spent in Alaska. We would like to emphasize that these purchases within the state would support payrolls, inventories, warehouses, office space, vehicles, and taxes of all types.

While we realize that some goods and services are not available locally, the large majority ARE available on a very competitive basis right here in Alaska.

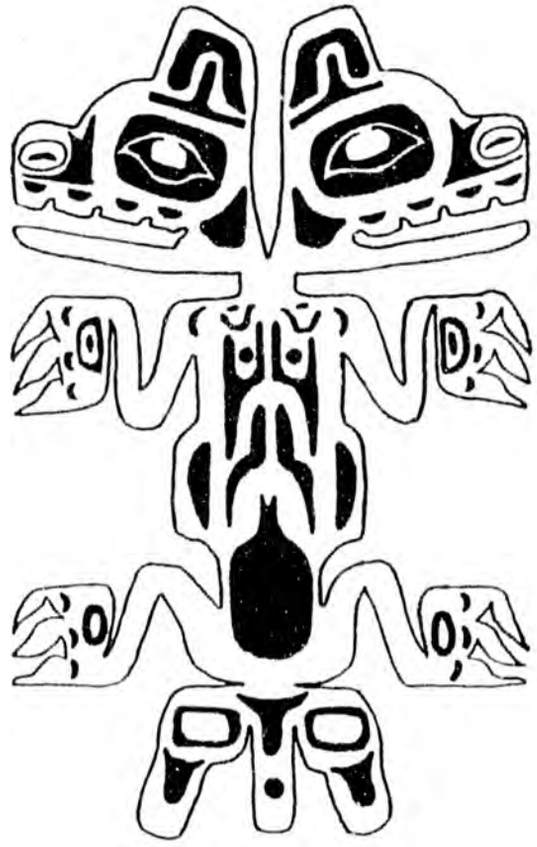
Several state agencies are also abusing their purchasing regulations by specifying "sole source" and "convenience" purchases that are not within the bounds of the law. Several of these instances have appeared in the newspapers recently.

A very good bill already exists that would correct many of these problems. Last year Senate Bill 114 was approved by the Senate by a margin of 17 - 2. The bill now rests with the House of Representatives Finance Committee.

We were hopeful that the bill would be approved by the House during the 1979 session, but the last minute rush to pass the budget prevented the bill from being considered.

Gentlemen, we urge you to support and promote the Alaskan Businessman through Senate Bill 114. The sooner the bill is passed, the sooner the Alaskan business community and the citizens of Alaska will enjoy the benefits of doing increased business with the State of Alaska.

May we count on your support?



ALASKAN MINERALS

By
Thor Brandt-Erichsen

In response to your call for "papers" dealing with Alaskan issues worth addressing, the status of mineral development, its contribution to providing employment and a program of evaluating the economic potential of Alaska's mineral wealth in a cost-effective, timely manner comes to mind. To be specific, for the purposes of this paper, mineral development pertains only to the exploration, extraction and utilization of naturally occurring metallic and non-metallic mineral substances, excluding hydrocarbon constituents of the earth's crust.

Historically, at a time when modern day geology, geophysics and geochemistry were yet to emerge as scientific tools for mineral development, Alaska presented a romantically enticing place to forage for gold, when the price was less than $20 per troy ounce. The history of gold mining in Alaska is rich in the tales of men enduring the hardships of life in a primitive setting, when transportation of supplies and machinery entailed months and years of endeavor instead of our air freight methods used today.

Life styles, scientific methods, and mineral prices have changed markedly since those historic days of mining on the beach in Nome, in the Iditarod district, at Kennecott and in the many other mineralized areas of common knowledge throughout the state.

As a matter of record, Exhibit A, attached hereto includes a summary of "Trends of mineral production of Alaska, 1890-1939" from U.S.G.S. Bulletin 926-A, "The Mineral Industry of Alaska in 1939," as well as a figure depicting "Annual value of all mineral production—Alaska 1900-1965" from State of Alaska Department of Natural Resources, Division of Mines and Minerals Report for the Year 1965.

As an 18-year resident of Alaska, I have personally witnessed our population growth as well as economic changes; the growth in the metallic mineral mining industries has not paralleled the state's growth in other areas. It is my opinion, based on 18 years of observation, that Alaska represents a storehouse of mineral wealth large enough to provide the Lower 48 states with raw materials to keep their economy rolling along, despite mineral shortfalls elsewhere in the world.

Repeatedly, I have asked myself the question: "If Alaska has this mineral wealth, why are there not more active mining enterprises providing employment for our citizens and helping develop a self-sufficient, stable economy in Alaska?" The only answer that comes to me is that the proper environment, incentive and utilization of available knowledge is not currently being provided by the Alaska Legislature.

Problems in the area of mineral development have been well publicized. Currently, the most difficult area deals with land ownership, the D-2 issues and environmental vs. development considerations. It seems foolish to me that the land issue has ballooned out of proportion, when parties concerned with the issues have not inventoried the land on a broad and detailed basis as to its mineral composition and potential for economic mineral development.

The earth's crust is basically composed of only nine elements—namely oxygen, silicon, aluminum, iron, calcium, sodium, potassium, magnesium and titanium, which all together represent 99.25 percent of the rock globe we call our world.* The 3/4 of one percent of the crust remaining represents all the other elements available to man. My view is that 3/4 of one percent of the rock mass in Alaska is of vital economic value to mankind, and particularly to United States citizens and Alaska residents. Therefore, I feel it is urgent that a complete geological inventory is undertaken throughout the state at the soonest possible time.

Since private industry has shown a reluctance to pursue this endeavor due to lack of economic incentive, and the federal government seems more anxious to dwell on hydrocarbon resources within Alaska's borders, while environmentalists would prefer not to learn the truth about economic values at stake in the vast Alaska wilderness, the result has been a continuing lack of precise knowledge in the area of Alaska's economic mineral potential.

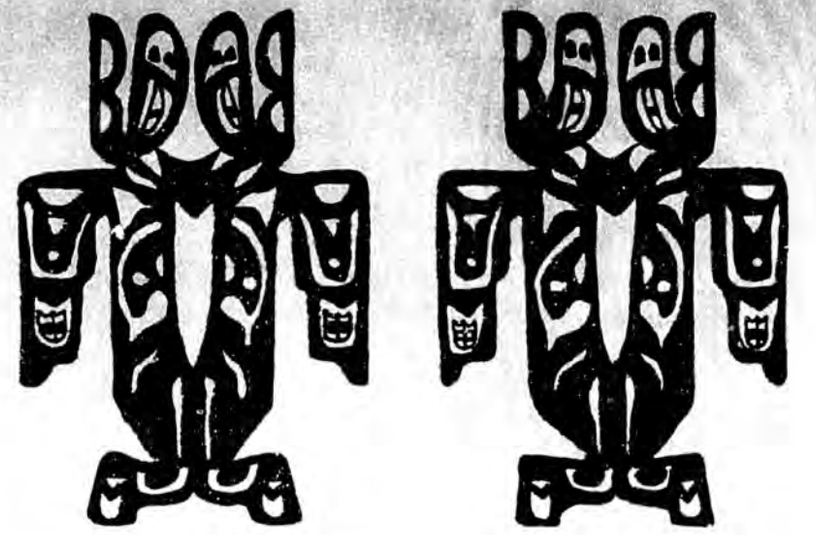
As a solution to this problem, and an aid toward expediting the pursuit of a realistic assessment of Alaska's land, I propose that the Alaska Legislature proceed to set up a corporation for the purpose of carrying out mineral exploration in the State of Alaska, with the right to participate with others in mine exploration and development, and to participate in bringing properties into production.

The organization of this corporation should have a guaranteed annual budget from the Alaskan Legislature in the neighborhood of 2 or 3 million dollars per year for a period of at least ten years. Future production agreements could undoubtedly repay this venture capital.

This is not a new concept. The provincial government of Quebec formed such a corporation in 1965 under the name "Quebec Mining Exploration Co. (SOQUEM)"and has continued to this day with marked success.**

With this approach, the vast exposures of precambrian rock in Alaska could be thoroughly examined through geochemical means, as well as more detailed exploration of the mineral-rich provinces in the state that have yet to see diamond drill core sampling beyond a depth of 200 feet, when Outside there are active mines that go well below 800 feet below sea level.





This proposal is presented with the hope that a detailed examination of its potential will be immediately undertaken by our state legislators in an effort to pursue the future of a self-sufficient, viable economy for our state.

My interest and expertise in the area of mineral exploration is derived from the study of geology at the University of California at Santa Barbara and more than a decade of prospecting in the Alaska bush.

References:

U.S.G.S. Bulletin 926-A, The Mineral Industry of Alaska in 1939, by Philip S. Smith

State of Alaska Dept. of Natural Resources Div. of Mines and Minerals Report for the Year 1965

*The Principles of Petrology, by G. W. Tyrrell, E. P. Dutton & Co., Inc., p. 46

**Canadian Mines Handbook, pub. by Northern Miner Press, Ltd., 77 River Street, Toronto 2, Ontario

MINING IN ALASKA

By
Dick Swainbank

INTRODUCTION - HISTORICAL PERSPECTIVE

By 2000 B.C. a flourishing trade existed across the Mediterranean between the Phoenicians and the Britons. The back-haul was tin. In Cornwall, the early Britons dug shallow pits into placer accumulations of cassiterite and with little capital investment produced the commodity so much prized by the traders. In the Middle Ages, the Cornishmen were digging shallow pits on the vein sources of the placers, and by the late 18th century and early 19th century, the scattered landholdings were being consolidated into well-managed mining ventures which followed the tin veins to depth. Today some of these veins are still worked, using modern mining methods at greater depths than was formerly possible. Metal such as molybdenum and tungsten for which there was formerly no use are also extracted.

The Cornwall area has a recorded history of some 4000 years of mining, and during the heyday (about 1800-1914), in excess of 2 million tons of metallic tin was produced, worth about 32$ billion dollars at today's prices. Thus tin mining in Cornwall was no boom and bust operation. Today, Cornwall is still one of the most scenic areas of the British Isles.

Similar histories can be documented for most of the world-renowned mining camps such as Central Sweden, Central Europe, Mexico, and the Andean Region.

At the beginning of the 20th century, mining was already n progress at many camps in the Rocky Mountains, such as at Leadville and Urad (Colorado), Bingham (Utah), Butte (Montana), and many others. The mining was small scale, for high grade veins and replacement bodies of ore, with a high value for small volumes. In 1899, a young mining engineer, Daniel C. Jacklin, proposed to mine the low grade copper ore at Bingham and almost the whole of the mining and financial world thought him insane. In 1904, the first year of operation, the mine, now the Bingham open pit, made $200,000 profit. In the 75 years of operation the mine has produced more than 22 billion pounds of copper, 10.5 million ounces of gold, 525 million pounds of molybdenum and 95 million ounces of silver. At today's prices, the market value of this bonanza would be $32 billion.

Within a year or two of the start-up of the Bingham Pit, numerous other open pit copper mines were started and many are still being mined 75 years later. Major mines now exist near the sites of some of the old vein mining concerns -- the Anaconda Mine at Butte, Montana; the Climax molybdenum mine near Leadville; the Henderson Mine at Urad. A recent discovery of high grade ore near the Bingham open pit -- the Carr Fork deposit -- promises to extend the mining life of the area considerably.

As in Cornwall, the history of these mining districts progressed from one or two-man operations, to consolidated holdings of a minor company, to large operations with each step requiring greater amounts of up-front financing, and each able to work progressively lower grades of ore.

MINING IN ALASKA - HISTORICAL PERSPECTIVE

Around the turn of the century an overflow from the Yukon goldrush crept over the border in Alaska. These prospectors had arrived in the Yukon to find most of the placer ground staked, and they sought their fortune elsewhere down the Yukon. The gold placer camps in the Fortymile and Circle-Central were founded, and the operations began with one or two men, with little or no capital, working their chosen creek. Some walked over to the Ophir Creek diggings, and then on down to the site of Fairbanks to seek provisions. The great Fairbanks mining district was discovered. As the best ground was taken, the residue moved on. New mining districts were found and new "rushes" to these areas occurred. Most of the placer mining districts had been discovered by 1920, and by then the consolidation of the holdings had begun, though even today family operations feed possibly six hundred families in Alaska.

The consolidation of the placer ground led to dredging of the lower grade gravels by companies such as the "F.E." in the mid-1920's. These operations, under the names USSR&M, UV and Alaska Gold continue today with an almost continuous 50 year history, hardly "boom or bust."

Lode gold was mined near Juneau from about 1880 to 1942, with about 7 million ounces production and a direct employment of more than 1000 persons. Except for government, few operations employ as many people today!

Thus, gold has, by and large, been the mainstay of mining in Alaska, though the great copper bonanza at Kennicott, which produced 1.2 billion pounds of copper and 9 million ounces of silver between 1907 and 1938, and the ongoing coal mining at Healy cannot be ignored. Minor production of antimony, mercury, lead, zinc, tin, platinum, silver and barite have in the past contributed to the Alaska economy, but the operations have all been characterized by relatively little capital investment, and should still be considered in the pre-consolidation phase of the historical development of a mining district in a worldwide context.

In the early 1960's a new phase of mining began with the general availability of air transport, particularly helicopters, and the perception by major mining companies that only in frontier areas could ore deposits still be discovered near the earth's surface. The new impetus was helped by the interpolation of mineral zones in Alaska between known deposits in the Yukon Territory and Siberia, and with the discovery of interesting copper mineralization at Bornite. Exploration monies began to flow to Alaska, which was perceived as relatively stable in a political sense, and a good bet for the expenditures. Since then the type of commodity sought and the type of deposit (e.g., porphyry or massive sulphide) have changed in response to price fluctuations in the commodities market, but today exploration produces seasonal work for about 2000 persons and introduces about $70 million in new capital to Alaska.

MINING TODAY, A COMPARISON

In the Yukon Territory, the Cyprus Anvil Mine, 350 miles from tidewater is as remote as anything in Alaska. The deposit was discovered in 1953, and mining began in 1969. It has a projected 15-20 year life and presently contributes 40 percent to the economy of the Yukon. Some 350 families derive their livelihood from the operation.

A review of the Yukon and Northwest Territories shows that the annual per capita income from mining is $8,000 and $6,300 respectively, and that the average number of people employed in the mines is 160 and 190 respectively. Canada-wide, the number of people employed in 50 open pit and underground mines ranges from 10 to 670 persons, with an average of close to 200.

The geology of Alaska indicates that it has the same potential for mineral occurrence and mining as does the Yukon Territory and the Siberian area of the U.S.S.R. In both the U.S.S.R. and the Yukon Territory, the U.S. Bureau of Mines has indicated 31 or 32 prospects of merit. In the Yukon Territory, 8 mines are presently working. Within Alaska, some 236 significant mineral deposits have been identified, and a map was compiled by the Northwest Miner's Association with significant help from all portions of the industry in an unprecedented cooperative effort.

It is important that Alaska take the next step in the historical development of a mineralized area if mining is to be considered anything other than a scenic nuisance.

MINING IN ALASKA - THE FUTURE?

It is vitally important that a decision be made at the highest levels of State Government in the near future as to whether or not mining will be accepted as a welcome neighbor in the State.

Alaska is only a small part of the world, and exploration monies scheduled for Alaska are being diverted because of two major factors. The first is land withdrawals. It is obvious that without considerably less compromise on the part of the State, the Federal Government is going to withdraw from mineral development (i.e., appropriate) some 80% of the "significant mineral deposits" mentioned above. More worrisome to investors is the perception that if the State itself is apathetic towards mineral development, as evidenced by land classifications barring mineral location, by selection of mining districts for land disposals, by numerous

overlapping restrictive regulations, by leasing proposals, and by the proposed creation of parks in former mining districts.

The second dis-incentive to expend exploration dollars in Alaska falls under the general heading of "taxation." Why would a company expend several million dollars in exploration for a deposit when the stated Administration philosophy is that "Minerals belong to all the people." The general attitude to that Marxist philosophy is to explore elsewhere. It is of interest, in this regard, that the proposed leasings bills, HB's 410 and 420, were drafted by a highly regarded advisor to the State Administration, who is now considered to be a "most valued member" of the Alaska Coalition.

The experience of the oil companies in Alaska, whose successful efforts are penalized by ever-increasing taxation, is also viewed with alarm in mining circles. Only if the numerous failures can be recompensed by a successful venture will exploration capital continue to flow. Monies scheduled for British Columbia were diverted to Alaska in 1973-76 until their Marxist government, with their punitive taxation, was finally ousted.

The Stanford Research Institute Report has been widely quoted, and the seven mines identified as being most likely to produce in the next ten years -- Lik, Arctic, Eagle, Green's Creek, Quartz Hill, Picnic Creek, Bohemia Basin -- are well known. If these deposits were to be mined, they could produce 9,500 new jobs in Alaska and add new monies to the amount of $1 billion annually to the economy.

More important would be the momentum generated, and the incentive to further explore whichever of the 240 "significant mineral deposits" remained at that time outside of the National Parks and Monuments. It is therefore extremely important that the State of Alaska and the Congressional Delegation begin to recognize that there are not *only* seven mineral deposits, but maybe as many as fifty or even one hundred.

The Quartz Hill deposit appears to be "World Class," and as such, is likely to have a mining life of 40[1] years, and perhaps, like Bingham, up to 100 years. Several hundred people will be employed, *lifelong*, if they wish. It is this kind of stability in areas other than tax funded government which Alaska so desperately needs. Once Alaskans are trained for the jobs, it is unlikely that an influx of workers will arrive to work a 40-hour week, and so the boom-and-bust cycle could be dented, if not broken.

The S.R.I. report also notes that less than 0.2% of Alaska would be disturbed by mining, and the historical perspective of mining would support that contention. What higher use, even if no revenue were to derive to the State, would one-fifth of 1% of the land have above a stable future for 10,000 Alaskans? This future could be ours with little or no impact, except on one or two of the 5,000[2] anadromous fish streams in Alaska.

If these dreams are to be realized, then the State must begin to look upon mining as a desirable co-equal partner in the economic framework of the State. There must be a cessation of the attitude that taxes derived from oil and mining should be used to subsidize only forestry, farming and fishing. Finally there must be a realization that profits from oil and mining are different by orders of magnitude, and that the production cycles of the two are incomparable.

INCENTIVES TO MINING IN ALASKA

The most important incentive at this time is a solid statement that mining is viewed by the Administration of the State of Alaska as a desirable industry.

Several other incentives can be offered -- a reduction in the mining license tax in return for concessions from the mining companies would be viewed positively. Such concessions might be agreements to produce in a timely manner, to train and hire local persons, to return a portion of "windfall" profits to exploration in Alaska, to add "custom" treatment facilities to standard plant, or to provide infrastructure to operations other than their own.

A definite incentive would be to restructure, with little or no additional hiring, the Department of Natural Resources. A full Department of Minerals and Energy Resources could be split out from the D.N.R., and by use of people presently employed in other sections, would form a knowledgeable nucleus with the welfare of the industry at heart, rather than a tolerant attitude as at present. The Division of Lands would have their fundamentally important func-

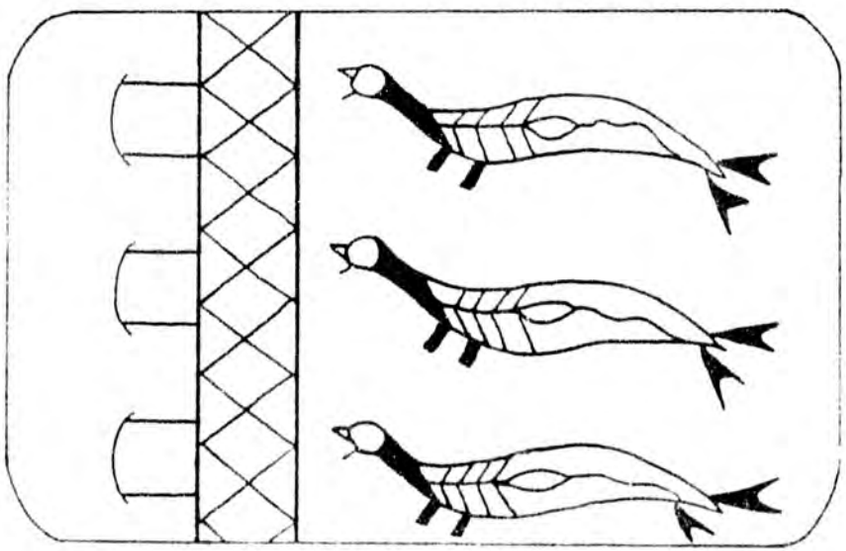
tion reassigned to an Alaskan Lands Commission. A suggested organization chart is attached.

Though unpopular at present, consideration should be given to infrastructure, particularly transportation, subsidy by the State. Such investments have, by tariff charges, paid for themselves with dividends in Canada.

Basic data generation by such bodies as the Division of Geological and Geophysical Surveys, and the timely publication of the same, should be encouraged by the State, either by mandate or increased funding.

Consideration should be given to prospector and drilling or transport aid through some form of loan or assistance, since many mineral deposits later developed by major companies are discovered by the individual prospector.

Adoption of some of these suggestions would indicate to the mining companies that Alaska looks toward them as responsible and welcome partners in the future, and would help offset the decline in exploration activities which is certain in response to the present taxation policies and land withdrawals.



REGARDING LOCAL MANUFACTURING

By
John Nystrom

First I would like to express my appreciation to the sponsorship of "Future Frontiers" by the State Legislature, the Chairmen, Senator Hohman and Representative Meekins, the Delegates present and of course an invaluable staff to ingest this task and putting it into a functioning product.

It is with great need that a huge and diverse country, with so much natural and human resource, have a forum Review over such rapid strides since statehood. And to project and plot some of the best courses possible for our immediate benefit and to those Alaskans yet to be.

My thirty-five years in Alaska have been exciting and fulfilling. I have traveled to at least 90% of this tremendous country and have lived in all the climatic zones with the exception of the Arctic Slope.

I have arrived at a few conclusions, and will do so given this Forum opportunity.

First, I highly recommend to the Alaska State Legislature that it form and fund with impetus a Blue Ribbon (panel) Committee to study certain (viable) resources, labor, markets-State, National, International for *Manufactured Alaskan Products.*

The flattening local, and national economy is something of a reminder (Anchorage) of being back to the pre-pipeline days, where nearly half of the local economy is generated by Government programs and jobs. This is often the continual case throughout the State.

To some extent this has been counterbalanced with great sales of raw-resource, fish, timber and now a strong state income on sales of crude oil.

Herein lies the problem, there simply is not a "middle level", that can insulate us against permanent disabilities of sale of non-renewable resources including the permanent exclusion of vast amounts of land to the use of Alaskans. Monuments are definitely an example of non-use resource or otherwise.

We certainly conform to the prevailing opinion of ecological use maximizing our preservation of the natural environment, but to our absolute exclusion?

I do know what the lack of controls can leave and as a youngster played among the desolate tailing piles of the gold fields and the copper pits of Kennecott, to name a few.

Again Alaska's contribution to the Gross National Product is indeed a peculiarity among the fifty states, basically hostage by small population and vast resource.

We simply manufacture little or nothing.

We leave it to economists who say labor is too expensive.

We leave it to entrepreneurs who wind up making the immediate dollar, retailing from national outlets.

We leave jobs, jobs-as catch phrases for political candidates or office holders as campaign fodder, but all too often basic development plans are lost in the workload of the Legislature.

I just simply believe that our degree of technology, computer wizardry and the strong Spirit of Alaskans is falling far short of the challenge.

It has become a "state of mind", well "this certain product is being shipped in by Sea-Land or Tote carriers." Self-sufficiency of good Alaskans certainly sounds good but just isn't there in the material sense.

Well I feel we are sitting on this one.

The Nordic countries with numerous costs are simply more productive and spirited to these ends.

It is manifest for us, writing Alaskan history, a state moving into its third decade to produce hand-machine made goods, rather than bear such a tremendous raw resource outflow.

Please, we must examine this and put it to resolve, before the state and private sectors.

I would like to represent one other position briefly here. That is the possibility of redistribution to Alaskans in some form a "windfall" royalty from Alaskan crude oil.

The Governor's office has been in a "huddle" and criticized with regard to discontinuing the state income tax, or a viable tax credit (energy) to Alaskans.

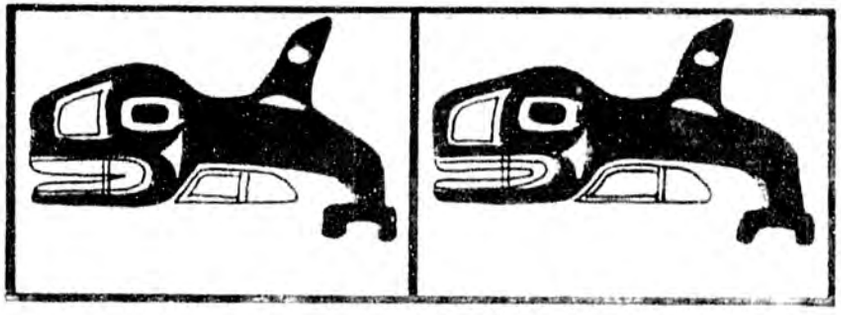
I urge that an Energy Tax Credit be put on line on a sliding scale.

The Alaskan home owners would be receiving the maximum tax credit benefits and renters, lessees and down the line.

We must consider the homeowners as a prime target of energy tax credit. They support ultimately the many services that comprise our many cities and towns statewide. Consideration may also be given to the length of residency and home ownership such as given to Alaskan pioneers.

Again, I cannot emphasize enough, giving the Alaskan homeowner a strong incentive in an energy credit not solely on energy used, but *saved!*

Perhaps there will be a chance to expand on this during the Forum. Thank you.



AN AGRICULTURALLY STRONG INDEPENDENT NATION

By
Dan C. Hadley

Alaska is either on the verge of a brilliant agricultural future with thousands of prosperous productive farms incorporating millions of fertile acres; or will be relegated into a few thousand acres, watching itself gradually die-off with less and less vitality each year. In this article I wish to show: what can be grown here, how much, what quality, where it can be grown, how much yield, how much acreage could be involved, and the tremendous dollar value.

I have lived in Alaska nearly 10 years and love this place called Alaska. Although I have only lived in Palmer 5 years and farmed a small 5 acre farm there, I have studied Alaska and its incredible resources and potential since I was in high school. The most remarkable and least heralded prospect is its immense agriculture potential.

My field acreage is small, but every year wheat, barley, oats, rye, rapeseed, and buckwheat mature in bountiful quantities with high quality. I grow lettuce, zuhccini, cauliflower, and broccoli commercially, but I like to experiment too. I have successively grown watermellons, cantelopes, bell peppers, sweetcorn, tomatoes, eggplant, and cucumbers; all outdoors. Almost all of these have taken first and second place ribbons at the State Fair in Palmer. In our home garden we grow practically everything we eat. Besides the usual Alaskan vegetables like cabbage and carrots, and the warm weather things mentioned above, we grow many types of squash, popcorn, strawberries, dry onions, acorn squash, navy beans, green beans, gourds, and sugar beets. We are probably the only commercial pumpkin grower in Alaska growing between 50 to 100 large ones each year in the stump rows between the wheat fields. If all this wasn't enough, there also have been very encouraging results in experiments in apple, cherry, apricot, pear, and bush berry production. It has been my good fortune to have assisted in a small way in this exciting and successful experiment.

All this is not intended to impress you about my powers as a farmer and gardener, but rather to demonstrate to all Alaskans just what can be done up here if selected U of A tested or specially developed seeds and root stock are used along with proven and newly established cultivating procedures.

Among the sources I used to compose this article, I found the following publications most helpful:

1. Alaska's Agricultural Potential, Rural Development Council
2. Soil Conservation Service 1973 Summary
3. Creating a Northern Agriculture, Institute of Ag. Sciences
4. Various Agriborealis publications, U of A Div. of Ag. Science

Other sources were most helpful as I have tried to keep up with recent developments, and have done some research on my own.

Most folks from the "outside" are shocked to learn that Alaskans only produce 5 percent of the food they eat, importing the remaining 95 percent. It is shocking to note that the delicious lunch today was almost completely imported. This is not the Greenland Ice Cap. What is the problem? It seems that unavailability of land, government strangulation, and adverse marketing systems combined with resulting small scale of production (making it impossible for farm supportive businesses and co-ops to survive) are the culprits. The state government is as guilty of all of this as is the U. S. federal government. It has been the federal policy in regard to lands and development to "inhibit agricultural development so as not to become competitive with in-place agricultural systems in the lower 48 states". Just how much land is involved, especially if we look at the whole picture excluding the arbitrarily drawn lines on the map for conservationalist withdrawals? At one time it was stated that there was only several thousand acres that could support agricultural development, and that nearly all this acreage was already developing on the Kenai Peninsula, the Matanuska Valley and in the Tanana Valley near Fairbanks. Since the soil conservation service (SCS) did their study in 1972 and 1973 (and subsequent follow-up work in the years since) literally millions of acres of prime agricultural lands have been identified. Their first report stated that there were some 16 million acres of lands containing Class I, II, III soils. Since then the figure has risen to: 17.5, 20, and 21 million acres. This land, besides being fertile also is climatically suited for

the maturing of all small grains (i.e., wheat, barley, and oats) as well as the usual Alaska vegetable varieties.

Twenty one million acres of land is equal to 32,815 square miles, and is a tremendous amount of land. This is approximately equal in size to: the States of Indiana and South Carolina, and North and South Ireland combined, and Lake Superior. Although only Iowa farms most of its acreage, most other states till only the farmable lands which are only a portion of their states. For example: California farms about 10 million acres, Oregon about 5 million plus, and Washington state less than 5 million. Combined, these three states farm less than the latent agricultural lands in Alaska. Alaska now farms about 17,000 acres out of this 21 million, with the Delta Barley Project (semi-private-government owned) soon adding just 65,000 acres. In addition to this tremendous acreage there is also another 10 million acres of prime grazing lands, and approximately 100 million acres of reindeer lands.

Just what could be produced on 21 million acres of tillable and reindeer lands? Here is just one projection of what could be accomplished. Keep in mind that all these items and quantities are combined to form a whole; they all add together to form a complete 21 million acre production. (Helpful source: Creating a Northern Agriculture, Inst. of Ag. Science).

2,152 million pounds beef
3,135 million pounds pork
.8 million pounds lamb
13 million pounds reindeer
500 million pounds milk
18 million dozen eggs
.4 million pounds wool
11 thousand tons oats
1 million tons vegetables
2million tons fruit and berries

Some projections as to area and production per year:

(in millions of pounds)

AREA	Beef	Pork	Milk	Grain
Upper Yukon Valley	1,164	2,444	0	90
Tanana Valley	671	1,247	400	50
Mat-Su Area	353	421	200	22

The total dollar value from this agricultural production in 1975 dollars would total 5,415,680 dollars. This would also employ a yearly investment of 73,882 man years of labor, providing employment to many more than this figure since farming would utilize part-time help. Too many of our youth are going jobless, but why couldn't they be helping the farming enterprise while earning and learning.

The business spin-off from all this is equally exciting. Just to support such an existing farming structure, the following would be needed annually:

3.8 million pounds of fertilizer
278 thousand gallons diesel fuel and gasoline
2,500 tractors
627 plows
275 combines

The equipment, supplies and services needed for this mass farming enterprise would also employ thousands of people as well as make possible the existence of many lucrative businesses in the supply and service areas. We could supply 20 percent of the red meat consumption in the United States and provide food and feed grains to much of East Asia. This would enable Alaska to do much to alleviate the starvation and suffering in Asia and the world, as well as assist other developing nations with these needs.



Alaska has 430 more hours of sunshine than Chicago, Illinois. That is the equivalent of 36 - 12 hour days. Therefore, when considering the lower 48 states and the 3 months of summer there: while they are having 3 months of sunny weather, we here in Alaska are enjoying 4 months in just 3 months. Also, when you consider that vegetables also grow in twilight our plants never stop growing in the summer (summer nights are dark down there). No wonder our cabbages reach 70 pounds and more up here and our turnips grow to over 40 pounds.

Yields per acre are also higher. Here are some examples:

Average Yield comparison per acre: Alaska / U.S.

	Alaska	U.S.
Cabbage (6467)	69,604	21,800
Broccoli (Gem)	17,338	7,700
Beans (Provider)	19,213	4,720
Cucumbers (Tripple Purpose)	57,182	9,380

The quality of Alaska's agricultural products is also markedly higher. While small grains yield higher averages per acre than those in the lower 48 (occasionally breaking national records), these small grains are consistently very high in protein and milling quality. Recently one of our wheat varieties was tested in the University of Nebraska Milling Institute. On a scale of 100 points, Chena wheat ground fine enough to rate 98 points. Only one other wheat ever tested there scored higher (99), and our wheat was said to be the second best ever tested there. Vegetables have also had similar success. A test done at the Matanuska Experimental Station a few years ago tested cellulose thickness (the outer protective fiber layer that can make vegetables tough), and sugar content. They found a significant difference in cellulose thickness, and the sugar content to be almost half again the U. S. average in many vegetables.

What does all this mean to Alaska as an independent nation? First of all it means that we can very well fend for ourselves by providing most of the meat, cereals, breads, dairy products, vegetables, sugar, and even some fruit. We can also export a substantial portion, further enhancing the balance of trade in our favor. This concept will also encourage settlement of land by turning these valuable acres from government ownership to private ownership, and thus becoming tax-generating instead of a tax burden. The settlement and use of our rich latent agricultural lands will also contribute to our national defense. By spreading the population over the land a potential enemy would have a much harder time sweeping over the land to eliminate defense installations. People would be much more reluctant to fight to protect a huge park than their own private property farms.

Alaska indeed has a brilliant agricultural future. Everything we use need not be grown here, but there is no reason for anything like the present situation to persist. With malnutrition raging around the world and the Alaskan people starving for land and opportunity, it is a crime not to utilize this immense resource in land. I'm tired of land planners classifying prime lands into perpetual moose pasture, bureaucrats hiding facts from the public, and seeing condominiums springing up like mushrooms in Anchorage and Fairbanks.

We have everything we need to be a truly "great land"...We have bountiful oil, minerals, fish, timber, and rich agricultural lands waiting for the prudent and hard working farmer. Everything, that is, except the opportunity to accomplish these goals. Alaska as an independent nation would be in the best possible position to ensure its people the freedom, liberty and land they need to build Alaska into the nation that we all dreamed of when we aspired to become a state in 1958. Independence is growing in popularity at a rapid rate and we need to plan now a great, strong and free nation known the world over as "Alaska".



ALASKAN RESOURCES AND ECONOMIC DEVELOPMENT

by
Robert B. Gibson

Alaska has, since its first "discovery" by Western European Civilization and its American representatives, been a valuable source of raw materials, much as were other Crown Colonies of the European countries in other parts of the "New World."

This situation has not substantially changed since the days of Vitus Bering and Captain Cook.

Outside capital has not been, and probably will not be, willing to invest in industry within Alaska which will contribute to Alaska's internal economy or control of its own economic destiny, let alone its entry into the world market place.

Because of this historic lack of resident venture capital, and the relative scarcity of a large resident labor pool, both the control of the sources of our wealth in renewable and non-renewable resources and their marketing have remained beyond the control of either the citizen of the state, or its government.

Our gold built the port of Seattle, and the gold is gone. Our fish have sustained it, and to this day most of the fish market is controlled "outside." Our timber goes out as logs and is sold back to us after outside processing. Our petroleum wealth goes out on ships, and returns after processing at elevated prices. That same petroleum provides the fertilizer and energy that grows the foodstuffs and meat we import. Added to the processing costs we must pay, are the high transport costs (petroleum based) for all of our imports.

Our sole significant source of taxable wealth for the foreseeable future is our mineral wealth.

This wealth must be utilized to foster and, as required, support the growth of an Alaskan economy, diversified and self-sustaining, which will assure economic independence for Alaska.

Those of us who live here have found a way of life satisfying to our own needs and requirements, and need to be able to afford to live here. But as long as this state remains a Crown Colony, it may be a mootly affordable luxury. In this light I should like to propose the following policies be given consideration by the Legislature and the Administration of Alaska.

Alaskan Oil and Energy

No more immediate threat, or challenge, faces this state than the current world-wide energy crisis. Alaska may be a major oil producer now, but the oil is a finite resource of increasing scarcity world-wide. It may produce revenue in the form of taxes, and some employment for Alaskans, but to depend on it as either a continuing source of funds for the state, or on the continuation of oil based energy beyond for more than twenty years is unrealistic.

Alaska will have economic independence directly as it develops a realistic and sane approach to the energy crisis. It is uniquely in a position to do this with oil revenues financing the transition. There is no question that the transition must be made. It is only a question of when. Alaska can and should lead the nation in meeting this challenge. To wait for a Federal Energy Policy based on factual imperatives will be akin to awaiting the Millenium. To this challenge we propose:

An Energy Policy which will have the following goals for realization within the timetable(s) indicated.

1. By 1985 Alaska will have reserved, for use within the state, sufficient petroleum reserves from proven resources, to meet the projected needs of its population for 50 years.
2. By 1990, the refining and distribution system required to distribute this resource to all parts of the state shall be on line and operating.
3. By 1982, a plan shall be developed which will provide that all technologically and economically feasible public utility systems providing electrical power within the state shall be converted to the use of renewable resources by 1995 and - -
4. By 1985, legislation and appropriate financial incentive for such conversion, either in the form of seed monies, tax incentives, or other means, shall be provided by the state from oil revenues, and -

5. By 1990, such a conversion shall have taken place. (see III & IV)

6. By 1982 a statewide building code be enacted, for both the public and private sectors, which will comply, as an absolute minimum with the provision of ASHRF # 90-75A, and that means shall be provided for the enforcement of that code.

7. By 1980, waste heat recovery in public power generating utilities will be statutorily recognized as an acceptable expense for incorporating into the rate structure of such utilities, or shall be deregulated completely.

8. By 1980, legislative action will have taken place which provides that alternative Energy resource research and development, appropriate to the regions involved, will be adequately funded, and regionally administered.

An Energy policy which will have the following goals for realization within the timetable(s) indicated.

9. By 1980, legislative action will have taken place which provides that alternative Energy resource research and development, appropriate to the regions involved, will be adequately funded, and regionally administered.

10. By 1980, legislation will be adopted which will provide for and fund regional Energy Planning Councils throughout the state, said councils directing and controlling the implementation of such of the above policies and legislation as are applicable and enforceable within the region.

Food and Agricultural Independence for Alaska

The Agricultural potential of Alaska is one of its least developed renewable resources. At least 95# of the food consumed within the state is imported. Yet, with its vast land area and extreme variations of climate and soil conditions, this state has the potential of not only feeding its own population within a decade, but entering the world market as an exporter of grains and protein.

Many agricultural techniques practiced elsewhere in the world in countries of lower latitudes may be directly transportable and applicable to Alaska. Northern European and Siberian agriculture is already developed far beyond anything we have considered for Alaska. It should be studied for application in our own situation.

Perhaps the most quickly realizable agricultural potential lies in



the state Animal Husbandry field. The Aleutian Islands have already proven to be rich cattle and sheep grazing resources, usable as locations for large-scale ranching operations. This is a basic industry which cannot fail, especially in light of the protein deficient conditions of most of the nations bordering the Pacific Ocean Rim to the east.

With the dwindling of petroleum resources that provide the base for many synthetic fibers, wool will experience a resurgence in popularity.

There are vast hundreds of thousands of acres of tundra lands suitable for reindeer grazing. This potential could help turn many rural areas into economically self-sufficient units, with an export potential unlimited.

Basic attitudes and some legislation about reindeer will have to be changed. Siberian reindeer husbandry is a major industry involving more than 8 million animals. Alaska has less than 50 thousand domestic animals in small, localized herds, the meat from which is nearly all consumed locally. Restrictive legislation at the federal level, which limits reindeer ownership to selective ethnic groups, must be repealed, and venture capital must be encouraged, with state loan guarantees and technical support provided to potential reindeer industry development.

Farming methods which enhance the fertility and quality of the soil should be encouraged. Specifically, organic fertilizers, mulching, and the return to the soil of fibrous matter is a must. Agricultural homesteading provisions should be fostered which encourage both the small and large entreprenuers with appropriate subsidies available to provision of foodstuff for the Alaskan market.

Legislation and policy implementation to achieve the following goals should be enacted within the next two years:

By 1985 Alaska should be producing 20 # of its dairy requirements.

By 1985 Alaska should be producing 15# of its root and garden vegetable requirements.

By 1990 Alaska should be producing 50# of its animal protein requirements.

By 1990 Alaska should be producing and processing, within the state, all of its requirements for ocean protein indigenous to Alaskan waters.

By 1990 Alaska should be producing all of its fertilizer, and be a potent force in the export market.

By 2000 Alaska should be, for foodstuffs economically feasible to produce within its boundries, self-sufficient.

Transportation

Alaskan economic growth and self-sufficiency is utterly dependent upon an internal transportation system. Interior Alaska has some highway and rail service along the rail belt. The remainder of the state is served by water and air, with some local highways activity.

The water transportation of the state is centered in and controlled from Seattle. Such intrastate movement of commodities as takes place, beyond the reach of the rail belt, is by air. The speed and convenience of air service is attractive, but it may be actually impeding the development of the state's overall economy. By way of illustration, consider that:

Air transport is the least economical in terms of ton-mile costs, per unit of energy expended.

In an era of increasing petroleum fuel costs, freight and passenger rates are bound to rise.

The commodities that can be shipped intrastate by air may soon, because of increased air freight costs, be luxury items.

The first potential for Alaskan economic development should be the marketing of Alaskan goods in Alaska. Yet if transport costs make such a prospect economically unfeasible, we shall continue to be frustrated in such development.

Development of the sustained-yield renewable resource potential of the Alaskan "Bush" will be directly proportional to the ease and economy of transport of its products to internal and external markets.

Most of the state north of the Aleutian Islands is only seasonally served by Seattle-based water transport.

The legislature should address the feasibility of several possibilities with the object of linking various parts of the state together by other than air transport, even though immediate prospects for profitability may be moot. Where appropriate, state subsidies, loans, or tax incentives should be provided for private industry. Where such an approach cannot be effected, the state should consider direct involvement, the precedent for which has already been established with the State Ferry System.

Innovative alternatives in modes of transportation should be studied, fostered, and encouraged.

Extension of rail service from Alaska to the rest of the United States (except Hawaii) through Canada should be encouraged and financially supported to lower freight rates on materials coming into Alaska from the East Coast and Middle West, by eliminating trans-shipment costs at rail/waterheads.

Rail transport within selected areas of the state could substantially lower living costs for the areas served.

Regional highway systems, perhaps seasonal, could lower costs of distribution from Western Alaska Seports and major distribution centers to villages served by them. Kotzebue, Nome, Unalakleet, St. Michaels, Bethel, and Dillingham seem good prospects for such consideration.

Enlarged, diversified, flexible transportation within the State of Alaska will create its own market for services and revenue, by opening up areas not now easily or economically accessible. It will promote tourist travel.

Public Transportation can survive as an economical alternative to the proliferation of urban automobile traffic. The economics of gasoline and diesel powered automobiles may well provide the incentive on the part of the public that no amount of exhortation to conservation can accomplish. Such public transport should be adequate, not only for the urban care of our large community, Anchorage, but for the suburban areas as well. Monorail trunk systems, with local small or miniscale feeders, would relieve main highway feeder congestion, and reduce the present passenger-per-mile costs of the busses. Monorails are less subject to weather disruption than surface transport, are very fast, safe, and attractive alternatives to automobiles. Electrically powered, they are non-polluting, and most economical of resources.

Inland Waterways have great potential for inexpensive, albeit seasonal, transport into and from areas otherwise unserved. As it is now, only salt water systems get attention from the Coast Guard. Where other federal agencies cannot be involved, the state should take an active part in dredging, channel marking, dock construction and other enhancement of the internal waterways in rural Alaska. Water transport is, and always has been, the most cost efficient means of moving large amounts of heavy cargo.

The Alaska State Ferry System should interconnect, either through Seward or Anchorage, with that portion that terminates at Haines, permitting passengers from the rest of the United States to access not only Southeastern Alaska, but interior Alaska as well, without the necessity of travelling by either auto or bus or air between Haines and SouthCentral Alaska. It would also encourage and foster intrastate use of the system.

Fisheries

With its vast coastlines and intercontinental shelves, Alaskan fisheries have been and will continue to be a major renewable resource. However, and this is of prime importance for the economic future of Alaska and the welfare of its citizens, much more Alaskan participation in processing, distribution and marketing phases of the fisheries industry must be developed.

The historically rich salmon fisheries of the Gulf of Alaska and Southeastern Alaska are seriously depleted. While much of this depletion has its historic roots in foreign fishing, its condition is correctible by state action. Other factors have contributed to spawning stream degradation and subsequent run depletion, such as earthquakes, pollution, habitat destruction and the like. These producing areas must be rehabilitated.

While fisheries are renewable resources, the present practices are more exploitive than husanding and developmental. Catch regulation is only a part of the most effective series of options that ought to be applied.

To the extent that bottom fisheries can be enhanced, rather than selectively fished to near extinction, such measures should be actively pursued.

Many countries throughout the world are successfully rearing fish in aquaculture programs. This method of production is vastly more efficient than the present method of depending entirely on catching fish in their "natural" state. For the species amenable controlled rearing and harvest, such programs offer the possibility of sustained profits, unaffected by the uncertainties of fish behavior, and requiring minimal investment in harvest gear.

The return to the state's people of a larger share of the market price of its fisheries will increase private income and state revenues. State participation in the world-wide marketing of Alaskan-processed fish products is absolutely essential. Such a state agency could be supported directly from appropriate resource tax revenues.

The following specific recommendations are offered:

A concerted program of regional hatcheries construction for the restocking and restoration of depleted spawning grounds, the development of promising new spawning grounds and the enhancement of present rivers and streams with hatchery reared young should begin immediately.

Experiemental acquaculture programs should be initiated throughout selected areas of the state.

A State Board of Fisheries Marketing, supported by appropriate fisheries-derived revenue, should be established, with representatives of the industry and the state represented thereon, to develop world-wide markets, including transportation involvement as required, for Alaskan fisheries products.

Tax incentives, subsidies, or guaranteed loan programs to Alaskan owned and operated fish processing plants should be implemented.

The economic and social benefits from implementation of this proposal could well set the course for the future of Alaska.

INDEPENDENCE AND DEFENSE

By
Alaskans For Independence Committee

One of the most common questions posed when independence for Alaska is discussed is "What will we do for defense?" To analyze this question properly one must determine, what is our present defense?

Naval

To the best of our knowledge there are no U.S. naval vessels stationed in Alaska. Evidently some few naval aircraft, meant for submarine surveillance, come and go in the Aleutian area. For all practical purposes, Alaska with a longer coastline than the entire lower 48, and a continental shelf larger than that of all of the other 49 states, has no naval defense whatsoever. Across the Bering Straits, in some places a mere2-½ miles from Alaska's shores, we are faced with the most powerful military force in the world, the Union of Soviet Socialist Republic.

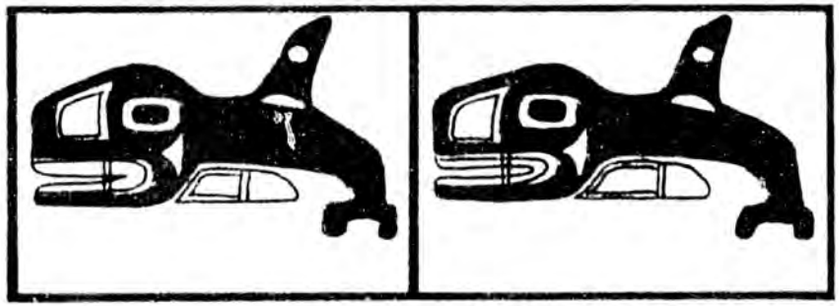
The Soviet Union has in the last 15 years been engaged in a building program which has resulted in the Soviet navy being the most modern navy, and perhaps the world's largest. But the United States appears to have other and more strategic problems with which it wishes to amuse itself, rather than the defense of citizens of Alaska, the Federal Union's largest state.

Air defense by the United States Air Force is woefully deficient. The air defense of Alaska evidently consists of between 18 and 36 Phantom II Jet aircraft. These aircraft were designed 21 or more years ago. This squadron of Phantoms is not even permanently stationed in Alaska. Since Alaska stretches over such a vast area (from Atlanta to San Diego and north as far as Wisconsin) it is apparent that the U.S.A. cannot defend Alaska with these pitifully few, old airplanes. By contrast, Israel is 180 miles long by about 50 miles wide and the Israeli government considers 500 aircraft as a bare minimum for an adequate defense. And we might point out, Israel is not a mere 2-½ miles from the Soviet Union. The truth of the matter is that the few aged McDonnell Douglas Phantom II's are part of the Early Warning network for the lower 48 states, and are not and could not muster a defense for Alaska or Alaskans.

In terms of ground troops, Alaska is defended by a single infantry brigade with some support units. That is significantly less than one division. Further, the quality of these troops are in serious question, which becomes even more evident when one views their numerous war games losses to the Alaska National Guard. This force could not contain or delay even a modest Soviet attack, much less one that is well organized and determined. We must not forget that the Soviet Union has a great deal of experience in "frozen warfare".

Frequently it is mentioned that the function of the Army in Alaska is to hold the aggressors off for a few hours or days, while a retreat to Alberta is organized. All visible evidence points to that as being the proper analysis. It is apparent that Alaska's people, their homes, children and businesses are not defended under present U.S. defense policy. Indeed, North America's back door is wide open. It appears that it is intended to be that way, for Alaska does not even have the tactical aircraft to supply adequate ground support for the small ground forces stationed here.

An independent Alaska would have a better defense, for Alaskans would be more willing to protect their homes and families. The present situation of being treated as an early warning outpost, a sacrificial lamb for U.S. military policy is intolerable.



THE LAND IMPERATIVE

By
Joseph E. Vogler

Alaska will have her land and Alaskans will use it. This is as inevitable as the march of the pioneers across America to the Pacific Ocean.

This will not be done as it was in the 48 by an endless path of broken Indian treaties and promises. The Alaska Native Land Claims Settlement Act has assured there will be no repetition of those injustices; but let all who would deny our people, their God-given right to land, beware of the actions of people too long denied their due.

The nature-proven prime compulsion of all creatures for an exclusive territorial area for their life-need is too well recognized for argument. Ardrey's Territorial Imperative, will explain this to the uninitiated!

Only the drivel of Bureaucratic fools will dispute this. It is to both this group and the citizens of Alaska, that this is directed; lest it become necessary that the people enforce thier God-given unalienable rights by extreme measures.

Alaskans are a hard core of individualists and land oriented individuals. The desire for privacy, individual expression, the opportunity for the do-it-yourselfer, for self-reliance is rampant in Alaskans. It might well be described as endemic.

Except for those individuals who come to Alaska to do a job on the people and the land, the majority of Alaskans either own or are looking for a piece of land that he or she can afford. Ask any subdivider or person fortunate enough to own land, what it is that our people want most. Only the shortage of private land or the price bars the vast majority from the land.

To see that this is not a recent development, let us examine our State Constitution. Article 8, Sec. 1 is most explicit in its declaration. *"It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with public interest."*

Many officials in the executive, legislative, and judicial departments have taken their oath to uphold and defend this Constitution. What has been their performance? Miserably poor is the best that can be said for them, at the worst it is outright betrayal of trust. Dr. Mike Beirne tried in vain to remedy twenty years of inaction, only to have the Supreme Court confuse the word appropriate with the obvious intended connotation, "to expend money for a particular use," a shameful dodge of words.

The Governor's, six ways to get land, broadcast to the four corners of Alaska, just before the last election, borders on use of public funds for a personal campaign use and amounted to a despicable deception of the land hungry populace of the great land.

The sale of public lands, certainly is not making lands available for maximum use consistent with the public interest, especially when seniority made a shamble of our young people's hopes.

The long time-honored practice of granting homesteading, headquarter sites, trade and manufacturing sites, and homesites, under well established rules for use, occupancy and developrnent, worked wonders in America and is a good example for the State to follow.

Until our Constitution is amended to mock the present "Lock-up" policies of the United States, it is nothing less than treason of our governors, judges, and legislators, to fail to make our lands available to our people. This must include the development of our resources, the minerals, timber, water power and all that goes with human utilization of this earth to promote a healthier, fuller life for our people with less of the privations and difficulties, so prevalent just a short century ago even in America, and still so evident in the third world developing nations where human toil, want, and misery are the lot of the multitudes.

I have difficulty in finding an example in the animal kingdom for such a shameful denial of living space to its own kind. For want of a

better example, I can only reach back to my boyhood task of slopping the pens of hogs, when I found it necessary to rout with my boot, some of the fat sows, who delighted to lay lengthwise in the trough while swilling down the grain and denying the younger and weaker a space at the trough and their share of food.

Our people will have the land and its resources to provide sites for homes, work, and recreation. Jobs, except at the public trough, come only from the use of our land, the harvest of our renewable timber and waters, or the wresting of our mineral wealth from the plains and hills and its processing.

The ongoing robbery of jobs from our people by exporting our oil without all refining processes is a crime against every able bodied man and woman in Alaska who wants to work. Many of our government employees are quick to say that the only reason they work for some branch of government is quuite simple, their government jobs are the only ones available. They are just putting beans on the table with the employment that is available! No gas should leave Alaska without full processing for petrochemical uses to make jobs for Alaskans. Payrolls are the feed stock for other service businesses.

Many Alaskans, Native and non-native, who have been forced outside for employment would like to return home, if the opportunities were here for them to work!

This is the result of the culpable and criminal failure of our elected officials to carry out the mandate of our Constitution. When 28,000 Alaskans signed Dr. Beirnes' petition, it is consistent with the public interest! And if it was not well-drafted, where was the legislature? And Governor?

We must utilize every gallon of water that runs back to the sea, it is a renwable energy source. As the Shah of Iran said years ago, "petroleum is too scarce and valuable to be used for energy or heat, it should be saved for pharmaceuticals and petrochemicals." Our coal must be fully utilized.

We must make homesteads available of at least 640 acres, in areas beyond the region surrounding population centers needed for habitation, including both industrial and recreation purposes. Only this will offer opportunity to our young potential farmers!

Our timber must be harvested, our minerals mined and processed, our farming developed to feed our people as well as other peoples not so fortunate in arable land. We must become efficient producers from the bounty of our land, as stewards to the world, to justify our position among the landed nations of the world.

Our land titles must grant both surface and sub-surface rights lest bureaucrats continue in the pattern of paternalistic squandering of our wealth. It worked in America and built the most noble nation. The individual is the best judge of the use of his or her land and its wealth.

If you doubt the truth of these statements listen to the people a bit, while they are still patiently waiting for their God-given dues. Why do they distrust, hate and damn every branch of government?

Read the opening paragraph of the Declaration of Independence and let it soak in, all of it, and tremble at the awesome truth of this noble document, lest it must be carried to its fearsome conclusion when the peoples, patience exhausted and tempers thinned beyond the breaking point, carry out their "duty to throw off such government and to provide new guards for their future security."

Let every elected official, every appointed hireling understand that the land belongs to individual people and not to the "Nation" so affectionately termed "the people" by all socialists.

Let every member of the news media realize that it is his or her duty to bring this understanding to fruition lest they be judged as partners in the conspiracy to deny land to the people.

Let every Alaskan become aware of this impending treachery so that he or she can prepare for any eventuality necessary to undo this revolution so brazenly announced in the policy clause of the B. L. M. Organic Act of October 21, 1976, wherein two centuries of magnificient demonstration of "land to the people" in the United States was terminated, 43 USC 701, Declaration of Policy, Sec 102: (a) The Congress declares that it is the policy of the United States that (1) the public land be retained in Federal Ownership.....

If America would trod the blood and tear soaked trail to socialism, it is a very sad day for history, but this should not sway

Alaskans from the eternal truths of the Declaration of Independence and the exercise of all their unalienable rights among which are Life, Liberty and the Pursuit of Happiness.

The land of Alaska rightfully belongs to the peoples of Alaska and individuals! It is their right to grant such lands and powers to their government as they see fit! The government has no right to parcel out land and land use to the people! It is the peoples! How can one be granted or given something which one already owns?

The essence of slavery is the denial of land ownership. Only by thwarting the Territorial Imperative can a people be fully controlled, herded and harnessed to the will of an elitist minority enshrined in bureaucratic security, it is the Territorial Imperative against the Bureaucratic Imperative. If Alaskans would make slaves of themselves and their descendants, they need only submit to the tyranny of Federal Government by failing to demand their God-given right to land by failing to hold their unlawful masters bound by our contracts with the government.

Now for those who still have hopes that the United States will return to the principles which made her a shining example for all the downtrodden peoples of the world, it is only necessary to examine the course of nations through the pages of history. It will uly take a miracle of untold proportions to alter their course from seeking mass security, to once again seek individual opportunity. The ultimate security from birth to the grave is attained in the institution of slavery, the most degrading of all social systems.

The hope that 400,000 Alaskans can influence 228 million Americans is as if the last hair on the tip of a St. Bernard's tail could bounce the rest of the dog up and down like a yo-yo.

As Abraham Lincoln said in his first inaugural address, March 4, 1861, *This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government they can exercise their constitutional right of amending it, or their revolutionary right to dismember or overthrow it.*"

Alaskans **inhabit** Alaska - **NOT** the masses of the 48! It belongs to us! Let Alaskans determine our destiny. Let Alaskans control our land in individual ownership with fee simple, surface and subsurface rights, but if Alaskans disagree, let it be Alaskans and not outside special interests that determine **our** destiny. Push all government back in its cage, the limits of the Constitution, and subject to the will of **Alaskans.**

If America no longer esteems private ownership of land and espouses socialism, it is Alaska's destiny to preserve the original motivating force in Americanism, the private ownership of land and the only practical route to this end is Independence for Alaska with full and complete Sovereignity over the Great land!

Let all in the position of leadership in Native Organizations, business, government, education, the Church, labor, step forward in this rightous battle, as Alaskans seeking self determination for Alaska.

The urgency of 1776 is here today, but the route to its solution is a different path. A peaceful plebiscite, as man struggles upward from the day of the club in the relations between peoples of separated lands!

Colonialism is dying throughout the world; America born of the abuses of Colonialism must not be the last carrier of this malignancy of civilization.

Biographical Sketch

Joseph E. Vogler is a Real Estate Developer and Placer Miner. He is a graduate of the University of Kansas, has a L.L.B. Degree and a Juris Doctor Degree.

He has been an Alaskan since 1942 to the present time.

Joseph E. Vogler is the organizer of Alaskans For Independence and has been the Alaska National Chairman since its origin of February 3, 1973.

HOT WORDS OVER THE COLD LAND

By
William R. Hunt

The uproar among Alaskans over the Interior Department's classification of lands does not reverberate around the nation. But the fighting is intense with those involved with the struggle in Alaska and in Washington, D.C., although its ramifications are dimly perceived elsewhere.

Huge land dispositions have been an American western phenomenon. If Frenchmen had to confront real estate transactions of comparable scale, the resultant trauma would reduce the land pinching nation to hysteria.

Americans have a different heritage. We can give or take ten million acres without batting an eye. It does not really matter whether sixty, eighty, or one hundred million acres are up for grabs in Alaska. Such quantities of land are meaningless, even when acreage is defined in terms of other states. If the U.S. Park Service wants a chunk the size of Washington and New York, less a New Hampshire sized piece, with maybe the Texas Panhandle shoved in for spice, and leave out a wedge of Rhode Island -- it sounds o.k. In fact, it sounds like a John Owen recipe.

Our interpretation of the land fight depends upon our particular image of Alaska. Currently there are five major distinct views which derive from regional orientation rather than knowledge or good sense.

Number one: Alaska as seen by Grand Rapids and places like that. "Alaska is cold and far away. Anyone who lives there needs his head examined. But don't give us that underdog talk: you got the oil!"

Number two: Seattle's Alaska. "Alaska is part of our backyard. We understand what you need, probably better than you do yourselves. 'Scoop' has to fix you up with a few parks and refuges. It won't hurt too much. Those ecology boys are pushing hard."

Number three: Alaska of California and New York. "It's about time Alaska did the country some good. What's so bad about a few parks? Anyway, you people have been ripping off the Eskimos too long. You should be flattered. Don't you realize we can save the nation by protecting your ecosystems?"

Number four: Washington D.C.'s Alaska. "You can't believe the pressure here. We know Alaska. Things are going to hum when we reassign administrative staff up there to manage the lands. It will mean a big payroll and save you from Wally Hickel and those Teamster bulldozers."

Number five: Alaskan's Alaska. "This is the grossest land grab in history. We pioneered here. Nobody gave a damn, now they want to take our land away. Nobody knows how to protect the environment like we do."

Obviously these five views could bear further definition and allow for more diversity, but they summarize issues well enough for illustrative purposes.

Now let's get to the crunch. What is the truth about Alaska's situation? Are Congress and Interior doing the right thing?

My personal view, as an Alaskan, is that right and wrong are not really issues. In a better world, Congress would find a sensible compromise between the vociferousness of conservationists and the Alaskans who demand opporunities for future development. It may prove that Senator Ted Stevens was correct in believing that Alaskans got the best deal possible under the circumstances with the compromise he and Senator Henry Jackson worked out last spring.

What has really disturbed me about the long debate is the extent to which arguments are based upon misconceptions of national experience. The righteous, arrogant, and evangelistic uses of specious references to "Last Chance," "Last Frontier," and "Lost Wilderness" approach the level of earlier national crusades against booze and reds.

When Secretary of the Interior Cecil Andrus and others insist that Alaska represents a last chance for American to do things right for the first time, I am alarmed. God help us if we have to depend upon Alaska to save the nation from its past mistakes, or if "doing the right thing" now in Alaska is a panacea for the future. Besides that, I worry about Andrus's family sentiments and humility when he argues that our ancestors fouled everything up. And that his duty is to avoid the reproach of his grandchildren. Probably someone has to be sacrificed in bridging generation gaps. Veneration of ancestors has not recently held a high place in our culture.

Recently Ralph Nader introduced a book entitled *The Last Frontier: the Marketing of Alaska* (by Hanrahan and Gruenstein) with a remarkable sentence. "It would be tragic not to have our largest state benefit from the full lessons of human experience, only to find itself plunging into the vortex of corporate determinism." Well, all right. If we now have mastered "the full lessons of human experience," the proper disposal of Alaskan lands is a bagatelle. Surely the solutions to our major social and international problems must be near at hand.

The "Last Wilderness" and "Last Frontier" schools are related. Together or independently the phrases are evoked as if they explained something about Alaska.

Years ago in *Virgin Land: the American West as Symbol and Myth,* Henry Nash Smith explained some complexities of the wilderness in popular consciousness. Our veneration of the wilderness contained the negative doctrine that civilization was wicked, and the positive doctrine that untouched nature is a source of strength, truth, and virtue. True or not, these doctrines have dominated in western literature. Closely related to the wilderness symbol is the Myth of the Garden, the Jeffersonial ideal of the sturdy, self-sufficient farmer who sustains democracy. Sometimes the Wilderness and Garden symbols conflicted. Was Daniel Boone the standard-bearer of civilization on the frontier, or the child of nature fleeing into the wilderness before the advance of settlement? The duality caused some confusion; yet we needed both images, and western heroes had to accommodate both requirements. It worked pretty well because we had free roving trappers expressing their untrammeled freedom in the vanguard while settlers followed behind to create the Garden.

Everything was going well until historian Frederick Jackson Turner in 1893 announced that the frontier was closed. Although he was optimistic, others deplored the vanishing of free land. Now both symbols were in jeopardy: no more wilderness for our innocent primitivism, and no more free land for development by individuals. And it was not as if Americans were much more enchanted with cities and industrialization in the nineties than they are today.

So what did they do? Did they accept vast Alaska as an interrupted extension of the frontier? Indeed not. They stampeded for gold in person or in literature, and then tucked Alaska away somewhere. It was too cold and desolate even as a ground for wilderness adventures, and certainly it was no Garden.

Now we are told that Alaska is "our last wilderness." A wilderness is good, and presumably, gardens are bad.

I suppose people within and outside of Alaska can have conceptions of wilderness without doing any harm. The problem is in determining the number of acres needed to satisfy the collective wilderness longing. My own needs are very modest, but it may not be easy to give everyone in the nation his own exclusive wilderness. Some may have to rely upon the wilderness of their minds.

The "Last Frontier" expression is no more helpful than "Last Wilderness" as a guide to meaning about Alaska. The term "frontier" suggests the familiar pattern of settlement and development followed by other regions of the West as people flowed in and transportation linked them to the nation. Alaska did not follow this pattern. From the mid-18th to the late 19th century it remained a fur and fish colony. Briefly the gold boom gave the region's development the look of other frontiers, but as mineral production declined so did settlement. Neither agricultural, cattle, or any other industry developed to maintain growth. Profits from fisheries went to Seattle and San Francisco with the salmon, and even most of the cannery labor was imported seasonally. It took World War II defense construction to end the decline and spark new growth.

This boom and bust cycle accounts for the attitude of many Alaskans. Except when outside capital flowed in to exploit a resource, residents depended upon government payrolls. Traditionally citizens have longed for sustained development and clamored for means to keep some of the gains in the region.

Alaskans are not keen on a development which would reproduce New Jersey, nor is there any likelihood of it. Yet they are aware that the closure of land to development can prohibit a post-oil boom development. North Slope oil wil not flow forever and thus far Gulf

of Alaska explorations have not been encouraging. Now, for the first time since the gold era, the state has an economic base in petroleum. When production stops, where will the next boom come from? Climate,distances and costs will remain constants as inhibiting factors to development. If minerals or other resources are not found in sufficient quantity to justify the tremendous costs of production and transportation to market, Alaska will bust once more.

Within this historic framework the land use issue becomes very touchy. It is national land and the nation can dispose of it as it wishes, but it is not unreasonable to leave opportunities for some kinds of development on lands not reserved for special uses or protection.

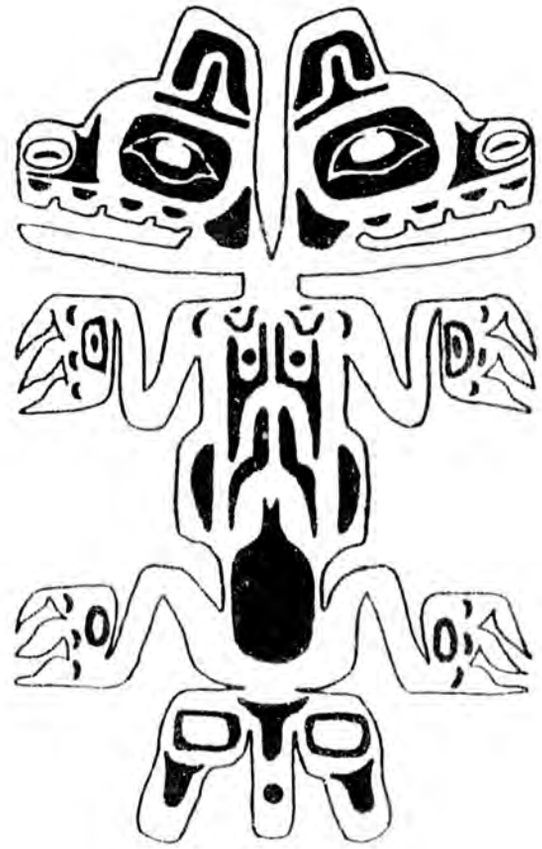
A steady economic base would be a good thing for Alaska and the nation. Few of us can live off the undeveloped land, and neither a federal payroll nor a federal dole attracts everyone. Either we work here or we go back to Seattle or Grand Rapids. There is little other choice.

Once we banish all fuzziness of the "Lost Frontier" imagery with its echoes of innocence, a pristine nature, and manly virtues, we might begin to assess the region intelligently. Jack London fixed a strong image of the North in his books, and it is not too useful to the nation today. London passed through Alaska as swiftly as the Yukon River current permitted after his short sojourn in the Klondike, and we should not be transfixed by whatever romance his gifted pen created. Save his books, for heaven's sake, but resource policies should emerge from colder calculations.

If patriotism is the last refuge of a scoundrel, calling up the last or lost frontier, or wilderness, is the recourse of the wooly-minded. For decades Alaska has been a predominantly urban society hungering for substantial economic development. Now it has development and some new problems. Environmental protection is one of these, and it may seem a relief to turn from the Southwest's water shortage, or from New York's many travails, to the ripping up of Arctic tundra. But if Alaska causes alarm and does not teach us anything, and if we cannot gain any perspective on the national experience, the change of scene contributes little.

For years, writers and government investigators have been rediscovering the "last frontier." More recently the writing trend is to lose the Alaskan frontier as an incident to finding it. It must frustrate Americans who have not been too keenly aware of Alaska to learn suddenly that the "last frontier" is lost. It is not lost -- or last -- or even a frontier.

But right now it is a battleground. The struggle is not between good guys and bad guys. There is some legitimacy on each side of the development-conservationist debate. Alaskans have no "right" to a land settlement which meets their dreams. And conservationists need not talk about "doing things right" as if they have understood the nation's history accurately, and understood Alaska's relation to their hopes for the future. They can reflect on their power since their misconceptions and propaganda fill some need of the nation's soul.



INVESTMENT PRIORITIES

By
Perlia J. Strassburg

In response to the request from the Governor and your committee in regard to the one billion dollar surplus the State finds in its coffers, I would like to make the following suggestions for its use:

1. *Move The Capital* and help Governor Hammond live up to his promise that he would be established on the Capital Site by October 1980 if he had to operate out of a tent. We believe that the sale of land will pay back any amount of money expended out of this fund, which could then be used for other projects. "Loan" it to the Development Corp. at a fair rate of interest and thus make a profit for the State.

2. *Reactivate The Veterans Loan Program* with special emphasis on loans to small businesses who need $100,000 or less.

3. *Build Roads* into areas that could be developed for farming, timber or coal production. This land is now lyng vacant and unproductive not only in jobs but in taxes. Increase municipal revenue sharing road maintenance monies from the present $1,500 per mile to $3,000 per mile so that something can actually be accomplished with the money. With everything else costing more, why hasn't the allocation of this category of revenue sharing funds increased comparatively?

4. *Develop Industries and Energy Sources for Alaskans* so that this generation can survive. What good is there in saving for future generations if this one does not survive long enough to produce them? We need jobs and cheaper energy for *Alaskans* -- not Canadians or Montanans, or Michiganites -- Alaskans for Alaska!

5. *Develop More and Bigger Fish Hatcheries* to replenish what our fishermen take from the sea. The Japanese have been doing this since the 1880's - why are the "enlightened and technologically advanced" Americans so far behind?

6. *Buy More Ferries For the Marine Highway System.* Quit worrying about the fact that the system is not profitable; we do not believe it was intended to be a profit-making venture but a service to the citizens. Give tourists winter rates that they find hard to resist -- arrange four to eight hour lay-overs in the ports of Ketchikan, Wrangell, Petersburg and Juneau so that they can really see and enjoy these uniquely Alaskan cities. Make it more exciting, more reasonable, and more pleasant to use the ferry system than to drive the Alcan through Canada, leaving a trail of American dollars in British Columbia and the Yukon. If Canada thought they might lose some of those precious dollars, they *might* maintain the road built with American dollars and American sweat over thirty years ago. The ferry system would have more users if it was not necessary to make reservations in February for cabin and car space in August. Few middle-class Americans can plan that far ahead.

7. *Develop More Truly Rural Alaskan Tourist Attractions.* Most middle class Americans are not interested in Las Vegas type multi-million dollar hotels in the heart of just another city -- they want to enjoy "the Alaskan experience" -- so let's give it to them! A beautiful international resort area for the "international jet set" on Mt. McKinley is okay, but *after* you build a number of facilities for the average Joe Doe who wants to bring his kids to Alaska in a camper.



8. *Build Subsidized Housing For the Elderly and Handicapped* who are capable of living by themselves and want to maintain their independence and live in their own small communities even on a limited income instead of being forced (because there is no other solution available) to enter Pioneer Homes or move outside where such housing is available. There is a gap in the needs of these people between pioneer homes which have waiting lists of one year or more, and remaining in their own present homes which are sometimes remote from neighbors or help in case of emergency.

9. *Build Good Vocational Schools For Everyone In Several Areas of The State* -- not just for Native people -- not just for Blacks -- not just for the rehabilitation of delinquents or criminals -- *everyone* who wants to learn a trade, not just the special applicants the Unions pick for their apprenticeship classes. Build schools like the Edison Technical School in Tacoma, Washington. Give young people credits for going to technical schools which are as acceptable as high school graduate or college degrees. Get us back to the place where the man who works with his hands is respected and he will be a better artisan. As long as our society believes that the only "worthwhile" citizen of the country is the one with a degree, our products will get shoddier and shoddier.

10. *Look At Every Little Place Where You are Going To Invest That Money* and ask this question -- Is it going to make jobs, and income for Alaska? If it isn't, don't invest. No more stocks and bonds of outside corporations -- no investing in Canada -- no investing in businesses who "bring in experts or supervisory help from outside" because they do not think Alaskans are experienced enough. Baloney! If we are not smart enough -- we can get that way!



11. *Don't Invest Alaskan Money In the Canadian Portion of The Gas Pipeline!* If it were going from Prudhoe to Valdez or Cordova we would say finance the whole thing, we will get our money back with a profit, but if it is absolutely necessary to finance any part of it, invest only in that portion that will be built within Alaska and will hire Alaskan labor.

12. *Don't Cut Out The Income Tax!* This money should not be used for the everyday, year-to-year expenses of government. Those costs should be borne by those who earn their living here. And it is the only way that Alaskans get anything back from the workers who have residence in other states, who come up here to take jobs away from Alaskans and then send the paycheck home to momma and the kids without ever spending a dime in Alaska except for a little cab fare or a stray meal while they lay over waiting for a plane. If Alaskans truly need tax relief (they wouldn't if they had year around jobs!), then cut out personal property taxes or the real property taxes on their homes, or give them a tax credit commensurate with the number of years they have been a resident.

SURPLUS OIL REVENUE USAGE

By
Harvey Shields

Allocations of surplus funds accruing as a result of unanticipated oil revenues has been much in the news and minds of the Legislature lately. Suggestions have largely centered on using that money to fund development of alternative industries and needed facilities. A word of advice is in order so that actions taken by the Legislature in allocating that money will not result in irreversible destruction of the State's heritage. In the eight years since passage of the Alaska Historic Preservation Act, the State has shown concern for its heritage by supporting a program aimed, in part, at protecting archaeological and historic sites from destruction by public construction projects. The program, housed in the Alaska Division of Parks, has steadily lost ground in the increasing development activity. Instead of keeping pace with construction activities, let alone inflation, the State has reduced the funding for preservation of its cultural heritage. State money allocated to historic preservation has shrunk from a meager $190,000 down to $150,000 at a time when costs of operation have almost doubled. The numbers demonstrate the concern of the State for its cultural roots. The State allocates less than 0.015% of a 1 billion dollar plus budget to its cultural heritage.

A number of programs come to mind as needing immediate support. Four stand out above the others:

1. Every community in the State applies for and gets federal or state funding to meet basic needs such as sewer, water, streets, and housing. Federal and State requirements call for knowledge of existence and consideration of cultural properties. Such knowledge must be evaluated by professionally qualified people. In most cases, an inventory effort is needed to know what exists in the communities before evaluation can be made. This is required before construction can proceed or even before money can be allocated by the federal government. Many bush communities with limited resources cannot comply with those pre-conditions. A program of community heritage surveys could easily be established with funding provided from unanticipated oil revenues. That would help distribute the benefits statewide and help the people avoid several year delays or even removal from consideration.

2. The second obvious problem which could be addressed with additional funding is the lack of knowledge about cultural properties on land disposed by the State. The legislature has mandated disposal of appreciable amounts of State land each year. Inventory of prehistoric and historic properties on those lands is essentially non-existent. All inventory efforts have covered less than 10% of the total State and most have concentrated on non-State properties. A total of 6770 known sites are listed in the State's site inventory. This is out of an estimated 100,000 plus sites statewide or less than 7% completion of inventory.

Funds should be provided so that the State can assure no sites desired for State ownership will be disposed of unkowingly.

Such inventory and evaluation will help avoid later, more costly, and unpopular re-acquisition of extremely important sites. Retention of important sites in State ownership clears the way for numerous ways to attract tourist dollars and enhance Alaskans' appreciation of their heritage.

3. The third project demanding immediate attention is for some attempt to stem the loss of Native heritage. Information possessed by older Native people is rapidly being lost as those people die of old age. A few pilot projects have been attempted which were aimed at collecting that information. While successful in their immediate goals, the lack of funds prohibits widespread or intensive applications of the process. Funding in reasonable amounts would help preserve that information of fast disappearing cultures.

4. The fourth and most directly applicable program is to insure consideration of cultural heritage in the projects funded through these moneys. The proposed expansion of activities will push past breaking, the already straining program for such consideration. Funding survey and evaluation of cultural heritage resources along with other aspects of proposed activities will comply with State laws and help preserve our heritage.

In summary, the State allocates less than 0.015% of its current annual budget to its heritage. Assignment of even 0.5% funding of these moneys would help assure present and future citizens will be able to explore Alaska's heritage.

THE QUESTION OF THE STATE INCOME TAX

By
Claus M. Naske

The dramatic increases in the price of petroleum have given the state treasury an unexpected windfall, amounting to hundreds of millions of dollars. Close on the heels of the announcements that the state treasury would enjoy surplus funds have come demands for the abolition of the state income tax. Such proposals, on the surface, sound great. Who, in his right mind, would oppose lower taxes or no taxes at all. What most proponents seemingly ignore is the fact that oil income is a one-shot deal. Alaska boasts of the massive Prudhoe Bay field, destined to decline in the 1980's, and declining Cook Inlet oil fields. No replacements are in sight. Yet state spending has become dangerously dependent on oil revenues. Less and less services are paid for from general taxes. This is an unhealthy trend. Furthermore, while abolishing a general system of taxation may be easy, adopting one is extremely difficult. The history of tax reform in Alaska certainly illustrates this.

In the late 1930's territorial Governor John W. Troy had asked the territorial planning council to make a tax study. The research was not completed until the fall of 1940. The research concluded that an annual revenue of $10,000,000 was entirely feasible. They recommended the adoption of a modern tax system, and urged that the revenue obtained be invested in a soundly planned and economically executed program of permanent improvements such as roads, schools, hospitals, and public buildings. Ernest Gruening, Troy's successor, enthusiastically endorsed these proposals, made them his own, and fully intended to push them through the legislature. The plan the governor presented to the 1941 legislature for adoption would abolish all obsolete mercantile taxes and license fees, imposing instead a very moderate income and profits tax, plus a nominal levy on property outside of incorporated towns.

Governor Gruening, however, had waded into deep water with his proposal for a streamlined tax system. The scheme immediately mobilized the ever-alert economic interests, such as the canning and mining industries who were in no mood to relinquish their privileged status in Alaska. Many residents, depending for a livelihood on these industries, were unwilling to antagonize them. These feelings were reflected in the mood of the legislature which flatly rejected the governor's tax proposals in every legislative session between 1941 and 1947.

Gruening called a special session of the legislature to convene in March 1946. The purpose was to have measures enacted designed to aid Alaska's veterans. Meeting for thirty days, the legislators passed most of Gruening's proposals. And although the governor was pleased, he was alarmed by a senate memorial which asked the President and the new Secretary of the Interior, Julius A. Krug, "to remove the present governor from office with all possible dispatch." It passed the senate by a vote of nine to six. Thereupon Steve McCutcheon, a Gruening supporter in the House, introduced a long memorial praising Gruening unqualifiedly. It passed by a vote of sixteen to seven. "The opposition," Gruening confided to E.L. "Bob" Bartlett, Alaska's Delegate to Congress, "are going to do everything to smear me in Washington."

Bartlett, however, reassured the governor that he "should not attach any particular importance to any Senate memorial so far as its influence here (Washington, D.C.) is concerned."

Complaints about the governor, however, trickled into Washington. Walter P. Sharpe, the territorial Commissioner of the Department of Labor, told Robert E. Hennegan, the Chairman of the Democratic National Committee, that the governor had done everything to split the Democratic Party in Alaska. "Put in anyone, but get rid of this 'pinko' who has no ties in Alaska," Sharpe counseled. The commissioner essentially resented the fact that Gruening made appointments based on ability rather than party affiliation. But despite sniping from various quarters, the governor survived in office. When talk about his replacement once again revived late in 1947, Bartlett persuaded Robert S. Allen of the *Boston Daily Globe* to analyze Gruening's predicament. Such an article, Bartlett hoped, might help to force the president's hand. On January 30, 1948, the *Globe* carried the piece entitled "Next on List of New Dealers to be Dropped by Truman?" Allen stated that Gruening, one of the few Roosevelt appointees still holding high office, had only an outside chance of being reappointed for another term.

Allen claimed, "President Truman does not intend torename Gruening." That could change, however, continued Allen, because the governor had strong Alaskan backing as well as powerful administration support both in and out of Congress, including "equally powerful Democratic opposition," most of it centered in Washington State, particularly in Seattle. For years the governor had been at loggerheads with Seattle business and transportation interests, accusing them of exploiting the territory like a colonial possession. Washington's Governor Mon Walgren and Nick Bez, Seattle shipping and fishing magnate, both Truman cronies, led the opposition to Gruening. The president faced a dilemma,Allen concluded for he needed West Coast support in the upcoming election. Replacing Gruening,howevewr, would upset the New Dealers whose support he needed as well.

It may have been the piece in the *Globe* which prodded Secretary Krug to see the President and urge the reappointment. In any event, on Marh 12, Truman sent Gruening's name to the Senate Interior and Insular Affairs Committee for confirmation. Bartlett was happy. "I won't forget ever," he told Krug, "that you went to the White House today and successfully urged President Truman to reappoint our friend, Ernest Gruening, as Governor of Alaska. It was a noble stroke of work." Unhappily, however, an informal poll of the committee revealed that the Republican majority favored "pigeonholing action until after the November election." One Republican member of the committee succinctly summed up majority opinion. "Why should we give a Democrat -- and an ardent New Deal Democract at that -- a four year term when after the Presidential election we could put in a good Republican?"

Territorial Republicans were not satisfied with mere delays. The *Fairbanks Daily News-Miner*, owned by Alaska's foremost entrepreneur "Cap" Austin E. Lathrop, long a Gruening opponent, urged that the governor be denied a third term. Lathrop argued that Gruening had enjoyed ample opportunities to prove himself as governor of Alaska, yet he had failed. Instead of fostering a sound legislative program for Alaska during the lsat five sessions of the legislature, he had "tried to promote tax legislation which was not acceptable" to the legislators. As a result, the territory's finances "are now as near complete disorganization as they have ever been." Even more disturbing, biennial territorial appropriations had increased from a modest $3,511,510 in the 1939-1940 period, the last before Gruening took office, to a record $8,476,309 appropriations passed by the last legislature. In short, Gruening had attempted "to use the power and prestige of his office and the resources of the federal government to transfer to himself the initiative and lawmaking powers of the citizens." Lathrop left unclear how the governor had appropriated to himself all of these powers. In fact, Lathrop's editorial was transparently self-serving, for he was a chief beneficiary of Alaska's totally inadequate tax system. His many enterprises, ranging from banks to motion picture theaters, and from construction companies to a coal mine paid only negligible taxes to the territory.

In any event, the anti- and pro-Gruening forces quickly lined up for battle. While Lathrop urged his friends and associates to communicate their opposition to the Senate committee, the pro-Gruening forces similarly gathered support. Lathrop, for example, praised territorial senator Chas. D. Jones for the fine letter he had written to U.S. Senator Arthur H. Vandenberg, a member of the committee considering Gruening's confirmation. Lathrop was convinced that a sufficient number of protests had reached the Senators to convince them that "right or wrong, he (Gruening) has engendered so much bitterness and dissension in the Territory that very little of a constructive nature can be expected until there is a new governor." Foremost among Gruening's friends, Bartlett solicited support. Among many others, for example, he asked the Rt. Reverend John S. Bentley of the National Council of Protestant Churches to lend his help n the impending confirmation struggle. Despite all the efforts, Senator Hugh Butler (R., Neb) decided to allow Gruening's unconfirmed nomination to die.

In the meantime, however, territorial finances had run into trouble. On December 31, 1948, the general fund contained only $6,289.40 and the auditor held legitimate claims against the territory amounting to $758,209.59. It was only through individual and corporate pledges of $200,000 of interest free loans, for example, that the doors of the University of Alaska had been kept open. Earlier on, the governor had rejected pleas for calling a special session, hoping that angry citizens would vote delinquent legislators out of office. Gruening's hopes were largely fulfilled when Alaskans trooped to the polls in October and "threw the rascals out." At that point, the governor summoned the newly-elected body, not the lame duck legislature, into special session. Its only task was to consider the tax bills which territorial Attorney General Ralph Rivers had prepared in his capacity as legislative counsel. From the extraordinary session which convened on January 6, 1949, and the

regular one which followed on January 24, there emerged, at long last, a basic tax system.

The first element of the new system consisted of a territorial income tax based on ten percent of the federal tax. A property tax of one percent was credited against the municipal and school district assessments, thus avoiding duplication. At the same time the territorial legislature took over and streamlined the old system of license fees from the federal government. For each separate business an initial application fee of $25 was charged. Beyond the initial fee, a sum equal to one-half percent above $100,000 received during the income year were to be remitted to the territory. This levy applied to those concerns which, so far, had paid no monies whatever to the Alaska territorial government. These included steamship companies, air and bus lines, lighterage companies, banks and motion picture theaters, oil and construction companies, garage and service stations, newspapers, radio stations, and logging operations. Professional registration, examination and insurance levies were to be collected by the various professional boards. The legislature changed the tax on the fishing industry from a case tax to one based on the wholesale value of the pack, amounting to four percent of the value of the raw fish processed for salmon canneries to one percent of the value of raw fish for herring processing plants. Fishermen's license fees increased from $1 to $5 for residents, and from $25 to $50 for nonresidents. Fishing gear, such as traps, gill nets, and seines were also taxed. Excise taxes on liquor were raised, and establishments serving alcohol were regulated by fees which varied from $75 to $5,000, according to the type of business, the size of the town, or the volume of the business. In addition, the usual motor fuel taxes, vehicle and drivers' licenses and tobacco and various other miscellaneous taxes were modernized.

Gruening was jubilant, and understandably so. It had been a long battle, finally crowned with victory. The special interests were furious. When word reached Alaska that Senator Joseph O'Mahoney (D., Wy.), the new chairman of the Committee on Interior and Insular Affairs, intended to hold hearings on Gruening's confirmation, a number of former legislators asked the committee to postpone any action until the territorial legislature had adjourned. Residents of Alaska, they maintained, should be given an opportunity "to present evidence and data supporting contention of many substantial citizens of territory that present governor's policies not only definitely destructive to territorial development but will almost stop flow of badly needed investment capital from stateside sources." These disgruntled ex-legislators also asserted that the "present session being quarterbacked by governor is travesty of American tradition and legislative procedure." But despite heated opposition, the Senate confirmed Gruening's nomination for another year.



UTILIZATION AND MANAGEMENT OF ALASKA'S RENEWABLE SALMON RESOURCES

By
John C. McMullen

Salmon originating in Alaskan waters are recognized as a common property resource. Although each salmon stock returns to its stream or lake of origin to reproduce, they are migratory in nature. Their anadromous migrations lead them to the sea where they mix with other salmon stocks of North American and Asian origin. Foreign fleets capture some of our salmon at sea. The domestic fisheries catch our salmon in onshore waters during the time that stocks and species are mixed. These mixed stock fisheries, wherein individual stocks are generally not identified, provide additional rationale for the classification of the salmon resource as common property.

The State of Alaska is charged with the responsibility of managing and improving the fish resources of the State in the interest of the well-being of the State. However, there are two philosophies to consider in the development of management policy for the common property salmon resources of this State. One philosophy assigns management responsibilities to State agencies. The second philosophy assigns joint responsibilities to the State and to designated user groups comprising non-profit corporations. These user groups become salmon managers in that they are authorized to develop projects and facilities for the purpose of salmon production. The State also operates salmon production facilities, which probably contributes to cooperative and competitive activities of planning, production and management between the State and private groups.

In Alaska, private, non-profit organizations are authorized to engage in hatchery (and other) operations for the purpose of contributing salmon to the common property fisheries. Hatcheries operated by regional associations are generally funded through a State loan program which accepts self-imposed assessments by fishermen on raw fish sales as collateral for such loans. Assessments have in the past been either mandatory or voluntary, but as most Alaskans are aware, the mandatory assessments have recently been declared an illegal form of taxation. Other small hatchery operators are authorized to operate if approved by the State and the appropriate regional association. These hatcheries qualify for only small State loans, and are very manageable because they are approved under strict technical controls.

Private, non-profit hatcheries have two objectives, the first (by law) of which is to produce fish for common property users. The second objective is to return enough fish through the fisheries to the hatchery to pay for the operation and construction of each hatchery. To date, the State hatcheries have not been actively concerned with cost recovery. The commercial and sport fisheries of the State already contribute greatly to the State's economy. In addition, raw fish taxes which were increased in 1979 might help offset governmental expenses in the realm of salmon management, including rehabilitation and enhancement. Fishermen want the opportunity to harvest fish which might be excess to required spawning stocks. However, it is reasonable that the State examine options for cost recovery at ocean-sited hatcheries which could accommodate terminal fisheries.

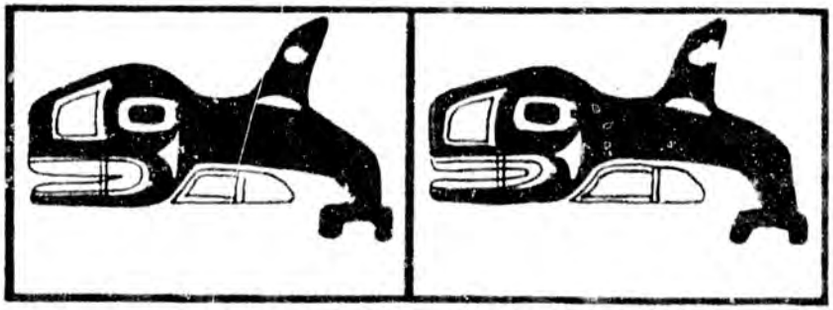
Many people in Alaska do not believe in, nor understand the necessity for a continued effort in salmon rehabilitation and enhancement within the State. One need only examine the complexities of mixed stock fisheries and the disagreements over the allocation of stocks between sport and commercial interests to understand that Alaska's future salmon fisheries must be stabilized through the use of every available management tool. The question may not be one of whether salmon aquaculture is feasible and necessary, but rather one of the assignment of management responsibility for the State's salmon program.

The State of Alaska appears to have developed sufficient technological and precautionary measures to carry out a successful salmon aquaculture program. Concurrently the private aquaculture association in Prince William Sound has availed itself of a cooperative attitude among local fishery user groups to put together a program which is beginning to stabilize itself. Relationships between private endeavor and State government could hardly be better. Other regional aquaculture groups within the State ap-

parently have not fared as well internally. Mandatory assessments may be a revenue source of the past and are not likely to be adequately replaced with voluntary assessments.

Governmental processes have been initiated in an effort to resolve the continuing role of private effort in Alaska aquaculture. Both the Aquaculture Policy Study Group and the Fisheries Council seek to examine funding sources and a role definition for private aquaculture. The activities of these groups plus those of the Department of Fish and Game and the private aquaculture associations represent such a high level of activity in the field of salmon fisheries that it is extremely difficult to determine what the outcome might be.

This brief paper is intended to describe the complexity of the statewide salmon program and ask the question concerning prospects for future abundance, use and control of salmon stocks. Surely so many interest groups are involved with salmon use and management that it is presently impossible to determine if progress is being made. Basic decisions are needed regarding the status of salmon as a common property resource followed by a clear determination of management and funding responsibilities for the maintenance and improvement of this resource. Possibly then, the Department of Fish and Game and the regional aquaculture associations could concentrate on the establishment and achievement of priorities rather than compete for responsibility and authority through the development of new bureaucracies.



POSITION PAPER ON THE ALASKA OFFSHORE FISHING OPPORTUNITY

By
Richard Whittaker

The Problem:

The writer of this paper believes the State of Alaska is at a great moment of decision; the issue is the offshore fishery, protected by the Fisheries Management Act of 1976 - the 200-mile economic zone, and whether the resource can be made a part of the Alaskan economy.

Postulated are notions that the current efforts of the State are generally inconsequential as far as the offshore fishery is concerned because of the enormity of the fishery, and that what will probably happen over the next four or five years is that there will be the develoment of a fishing industry using great processing and catcher vessels, such as the Koreans, Japanese and Russians are currently using, and which will home port out of San Diego, Los Angeles, Astoria and Seattle. Alaska faces the strong possibility of no involvement or benefit once this happens. Current trends in the fishery indicate to the writer the major Alaskan fishing companies, which are either owned outside Alaska, or in Japan, are juggling for position, because of the enormity of the fishing and the take-over process, but that when it occurs there will be no significant number of Alaskans in the fishery as fishermen; there will be no shore-based processing except perhaps at Dutch Harbor; there will be little or no Alaska investment and, therefore, no Alaska profits; and there will be no Alaskan tax revenues. In fact there may be very severe economic loss if the modest efforts we do make are frozen out.

Our goal for Alaska should be a vertically and horizontally integrated fishery such as is found in the Faroe Islands, where local people fish the North Atlantic, bringing the fish home for processing to local plants, and the product is sold into world markets through combines and systems owned by the Faroese.

So What Is To Be Done?

The writer proposes a massive investment by the State of Alaska to capture this fishery. Such investment in shore-based processing facilities, in fishing vessels, and in marketing and management networks could control the volume of fish and its price to the point where returns from the fishery would make profits for the people of the State of Alaska and the State.

It is acknowledged that current prices for the offshore fish are at a low level, but it is also generally understood that this is because of manipulation by the Japanese in the world markets, manipulation which, of course, is to their best interests. We must and can fight back. But we cannot do so within the current scheme of things!

The writer proposes a company called *The Alaska Fishing Company* incorporated and owned by the State of Alaska, and with directors, some of the best business talent in the State. The Company would seek the immediate involvement of the University of Alaska and others in designing research necessary to understand and manage the control of markets as well as to design the research necessary to assure continued renewability of the fishery.

The Alaska Fishing Company would move, following the feasibility studies, to construct vessels and shore-based facilities in an integrated plan which would maximize the contact of every possible maritime Alaskan with the fishery, and which would have a management and marketing plan, totally integrated and leading toward the sound fiscal management of the company. *The Alaska Fishing Company* would have as its goal the utilization of the fishery only by Alaskans and for Alaskans to the exclusion of multi-nationals, agribusinesses and other outside interests as well as foreign interests. A two or three billion dollar investment is probably necessary to have the impact on markets, and to produce the volume of product necessary to influence prices.

The Alaska Fishing Company would immediately contract with foreign fleet owners and their home countries to commence an integrated and long-term takeover of the fishery, guaranteeing supplies of fish to the companies, to meet their market commitments and the needs of their peoples, and to allow for reasonable phasing

out and amortization of the foreign fishing investment.

The Alaska Fishing Company would seek to develop utilization of fish products in other markets besides the Orient, with emphasis on the American markets.

The Alaska Fishing Company has a potential of providing income to Alaskans far exceeding oil. The fishery is one which, if properly managed, would exist until the end of time, and would provide a high degree of stability to a large number of Alaskans.

The Alaska Fishing Company would provide jobs for the communities of maritime Alaska. The financial institutions, service and supply facilities of Anchorage would be heavily impacted as well.

Revenues from the profits of the company would increase the state coffers and, of course, taxes on the incomes of individuals involved would provide a revenue base as needed in the future.

The Importance of Investing Alaskan State Capital in The Fishery

Alaska is faced with a budgetary surplus which has the potential of destroying Alaska as we now know it, due to avarice and greed.

The stability provided by a direction for the investment of a significant part of the oil surplus money into an industry which would rely on a sustained yield of products, would provide a focus for Alaskans for the near future and provide a proper forum as the company is developed and as the policies are debated by the people of Alaska, for discussing the future of Alaska. Jobs provided would be stable, long-term jobs, and although some considerable inflation and growth will be expected in every maritime community, this would soon be stabilized and probably not change over a long period of time, witness the experience of the Faroe Islanders.

The Future, What Will It Bring?

The Alaska Fish Company should have two goals. The first would be total utilization of every bit of fish the State could get its hands on; the catching, processing, and selling of same, at a profit. The second goal would be, once the industry was stabilized, to sell the component parts, except for the marketing umbrella, to the individuals and communities involved. The fishing ships should be sold to the local communities which provide the crews and to the crews. The cold storage and processing facilities should be sold to the local communities and employees. The marketing umbrella and management probably should be maintained by the State, at least until such time as it could be purchased by the fishing and processing components, under a scheme which would guarantee unified and integrated management for the common good.

It is anticipated there would be considerable uproar by the fishing industry against such an idea. It is very important to watch where the uproar comes from. It is expected that those persons and companies which are nurtured by outside interests would be vocal in their opposition.

An important part of the development of the fishery would be the aspect and involvement of fishing companies wholly owned by Alaskans. There are a number of these companies which have great growth potential and which have management of high quality. Theywould be encouraged to expand and move into the fishing opportunity, supported with state funding. While they were developing their own opportunities in the fishery, their counsel and guidance would be of inestimable value to *The Alaskan Fishing Company*.New companies of Alaskans would also be encouraged.

It is an act of fate that the fish are available at the same time the capital is also available. Otherwise, we Alaskans would be delegated to watching from the shore as our fish go elsewhere.

An Action Plan

The writer recommends funding and leadership by the State in marshalling on a crash basis all resources in and of the State, including the purchase of services as necessary and the hiring of experts in fishing and market economics, etc., to develop a feasibility study. The study would recommend the next steps toward the formulation of the plan. State policy could immediately then focus on the U.S. State Department and the Department of Commerce, as well as the Congress, in order to gain for the State the acceptance, by government, of the State plan. Such action should be well accepted by the Federal Government because of the recent removal from the Alaskan economy of massive amounts of land, and because nothing of great significance has yet happened in the 200-mile fishery by the people of any other state. This interregnum will soon expire, however.

A very well financed and staffed task force should be assembled involving the citizens who can work on the problem, if not full time, at least to a considerable amount of their time, in order to get the

plan off the ground and rolling. Citizens' Committees from each of the maritime communities should be immediately formed, financed and staffed so the each Alaskan maritime community or other community which feels it should have impact from the fishery could design and structure the involvement deemed necessary by those communities.

Areas where here is great economic distress should be given additional support to guarantee that the bountiful will impact the remote and poverty stricken areas of Alaska.

1. March 1, 1980. The Administration and Legislature agreeing on a working plan with time goals and budget for each phase.

2. March 15, 1980. Selection of the task force to head up endeavor. The financing and staffing of component parts, such as local community involvement.

3. April 1, 1980. Commitment of state funding for reasearch in markets and supply, with a preliminary report of feasibility within 60 days.

4. June 1, 1980. Statewide discussion and evaluation of plan and decision by State leaders as to whether the State would move forward to implement the plan or not. Establishment of corporate machinery and funding package. Lobbying federal decision-makers for support and such legislative change as is necessary. Commencement of negotiations with foreign fishing interests for the orderly take-over of the fishery.

A Final Note

The writer feels this opportunity is a challenge to the people of Alaska, and is one which could and should unify us. It can provide a focus, a platform, and a forum for the development of the people of the State for years to come. The economic and social benefits from implementation of this proposal could well set the course for the future of Alaska.



LIMITED ENTRY PERMITS

By
William E. Bedsworth

ISSUE

The State creates valuable permits, certificates or licenses by deciding to regulate entry into certain industries. Because entry becomes limited the licenses, etc. become valuable and salable on the private market. These permits become valuable regardless of the value of the business "owning" the permit. There are many cases where a business person sells his equipment for one price, the goodwill of the business for another, and the State license or permit for still another price. Even where a business is bankrupt the permit or certificate is salable.

The value of the permit is created by the State by limiting entry into the industry. If it were not true that the State allowed only a certain number of businesses in the industry (e.g., fisheries, air transportation, etc.) only the equipment, real property and good will of the business would be salable. The State creates the value in the permit or certificate; the value does not result from anything the company does or produces.

Although the Transportation Commission has tried to reduce the occurrences, the permittee now sells his permit and retains the revenue for himself. To me this procedure is an unconscionable transfer of income from the taxpayer to the individual selling the certificate. This windfall was created by the State for State purposes in the public interest. The vendor of the permit has not earned the revenue received from the sale of the permit; his gain is from the sale of his company's goodwill, if any, and from the sale of property. In my opinion, the revenue from the sale of the permit or certificate belongs to the State.

RECOMMENDATION

Where the State wishes to limit entry to an industry the permit should be placed at auction before qualified potential buyers. The auction could be held before the buyers were qualified, or afterwards. In either event the money from the auction would belong to the State.

Existing permittees and licensees in limited industries would merely turn in their permits to the State without selling them to private individuals. This permit would then be auctioned, if in the public interest.

Merely taxing away the gain from the sale of a permit would stimulate the growth of measures to avoid the tax. Vendors of permits would conceal the sale in the price of equipment, value of goodwill or assorted schemes such as "consulting agreements" after the sale. The right of the State to auction the permit would be clouded unless statutory.

CONCLUSION

The windfall should be removed to the State where it belongs. With the auction there would be no need for public convenience and necessity hearings. The prospective buyer should make such a thorough investigation that he knows that owning the permit would be valuable. The public interest would still require that the buyer be a qualified person or company, but such matters would be determined without large scale hearings. The value of the permit would rise and fall determined by the profitability (public need) of the service.

Biographical Sketch

William E. Bedsworth is a non-practicing attorney who teaches part time for UAA (regulation of industry) and is a hearing officer for the Transportation Commission.

PERMANENT FUND

By
William B. Fredson

The Alaska State Legislators and many of the people of Alaska are aware of the Permanent Fund, the basic idea behind the establishment of this fund, and the growth of this fund through the royalties of the State's share of gas and oil and the interest the fund draws from the banks.

Many ideas, schemes and proposals have beer put forth by manypeople on and for the use of the Permanent Fund, some good, some bad and others downright unrealistic.

Whatever the final decision on the use of the Permanent Fund may be, it will be made by the State Legislature in Juneau, by those Legislators, elected officials all, who should be aware of this and understand that they are mandated by law to serve the people as a whole and not any few special interests which would violate the oath of office.

The spending of the 900 million that the State received from the sale of gas and oil leases is a case in point, and can only be hoped that this is a lesson learned, and will serve as such.

Whatever the recommendations are for the best possible use of the Permanent Fund, it cannot and should not be used for bigger government. To provide for better government efficiency and services, perhaps, but not to support a huge bureaucracy which would encumber itself through sheer size.

The very state of the economy of the State of Alaska and the Nation addresses itself to this. The economic forecast for this country is not good and the effects will surely be felt by all of the industries here in Alaska in the near future.

My one firm recommendation of the use of the Permanent Fund is not to expend the funds to the point where it ceases to be for what it was intended.

Toward this end, I tend to favor the idea of a separate corporation to be set up by the legislature to be outside of the influence of State Government officials with the citizens of the State of Alaska to be stockholders who elect the Board of Directors, much as has been proposed by Senator Mike Gravel.

Should this idea not be favorable to a majority of the people, I suggest that a close watch be kept on the major expenditure proposals through propositions on the ballot, instead of the legislature having overall control of the use of the Permanent Fund.

Why? Because it has been proven through the ages that even our elected officials are sometimes wrong and do the wrong things which exceeds the authority of their office.

Take the recent televised town meetings which were an exercise in futility as evidenced by the reaction of a majority of the people.

But, more than that, take the actions of the President and the Secretary of the Interior in locking up vast acres of lands in Alaska in establishing National Monuments, Wildlife Refuges, and study areas for (sic) the future generations of Americans. These actions will have a diverse effect which portends to be ill-advised for the future of this country, and the State of Alaska.

For this reason alone, the Permanent Fund is highly important, and that dictates its wise use and investment for the future generations of Alaskans.

Perhaps this is already known. I can only hope that it is understood by all concerned.

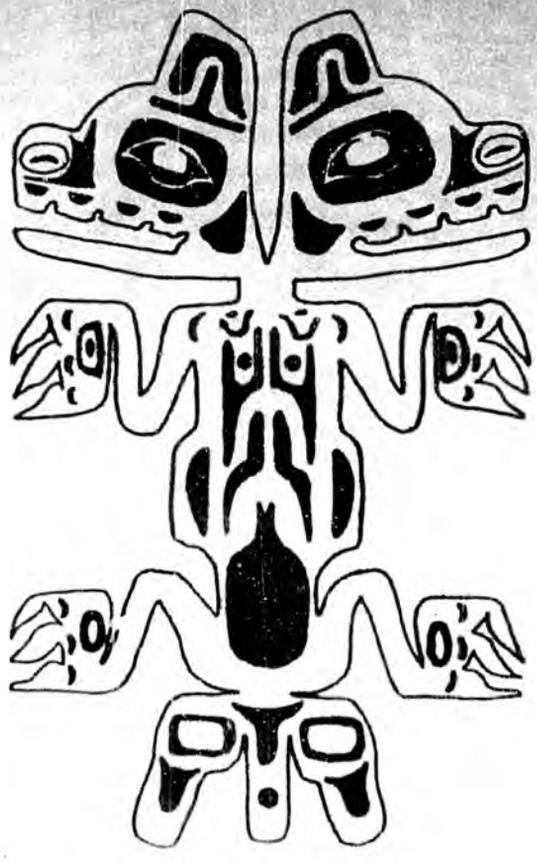
ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION AND LIMITED ENTRY PERMITS

By
Jorgen W. Bogdanoff

Commercial salmon fishing has been a main way of life for many Alaskans. This has involved heavy investment, hard work and risk of life in the treacherous waters of Alaska. Fishermen have frequently suffered financial loss and marginal profits because of lengthy breakdowns, loss of vessels and gear, restricted fishing time to ensure adequate escapement and poor salmon runs due to the catch of salmon by foreign fleets on the high seas. Recently there has been a dramatic improvement of the salmon runs due to the enactment in 1976 of the 200-mile limit and the elimination of the foreign fleet from the migratory waters of the salmon on the high seas. Now many of these fishermen have been deprived of the opportunity to fish while a favored few are reaping extraordinary profits. This is an issue of paramount concern to myself and many other fishermen that are at this time and will be in the future excluded from participating in the harvesting of a common Alaskan resource. Alaskan fisherman, including myself, are forced into waging lengthy and costly legal battles against the ill-considered Limited Entry Permit Program instituted and enforced by the Alaska Commercial Fisheries Entry Commission. At present there are numerous suits in the courts of this State on this issue and many fishermen are waiting to see the outcome of these court actions.

In 1973 the Alaska Commercial Fisheries Entry Commission was created to promote the conservation and the sustained yield management of Alaska fishery resources and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination. Among the powers and duties of the Commission was to regulate entry into the commercial fisheries for all fishery resources in the State and to issue entry permits to qualified applicants.

The statutes and regulations pertaining to the issuance of Limited Entry Permits state:



"Each applicant shall personally operate or assist in the operation of the licensed fishing gear."

"The Commission shall accept applications for entry permits only from applicants who have harvested fishery resources commercially while participating in the fishery as holder of gear licenses."

"Applicants shall be assigned to a priority classification based solely upon his qualifications as of January 1, 1973."

...sons not qualifying under Alaska Statutes governing limited entry?

Below is a partial list of minors who have been issued Limited Entry Permits. I have omitted the names:

TYPE	LICENSE #	DATE OF BIRTH OF PERSON ORIGINALLY ISSUED PERMIT
Bristol Bay Drift Gill Net	S03T 61140L	12-15-1960
" "	S03T 61382F	4-27-1957
" "	S03T 61291B	6-19-1957
" "	S03T 60993X	12-18-1959
" "	S03T 60594G	4-10-1957
" "	S03T 60426W	1-6-1957
" "	S03T 60425F	10-15-1959
" "	S03T 59807O	4-16-1959
" "	S03T 58363O	9-17-1959
" "	S03T 58254A	11-21-1957
" "	S03T 58230K	1-21-1960
" "	S03T 55853N	8-27-1960
Bristol Bay Set Net	S04T 61254O	5-24-1960
" "	S04T 60934G	7-3-1959
" "	S04T 60928C	4-11-1963
" "	S04T 60926R	9-8-1963
" "	S04T 60908H	5-19-1965
" "	S04T 60870S	11-20-1961
" "	S04T 60869C	8-28-1959
" "	S04T 60854R	7-22-1961
" "	S04T 60839J	4-11-1965
" "	S04T 60822O	3-27-1960
" "	S04T 60802S	2-18-1960
" "	S04T 60593P	12-11-1965
" "	S04T 60302A	1-28-1963
" "	S04T 60279X	6-10-1968
" "	S04T 59045E	11-16-1966
" "	S04T 59042B	7-16-1965
" "	S04T 57461Q	6-24-1963
Cook Inlet Set Net	S04H 61437I	7-19-1963
" "	S04H 61285U	1-26-1970
" "	S04H 61283K	7-15-1963
" "	S04H 61196B	11-26-1963
" "	S04H 61070R	11-27-1966
" "	S04H 61016K	11-8-1963
" "	S04H 61015R	9-28-1966
" "	S04H 60750J	10-7-1963
" "	S04H 60748A	9-17-1965
" "	S04H 60415E	8-1-1964
" "	S04H 57631K	4-3-1963
" "	S04H 56521F	10-3-1963
" "	S04H 56520M	2-8-1965
" "	S04H 55984F	11-25-1965
" "	S04H 55652A	5-30-1964
" "	S04H 55639B	2-11-1967
Kodiak Set Net	S04K 60674Q	9-10-1961
" "	S04K 60673Z	9-9-1963
" "	S04K 59058Z	7-25-1960

S 95

...were issued permits by the Commission. It is obvious that the Commission could not have unknowingly erred in the issuance of so many permits to unqualified applicants. Criminal conduct must be suspected. Many of these fraudulently obtained permits have been sold. There are also cases of families, husband, wife and their minor children, all receiving permits. One family in Summerville, Oregon: husband, wife and three minor children, the youngest child having been five years of age at the time of qualification, was issued the following five permits: SO4T 59041J; SO4T 59042B; SO4T 59043S; SO4T 59044L and SO4T 59045E. Another family with five minor children, as young as seven years, received a total of nine permits. The seven year old daughter was issued permit No. SO4T 50432C. Two permits each: a Drift Gill Net and a Set Net, were issued to two of the sons. One could not have effectively operated both a Drift Gill Net and a Set Net simultaneously. It is apparent that the members of the Commission have little or no knowledge of the use and operation of salmon gear. Elderly men, some over the age of 85, were issued permits and upon receipt immediately sold them. An example is Permit No. SO5B 55202Z, birthdate 11-2-1886. Some permits are in the hands of individuals who are not United States citizens. They fish in Alaska for a few weeks and then return, with U.S. dollars, to their homes and families in foreign countries. I fail to see how and why these individuals were issued permits, when I and other fishermen who did participate in the fisheries for years were denied permits.

The guidelines for awarding points in the implementation of issuing permits have many serious defects and constitutional questions that are being challenged in the courts today. Some of these are:

The Commission's method of awarding more points for 1972 than are given for previous years. 1972 was the year that the Governor of Alaska was forced, in the case of Bristol Bay area, to declare it a disaster area because of the low salmon run which was only 55% of the forecasted run predicted by the Alaska Department of Fish and Game of 9.744 million. Many fishermen were discouraged from fishing that same year by the Alaska Department of Fish and Game and were offered jobs as forest fire fighters by the State. Fishermen that decided not to fish that year because of the poor predicted run and helped promote escapement to enhance future runs by not fishing forefeited many points and, therefore, did not qualify for permits.

Points awarded on income dependency are a form of penalizing the fisherman who elected to work during the off-season and avoided joining the ranks of the unemployed or going on welfare and becoming a burden to the State. A total of 4 points for 1971 and 6 points for 1972 was awarded to the fishermen who had little or no other income than from fishing. Keeping in mind that the salmon fishing in Bristol Bay actually only lasts approximately six weeks (three weeks King Salmon fishing and three weeks Red Salmon) this means that a fisherman is discriminated against for having had another line of work for the other 46 weeks of the year.

Under availability of alternative occupation, an additional 4 points are awarded based on the population of your place of domain. This is violative of the equal protection clause of the Fourteenth Amendment to the United States Constitution. Because I have resided in Anchorage for the past 18 years, I was awarded 0 points. Individuals living in outlying areas, with a metropolitan population of less than 10,000, in Alaska and other States were awarded up to 4 extra points. These points were awarded irregardless of whether the recipient had full time employment and participated in commercial fishing during their summer vacation.

Due to the increased salmon runs in Alaska, the permits are becoming extremely valuable and Bristol Bay Drift Net Permits have sold for up to $125,000. One of the former Commissioners of Limited Entry is now involved in the commercial venture of brokering Limited Entry Permits. Under the present system, fishermen are greatly tempted to sell their permits as the value goes up. Only the wealthy or front men, backed with financing and guarantees by canneries and processors are able to afford permits. A large number of canneries and processors operating in the State of Alaska are controlled and owned by foreign corporations. This foreign influence is increasing annually. The processors are able to manipulate and set prices that otherwise would not be acceptable if the fishermen had operated independently. This results in not only a financial loss for the fishermen but also to the people of Alaska, through lost tax revenues because of the lower prices received for their resources.

Many unqualified permit holders are leasing out their permits for the season to the highest bidder and they are, because of the high value of the permit, receiving the major portion of the earnings derived from the salmon catch without having participated in the fishery.

The Alaska Commercial Fisheries Entry Commission must realize that the limited entry program has caused tremendous pressure, discontent and hostility and that it is unworkable in its present form. State Legislators have indicated that limited entry has some serious constitutional questions. An attempt will be made to salvage the concept of limited entry because of the possible financial liability of the State to individuals who have purchased permits. However, I feel that since many of the permits that have been sold were fraudulently obtained, through falsifying documents submitted with applications at time of issuance, the burden of liability rests on the seller and that caveat emptor applies.

If limited entry was totally eliminated, all permit holders, regardless of their status, will still be able to participate in the fisheries and, therefore, are not at any loss. I do not agree with a buy-back program by the State. The permit holders have had the use and benefit of the permits and are not entitled to receive further compensation from the State. Individuals who have purchased permits for investment or speculation are not entitled to consideration as this is not the intended use of the permit.

The Apprenticeship Program being considered opens the door to new avenues of favoritism, fraud and bribery. Can State bureaucrats astutely judge the expertise and abilities of a fisherman? The past handling of the awarding of permits should answer that.

Non-transferrable Permits would be unworkable as well. For example, upon the death or retirement of a permit holding fisherman his permit would revert to the State while his vessel and gear would go to his heirs. Hardship would occur as what use would the heirs have with the vessel and gear without a permit? If the State awarded the heir a permit, it would then be guilty of discrimination and creating a class of individuals that inherit the right to harvest a common resource.

The State's loan program to assist fishermen in the purchase of Limited Entry Permits is an inflationary factor in the prices paid for permits. It creates a hardship for the fisherman by becoming another interest-earning indebtedness for a paper that does nothing to improve productivity.

I challenge anyone to formulate a limited entry plan that is effective, uncorruptible, equitable and non-discriminatory.

I recommend that the limited entry program be completely eliminated. The fact that the voters of Alaska did approve this program does not preclude its elimination. Many voter-enacted laws have been subsequently struck down by the courts on grounds of unconstitutionality. Alaskan voters were led to believe that the enactment of limited entry would promote aquaculture, that all fishermen that had participated in the fisheries would be enrolled in the program and would be allowed to continue fishing. As I have documented in this letter, there is no evidence that the above has been accomplished.

The Alaska Commercial Fisheries Entry Commission may attempt to take credit for the improved salmon fisheries. But the credit must rest solely with the enactment of the 200-mile limit, the westerly movement of the Japanese salmon fleet from 175W to 175E Longitude (480miles) and the elimination of the foreign fleet from the migratory waters of the salmon on the high seas. Strict enforcement of the 200-mile limit, regulations governing vessels and gear, and escapement management by the Alaska Department of Fish and Game can adequately enhance and conserve the fisheries. This method of management guarantees equal protection under the law to all citizens.

It is not the duty of the State to insure a profit to the participants in a fishery by limiting their numbers. The market place will govern. Fishermen have always been aware that commercial fishing involves taking a certain amount of risk. The fisherman wants to make this decision on his own. This country is built on a belief in private enterprise without undue interference by governmental agencies. Bureaucratic attempts to take these freedoms from the individual only create constant friction between the State and its citizens.

ADMISSION TO THE ALASKA BAR ASSOCIATION

Limited Entry

By
Verda Marie Jones

Professor Charles L. Black of Yale Law School, tells the following story of a Pawnee Indian brave named Peshwataro.

"The law of the Pawnee commanded that on the summer solstice there take place the sacrifice of the star maiden. A girl was each year captured from a neighboring tribe and bound to a stake. At dawn, the Pawnee braves would ride in a circle about her. This was not done for sport, but because, like so much that seems cruel in so many societies, it was thought to be a cruelty necessary to the maintenance of the moral and religious order. Many Pawnees, through what process or influence I cannot say, came to disapprove of it and talked of doing away with it, but it was the law and conservatism was too strong. Then one summer solstice at dawn this Peshwataro, a young man of high repute with the tribe, broke from the circle before an arrow was shot, rode furiously to the stake, freed the girl of that year, slung her in front of him, and escaped with her. He left her with her people and then rode back, much as Gandhi might have done, to submit himself to his fellows. As it happens, they did nothing. It was time, really, to stop this business and they had only needed an act of such courage to make that clear."

The second and seventh month of each year a similar practice takes place in the sovereign state of Alaska. It is also thought to be a necessary cruelty. Many have come to disapprove, but no young man of high repute has come forth to stop the practice. What is needed is a single act of courage. It is time, really, to stop this business. The Alaska Bar Admissions is in truth a limited entry program. Your Committee has the obligation to investigate, debate and legislate.

Alaska Constitution, Article I, Section I: "This constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of happiness, *and the enjoyment of the rewards of their own industry;...*"

Alaska Constitution, Article I, Sectin 7: "No person shall be deprived of life, liberty, or property, without due process of law,"

United States Constitution, Fourteenth Amendment: Provides for due process of law and equal protection of the laws.

This paper deals with what the Alaska Constitution calls, and is dedicated to, a persons "natural right to ... the enjoyment of the rewards of their own industry." The right to make a living is among the greatest of human rights.

Protection of the public is the only justification for prohibiting an individual from practicing his profession. A state may not, under the guise of protecting the public, arbitrarily interfere with private business or prohibit lawful occupations or impose unreasonable and unnecessary restrictions upon them

The Alaska Bar examination is an imperfect instrument for measuring an individual's qualifications for practicing law. It does not protect the public. It does interfere with lawful occupation and impose an unreasonable and unnecessary restriction upon candidates.

Because the examination is such an imperfect instrument for determining an individual's qualifications for practicing law there should be a keen awareness of those imperfections on the part of the Board of Governors. The procedures followed by the Board do not evidence the careful use of awareness essential to an individual's right to practice his profession. The examination itself, the grading system, and the appeal handling do not satisfy the requirements of due process. The decisions of the Board are arbitrary and unreasonable and bear no relationship to the end sought (protection of the public), and is therefore a violation of due process.

Because the bar examination is such an imperfect instrument for measuring an individual's qualification it is especially important

that due process be accorded to the examinee. It may be helpful to review the examination process and a few of its defects:

The Alaska State Bar Examination is a 2-½ day examination given twice a year. One day is devoted to the multi-state bar examination, which is prepared by the National Conference of Bar Examiners and administered by the Educational Testing Service of Princeton, New Jersey. One day is devoted to essay questions prepared and graded by the California Board of Bar Examiners. One half day is devoted to Alaska questions prepared and graded by the Alaska Board of Bar Examiners.

The multi-state examination consists of two hundred multiple choice questions covering six areas of law. A fact situation is presented and a series of multiple choice questions are presented for the applicant to indicate the "best" answer. The examination is machine graded.

The California essay questions present a factual situation and request the applicant to write an essay analyzing the legal issues applying the rules of law to the facts presented. The California questions are written by the California Board of Bar Examiners and graded with California applicants.

The Alaska essay questions present a factual situation and request the applicant to write an essay analyzing the legal issues applying the rules of law to the facts presented. The Alaska questions are prepared and graded by the Alaska Board of Bar Examiners.

Defects of the Multi-State Bar Examination

The Multi-State Bar Examination is not a valid examination.

1. There is no single correct answer to multi-state bar examination questions.

1. There is no provision for an applicant to challenge the examination.

3. No provisions are made to review the examination as a learning aid for subsequent examinations.

4. Pool questions have been leaked compromising the examination.

5. The examination is culturally biased.

6. The multi-state examination has no relevancy as to future performance.

In preparing the multi-state bar examination the examiners make more than one of the four choices offered very close to correct and students are told to choose the "best" answer. Jove Covington, Director of Testing, explained "There may be more than one possible correct answer, but the committees drafted each item with what was regarded as one 'best' answer."

The Bar Admissions Study Commission for the State of Oregon examined the multi-statge questions and several took the exam. The Committee concluded that in some cases at least two of the choices were sufficiently close to correct that there might be a substantial difference of opinion as to which one could properly be chosen. For such questions applicants with equal knowledge and analytical abilities could choose different responses, and the student who chose the committees "best" answer would receive points while the other candidate, with equal knowledge and skill would have no way of demonstrating that knowledge.

The Washington Bar Association eliminated the multi-state portion of the bar examination in 1977, in part, because there is no single correct answer to the multi-state questions. The Oregon Bar Commission appointed by the Oregon Supreme Court to study bar admissions has recommended that the multi-state portion of the examination be eliminated for the same reason. The study was completed in 1979 but has not been acted upon.

There are no provisions for the applicant to challenge the multistage examination. The examinations are brought to Alaska by Educational Testing Service and administered. No copies remain, or can be secured, for the applicant to use in challenging the examination. An examination that cannot be challenged is not a valid examination.

The State of New York passed a "sunshine" law in 1979

guaranteeing that everyone in the state who takes a test can receive a copy of his test and the correct answers. It requires the testmakers to explain on the record how they constructed the examination. Ohio legislators are discussing a similar bill and California enacted a weaker bill after educators lobbied frantically to dilute it. Theodore Weiss is co-sponsoring a "truth in testing" bill in the House of Representatives. The New York Congressman argues that it will lead to fairer tests if the "testmakers" rationale becomes public.

There are no provisions for the applicant to review the multi-state examination as a learning aid for subsequent exams. No copies of the examination are allowed to remain in the state or to be reviewed. In subsequent exams the applicant may very well continue to make the same error, failing to select the answer the committee has designated "best".

Pool questions have been leaked compromising the examination. The re-use of questions on the multi-state examination raises the problem of security. At the present time the National Conference of Bar Examiners have filed suit against Multi-State Legal Studies in Federal District Court in Chicago for an injunction and other relief. Advertisements of Multi-State Legal Studies of Philadelphia regarding a seminar it offered included the statement "of the 200 questions, approximately 120 questions were reconstructed from questions which appeared in the 1978 multi-state bar examination."

The multi-state bar examination is culturally biased. A number of papers have been prepared on the topic of bar examinations and cultural bias. Since trustworthy statistics are difficult to come by, none of them can be considered conclusive. Because no questions on race or ethnic status are asked, it is not possible to identify minority candidates. Partial statistics have been compiled by the Oregon State Bar Affirmative Action Committee and they verify a lower pass rate for minority candidates. Similar reports have come from studies made by Washington and California.

It is possible to identify more than a dozen Alaska Native applicants that have applied for admission to the Alaska Bar. Most of them within the past four years. Only four had been admitted by July of 1979. At that time a majority of the candidates had taken the examination more than once. One young woman had been examined three times. Black applicants are experiencing difficulties.

It is important to note that two hundred questions must be answered in 360 minutes. With little more than a minute and one-half per question, reading speed appears to be a requirement in the successful completion of the examination. Thus, performance will be enhanced among students who are able to read fast. Since reading speed is to some degree related to familiarity with the language of the test it orients the test in favor of middle class Anglo students.

The multi-state examination has no relevancy as to future performance. It is an examination which tests ability to remember rules of law and analysis of fact situations. It fails to measure abilities in legal research, negotiation, interviewing, oral advocacy, trial practice and any of the other skills which a lawyer might be called upon to exercise. There has been no attempt to show that the bar examination has any relevancy to the subsequent practice of law.

The multi-state bar examination is stressful, expensive and defective. It cannot be considered a valid examination.

Defects of the Essay Examination

The Essay Examination is an Imperfect Instrument for Measuring an Individual's Qualifications.

1. It "tests" three or four years of study in one and one half days.

2. There is no single correct answer for essay questions.

3. There is insufficient time to prepare an answer.

4. There are too many issues.

5. The quality of the question is frequently poor.

6. The essay portion of the examination covers too many subjects.

7. The essay examination requires a type of study which is often

repugnant to a good analytical mind.

8. The essay portion and the multi-state portion do not select as competent or incompetent the same candidate. The degree of correlation between the two examinations is not consistent.

9. Issue-spotting is a very limited form of testing for legal knowledge.

10. There is a lack of agreement among competent readers as to what the score for an essay paper should be.

The essay examination is expected to reveal the abilities of a candidate in a one-shot qualification. It fails to take into consideration the physical, mental or emotional conditions of the examinee on the three days of his life that he takes the examination. Law school performance, and work-related activities are not considered. The examinee must be able to cover all possible detailed questions. Three years of academic training are tested in three days.

There is no single correct answer for essay questions. Law is not an exact science, legal issues produce widely varying interpretations and arguments. A student who knows a subject well may view with extreme complexity what the board views as fairly simple issues.

As presently structured the essay examination emphasizes speed and endurance. Forty minutes is an insufficient time to read, analyze, and write a difficult essay. All issues must be spotted, all rules of law applied, etc. The average answer prepared by my son was seven single space typewritten pages. The time factor discriminates against cultural minorities. Reading and writing speed are related to familiarity with the language of the test; it orients the test in favor of middle class Anglo candidates. A single essay question may have as many as forty issues to spot and analyze.

Essay questions on the bar examination present too many issues to permit full discussion within the time allotted. The essay questions frequently contain so many issues that applicants cannot physically and mentally deal with the analysis or the physical necessity of transmitting the analysis into a written answer. The number of issues goes beyond any reasonable expectation for a response in the time alloted.

Questions are frequently poorly worded and confusng. Names used are similar, facts ambiguously stated, the call line misleading. Questions frequently deal with obscure areas of the law which are not usually covered in law school courses. Questions are designed to require discussions of phantom issues or an explanation of why an issue did not exist. Issue-spotting is too limited and results in an examination that is too restrictive in methodology. Questions are phrased using the inductive method. Culturally different examinees do better when questions are phrased using the deductive method. An examination which tests ability to remember rules of law and analyze fact situations in light of those rules is too limited. The essay examination does not measure other important qualities necessary to the practice of law.

The essay portion of the examination covers too many subjects. A two-day period is long enough for an effective bar examination. The code of recommended standards recommends twelve subjects. The Alaska applicant must prepare for the California subjects, the Alaska subjects and tne multi-state subjects. The examination is two and one-half days. Oregon recommends two, down one-half day from the present examination period.

The essay examination requires a certain type of study and writing, not just good legal knowledge, analysis and logic, but the "black letter law" approach. A good legal mind frequently finds this approach repugnant.

If the multi-state examination and the essay examination were correlated they would select the candidate as competent or incompetent in both areas. This is not so. Candidates frequently pass one section of the examination only to fail the other section.

The essay portion of the examination is concerned with issue-spotting. Some applicants may not be able to demonstrate their knowledge under the standard essay format but could do so if faced with a different type of question. Some of the suggested question formats are more closely approximated to the way lawyers are required to apply legal rules than the standard issue-spotting.

There is a lack of agreement among competent readers as to what the score for an essay paper should be. A series of studies has

shown that answers to essay questions are scored differently by different readers and that even the same reader scores the answers differently at different times.

The Ashburn study of grading essay exams is acknowledged as one of the finest works in the field of testing and measurements. After an in-depth study and experiment, Dr. Ashburn found a lack of agreement among the professors on each reading and inconsistency between the two readings for a given professor. He concluded that the passing or failing of about 40% of the students depended, not on what they know or don't know, but upon who reads their papers. The passing or failing of 10% of the papers depends upon when the papers are read.

Graders for the essay portion of the Alaska Bar Examination are failing candidates with scores of 69.4, 69.6 and even 69.9 on a scale where 70 is passing. It is not possible to grade essay questions to such a specificity.

Given the defects of the essay examination one must consider that it is an imperfect instrument for measuring the ability of a candidate.

Defects in the Grading Process

The grading process is inappropriate and unfair.

1. The present grading process is a form of colonialism.

2. The grading process is not anonymous.

3. Grading personnel are not professional examiners.

4. There is a pre-determined passage rate.

5. A standardized score of 70 is not consistent with scores of neighboring states.

The present grading process is a form of colonialism. Four-fifths of the examination is graded outside the State. The California essay portion is graded with the California candidates. The multi-state portion is graded in Princeton, New Jersey. The only part of the examination that is graded in Alaska is the Alaska essay section. This is a one-half day session. The other two days are devoted to areas that are graded outside the State.

There is considerable discussion and assurance that the grading process is anonymous. Each candidate being given a number with the key to the numbers held by the Supreme Court. The candidate knows his number and can easily communicate it to members of the examining committee. In the 1979 exam a bar examiner worked in a large legal office. Members of that office were assured by her that they would pass the Alaska questions. There is no such thing as anonymity in grading.

Grading personnel are not trained in testing and measurements. They are frequently new attorneys themselves. They are rendering decisions that are of extreme importance without the training to do so. There are no model answers provided for the graders to follow. The result is that unqualified candidates are excluded.

The Board of Governors of the Alaska Bar Association deny that there is a pre-determined pass rate. However, in the past 16 examinations the pass percent has only twice been above 79%. That was the year when candidates filed a group appeal against the Board of Examiners protesting grading procedures. The winter 1979 pass rate was 69%. Almost 40% of the candidates failed.

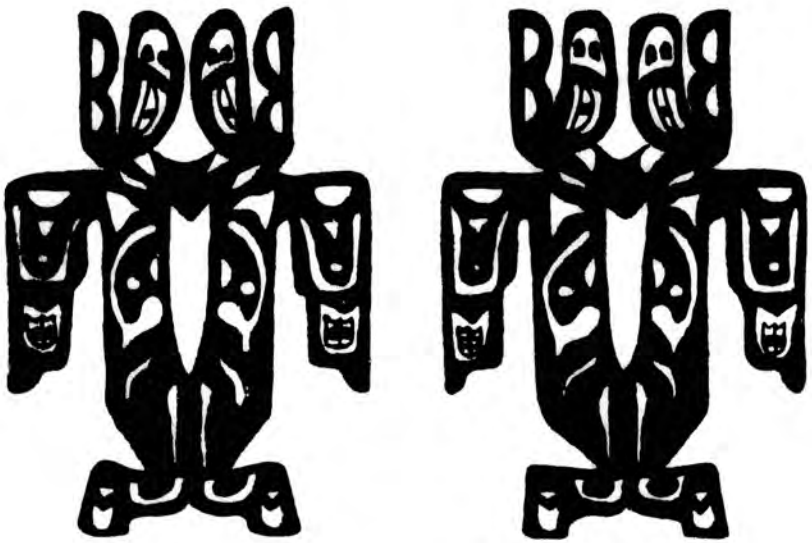
The decision to set the score at 70 is not consistent with neighboring states. Washington is 65, Oregon is the same, Utah is 60, etc. By setting the multi-state exam score at 70% many candidates are excluded. By moving the passing score from 70 down to 65, Pennsylvania changed the pass rate from 62% to 98%. The majority of the failed candidates do not fail by a large number of points. The total points by which my son failed three examinations is less than four. The third examination by six-tenths of a point.

The Appeals Process is Defective

Applicants who wish to appeal their failure of the bar examination must do so on the limited grounds of fraud, improper conduct or arbitrary use of discretion on the part of the Board. This does not

afford a meaningful review for unsuccessful applicants who contend that mistakes were made in the grading of their examinations.

Appeals to the Board of Governors are usually met with a refusal to hear the applicant's appeal. The appeal can then be filed with the Supreme Court. This is a lengthy and costly method of attacking the problem. Douglas Luna, a black candidate who failed the examination in 1975, finally received the word that his appeal was turned down in the fall of 1977. I was unable to find an appeal that was found in favor of the applicant. If an applicant is to have any chance at all he must have a very good appeals attorney. A really good appeals attorney will not take cases of this nature. The fees are not as lucrative and they have little hope of winning the case.



LETTER REGARDING NEED FOR PRIVATE LAND

By
Richard A. Fritz

I should like to comment on only one important issue, that of needed private land to ensure growth and maturity to the State of Alaska.

It would seem reasonable to me that all lands within a 6-mile strip along all major roads, rivers and railroads should be systematically made available at public auction. All lands beyond this 12-mile wide corridor could then be deemed "Public Lands" to be governed by a joint State-Federal commission.

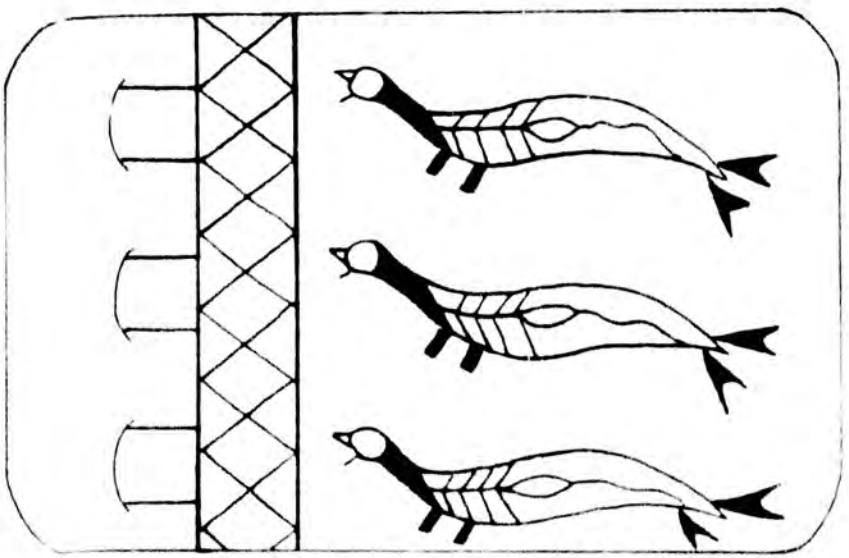
This commission should be committed to the concepts of multiple-use and sustained yield. The idea would be to set up forests, parks and refuges; both State and Federal. The areas could only be as large as the commission could justify with multiple-use and sustained yield doctrine. The governor of Alaska would have to approve each forest, park and refuge on a one-by-one basis. Any lands not assigned in a ten year period would be turned over to the state for public auction.

If the forests, parks and refuges were limited in size and the controlling individuals were kept in Alaska I think it would work. I don't dislike the Feds -- I am one -- however, I don't trust the judgment of most of the Washington Feds on any Alaska issues.

The "corridor concept" is a good one and I've heard it discussed before, but I never hear why it's always discarded.

I only hope that Senator Hohman and Representative Meekins can work to give this land-poor state some private land for hunting and firewood at everyone's back door.

Thank you for your time



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Supplement

A Conference on Alaska's Future Frontiers

Sheraton Anchorage Hotel
December 6,7,8 1979

FUTURE FRONTIERS AGENDA
Anchorage Sheraton Hotel
Supplement

Wednesday — December 5, 1979

Noon —	Registration and material distribution.
4:00 P.M.	Delegate Room and Group Assignments Yukon Room

Thursday, December 6

8:30 A.M.	Convocation Breakfast Welcome and Remarks by Senator George Hohman, Jr., Representative Russ Meekins and Ed Merdes Howard Rock Ballroom
10:00 A.M.	Assignment of Group Leaders, Editors Kuskokwim West Room
10:30 A.M.	Work Groups begin Alpha — Room 311 Beta — Kuskokwin East Gamma — Kuskokwin West Delta — Yukon Room Epsilon — (to be announced) (Groups will retain these meeting room assignments throughout the conference)
1:00 P.M.	Lunch
2:00 P.M.	Continue work groups and comment solicitation
6:00 P.M.	Adjournment
8:00 P.M.	Banquet — Howard Rock Ballroom Keynote Speaker: R. Buckminster Fuller

Friday — December 7

9:00 A.M.	Continuation of Work Groups (same room assignment)
Noon	Lunch
1:00 P.M.	Work groups and organization of comments
6:00 P.M.	Recess for Dinner
8:00 P.M.	Resume work groups and comment organization

Saturday — December 8

9:00 A.M.	Summary of delegate work reports Howard Rock Ballroom
Noon	Press Conference on findings
1:00 P.M.	Conference conclusion

January 14, 1980 — Report to the Alaska Legislature

The Future Frontiers Conference, 1979
is dedicated to
Gene Guess
Former Speaker of the
Alaska House of Representatives

This conference, Future Frontiers, is a continuation of a process begun ten years ago with the convening of the Legislative Council / Brookings Conference on the future of Alaska.

Then as now, Alaskans were asked to determine their State's most pressing needs and to provide guidance to the Legislature regarding allocation of North Slope oil revenues.

Many problems identified by the 1969 conferees have been addressed and substantially corrected by legislative action since that time, but there is still much before us in the 1980's.

As preparation for this conference, the series of issue papers contained in this book have been solicited from individuals who have experience in Alaskan affairs. (A supplement of papers is also provided; those that did not make the typesetting deadline.) Their format should provide background, present status and proposed directions for the conference issues. We commend these Alaskans for providing this timely material for the Future Frontiers delegates and the legislature.

Senator George Hohman Jr.
Representative Russ Meekins
Co-Chairmen
Future Frontiers Conference

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FISCAL FUTURE

OIL AND GAS POLICY IMPLICATIONS FOR THE DECADES AHEAD

by

Kenneth E. Showalter

**[illegible] annual [illegible] [illegible] [illegible]

the revenue base in 1968, that goal has largely not been met. At this point in time, a decade after the first such symposium, it is most appropriate for thoughtful people in the State to pause again and examine not only where we have been in the past decade but where indeed should the State be headed in the decades ahead.

Current Status Some New Perceptions About Alaska's Fiscal Future

In the past year, several prominent economists have reached similar conclusions about Alaska's fiscal future given their perceptions about Alaska's current stauts. Economists at the Institute of Social and Economic Research of the University of Alaska were among the first to write about the problem: the growth of State expenditures coupled with extremely high dependence on one field - Prudhoe Bay, which will decline - for the bulk of the State's revenue. Alaska Pacific Bank economist Bob Richards then wrote a report reflecting the same concern and analyzing some of the options. A year ago, the Alaska Oil and Gas Association commissioned a report entitled "Alaska's Emerging Fiscal Crisis" which highlighted the conclusions of both studies and cited further evidence of concern from legislative consultants such as Bonner and Moore and Milton Lipton as well as University of Alaska Professor Bradford Tuck. In the recent Public Symposium on Alaska's Financial Future, Arlon R. Tussing addressed the same problem and provided his own insights as to what can or can not be done about the problem.

Interestingly, these economists not only appear to agree about the problem but also about several elements affecting a solution. Yet it appears that many Alaskans in policy-making positions within the government are still operating with the assumptions of a decade ago, assumptions that are incorrect in light of the perceptions of 1979. As stated in the University report mentioned above "The future financial health of Alaska's State Government is one of the most crucial, and least understood, challenges facing Alaskans."[2] From our own experience in Alaska, Sohio would agree that the problem is not well understood. As the largest single tax-payer in the State, as well as a company with 75 of our assets here, we consider ourselves to be Alaska citizens and are concerned about these misunderstandings not only because they directly affect our ability to operate in Alaska but also

to highlight the findings of these economists and legislative consultants in the hope of both establishing the importance of oil and gas policy directions for the future well-being of the State and all its citizens (individuals and corporations) and suggesting policy alternatives that are appropriate to today's understaning of Alaska's fiscal position.

As previously stated, there is virtually unanimous agreement among major economic consultants to the State that Alaska faces a serious problem of dependence on a field that wil decline for the bulk of its revenues. There is recognition of this fact increasingly evident in the government as exemplified in public statements by the Governor. What is not well understood is what should be done about it or what can be done about it. The popular answer was voiced to a degree, without the current sense of urgency, back in 1969 before there was recognition of the implications of a government financially based on the Prudhoe Bay field. Without recognizing the problem, Alaskans felt a need to diversify the economic base. That is still a whorthwhile goal today, but few in policy-making positions seem aware that there are limtis to the degree that diversification can, in the near term, meaningfully contribute to the State's economy: that indeed Alaska is now and will be for the foreseeable future dependent on oil revenues to operate the government. This fact has profound implications for oil and gas policy, but before detailing these, it is important to understand why petroleum development is inevitably the keystone to Alaska's future economic well-being.

The Alaska Oil and Gas Association's "Emerging Fiscal Crisis" lays out much of the current thinking on the problem. In addition to submitting that booklet for the record of the symposium, I would like at this time to quote the following which explains why, despite its vast resouce potential, Alaska will still have to depend on petroleum reserves for the foreseeable future:

> Professor Bradford H. Tuck, Economic Analyst of the Federal State Land Use Planning Commission and Associate Professor of the University of Alaska, recently showed, by a few comparisons, how unrealistic it is to believe that non-petroleum resource revenues could possible contribute enough revenue—soon enough—to eliminate the need for petroleum revenue

Revenues in 1979 (real millions)

Revenues from commercial fishing would have to increase by a factor of 80, or

Alaska annual coal production would have to amount to 5.53 times total 1975 U.S. production, or

Alaska copper production would have to rise to 8.76 times total 1977 U.S. production, or

Personal income tax of Alaskans would have to increase by a factor of approximately five.

Professor Tuck acknowledged that, to a degree, the above is unrealistic in that, for example, no one revenue source would have to make up for the full burden of replacing petroleum dollars in the future, but the facts present a strong message.[3]

In his prepared remarks for the October 20, 1979 symposium on Alaska's financial future, Arlon Tussing's words evoked the same message and took it A FEW STEPS FARTHER TO POINT out some conclusions relevant to State policy planning. In summary, Tussing's message was as follows:

> Surplus state revenues guarantee economic growth for Alaska, but this growth is not likely to create a stable, diversified economic base, no matter how the money is spent or invested in Alaska.[4]

Tussing's reasoning is based on the observation that a number of factors including high labor costs and inflated land prices will continue to discourage investments that have to face price competition in national or world markets. Thus, he wrote, "only the biggest deposits of oil, gas, or metallic minerals, the densest and most accessible stands of timer, and the highest-value fisheries, will be able to overcome Alaska's high cost of doing business or its remoteness from the world's population centers."[5] Tussing further stated:

> The critical limits to the growth of Alaska agriculture of bottomfish processing, for example, are not investment capital or infrastructure, but rather include market development, technical experience, managerial competence, and the general sophistication of the surrounding economy. *Each of Alaska's other basic industries probably has its own natural pace of development; while state and federal regulation can retard its growth, the ability of government funds to force accelerated development is strictly limited.* (Emphasis added.)[6]



It is further pointed out that even construction of a gas line or a world-scale petrochemical plant or a world-scale refinery will not serve to diversify Alaska's economic base; in fact, the opposite is true. Alaska's dependence on petroleum will even be heightened, as each of these depends on a continuing source of petroleum. To avoid a total gloom and doom projection perhaps, Tussing concluded by stating that it is conceivable that "new oil and gas discoveries or the growth of some other basic industry" might postpone the predicted fiscal crash indefinitely. Sohio is in no position to guess what the "other basic industry" might be, but we are in a position to suggest some policy options that the State might wish to consider at this juncture in its history.

Implications for Oil and Gas Policy Now and in the Decades Ahead

To summerize up to this point, the fiscal trends of the past decade were reflected in the position papers of the 1969 confernce

on Alaska's future. The perceptions at the time included (1) a feeling that Prudhoe Bay revenues would be more than adequate indefinitely to support the kinds of social programs that were felt to be needed at the time and (2) a desire to promote non-oil and gas economic activity within the State. With these perceptions, there was little interest much less concern about fostering economic and regulatory policy conducive to oil and gas exploration in the State. The major focus of concern regarding resource development was in fact environmental alone.

Today, many Alaskans share a new concern, but few are aware of several important factors related to that concern. The concern is over the fact that the government is highly dependent on one field which will start its decline in the next decade. Further, there is virtually unanimous agreement among economists knowledgeable about Alaska's economy that the State faces a potential fiscal crisis as a result of the trends of the past decade; and the "charismatic" fiscal chasm, to use Revenue Commissioner Tom Williams words, may occur in some ten to twenty years, possibly as early as 1992.

A critically important factor that has yet to be widely recognized, particularly in government circles, is that for the foreseeable future, Alaska's continued dependence on petroleum revenue is inevitable. Because of Alaska's uniquely high costs, non-petroleum investments will perforce continue to face difficulties in view of price competition in national and world markets. The question emerges: will the State of Alaska have new sources of petroleum revenue from new oil and gas discoveries when they are needed to prevent possible collapse of the State's economy? In view of the perceived lack of need even to hold a major lease sale on State land in the past decade and considering past and recent regulatory and tax policy trends, the answer is unclear at best.

What is clear is the State's urgent need at this point in time to reassess or indeed assess for the first time Alaska's oil and gas policy trends in the light of the newly recognized fact that new oil and gas discoveries are *crucial* to the State's ability to survive as an economically viable institution in the decades ahead. With a contemporary understanding of the importance of new oil and gas discoveries to Alaska's survival, the State cannot afford to be capricious as to State policy affecting oil and gas. Indeed, there is a critical need to design and implement policies that will encourage much more exploration than has taken place in Alaska in the past decade. With some [illegible] of Alaska's jobs dependent on the petroleum industry, A[illegible]laska have a vital interest in this matter.[7]

In view of the high costs of operating in Alaska, concerned Alaskans need to step back and examine past and current leasing, tax and regulatory policy to determine if there are steps that can be taken to improve Alaska's perceived investment climate relative to that of other states. Even Sohio, with some 75% of its assets here in the State, has to consider outsiders' opinions of the Alaska investment climate for petroleum as it is often people outside the State who make the financial decisions as to whether or how much to invest in Alaska exploration and development. When Sohio was trying to raise capital to build the Trans Alaska Pipeline System, for example, we were turned down by potential investors who, in explanation during the formal Federal Energy Regulatory Commission proceeding, cited as reasons "the generally negative posture of environmentalists and the hostile political climate then existing" as well as the "hostile atmosphere" against the petroleum industry.[8] In light of the above, we offer the following suggested policy alternatives to enable Alaska to compete more successfully for oil and gas exploration and development dollars in the years ahead.

Leasing: To attract exploration dollars to Alaska, the State needs to allow access to areas believed by the industry to be most favorable for oil and gas discoveries, and this needs to be done on a scheduled, predictable basis. As Arlon Tussing observed in the recent conference on Alaska's financial future, cited above, even with oil and gas, "only the biggest deposits...will be able to overcome Alaska's high cost of doing business or its remoteness from the world's population centers."[9] Thus, it is important to lease acreage that the industry has expressed high interest in. Predictability in the schedule will not only allow efficient planning by the industry but also foster lower cost operations and assure that the infrastructure of service companies and contractors that have evolved in Alaska will continue in place, keeping their thousands of employees at work on a steady basis. Aborted lease sales or changes in the schedule create uncertainty that is devasting to industry planning and to the support industries. Lease sales in areas that are of little interest to the industry will not, of course, either attract investment dollars nor sustain

[illegible] systems, it would seem that to the extent that they discourage needed private investment dollars in exploration or unduly risk the State's financial future, they are not in the State's best interest. With the use of net profits bidding in the Beaufort Sea Lease Sale, for example, the State is running the risk of emerging a net loser which, in view of the predicted fiscal crisis ahead, would be an unmitigated disaster for Alaskans.

Tax Policy: If Alaska wants to compete for exploration dollars with other states, changes in petroleum tax laws may be warranted, particularly considering that the current tax structure is tailored to Prudhoe Bay, the largest oil field ever discovered in the United States. Again, particularly considering Alaska's high costs, the need to be competitive suggests that the total tax burden on oil and gas should at least be no higher here than in other prospective areas. Even in Alaska, the future is not likely to be more Prudhoe Bay-sized fields but rather smaller fields with marginal economics where tax policy will make a difference both as to exploration dollars invested and the decision as to whether a discovery is sufficient to be developed. Further, as with leasing policy, there is a need on the State's part to be predictable. As Milton Lipton stated in 1978:

> I think it's true that insofar as the State's budgetary needs or revenue deficiencies always seem to be made up by oil industry taxation, this becomes a disabling and discouraging thing for industry...This cannot be a matter of indifference to companies that have their choice of operating any place.[19]

Regulatory Policy: With the contemporary understanding of the crucial role of new oil and gas discoveries in maintaining the State's fiscal viability, it is critical that State officials re-examine the unprecedented regulatory burden that has evolved as a result of preparations for the Beaufort Sea Lease Sale. If there was ever a time to recognize that there must be a balance struck between environmental and developmental goals, it is now. As Senator Ted Stevens recently observed in a speech before the Anchorage Chamber of Commerce, the people in the Lower 48 are going to need and want Alaska's resources, and when the national need is preceived to be great enough, the people in the rest of the country will demand Alaska's resources—particularly oil and gas—and they won't care particularly what happens to Alaska's environment in the process.

[illegible] driving deadlines proposed for the Beaufort Sea Sale—a deadline that could result in two to three years of unnecessary delay in drilling of a single well—Alaskans should work together to find solutions to concerns (such as the May 15 deadline proposed by Natural Resources Commissioner Robert LeResche) that neither compromise the environment nor indirectly lead to a backlash against such stipulations because of the delay they cause. For the same reasons, the emerging Coastal Zone Management Programs around the State need to be examined carefully by the Coastal Policy Council and legislature to ensure that local, state and national interests are considered in order to avoid a potential backlash harmful to the very environment that the proposed ordinances are trying to protect. The responsibility of State officials to work to find a balance between environmental and developmental goals at this juncture in Alaska's history is awesome, but that responsibility must be taken by all officials with responsibilities in those areas, and it must be taken now.



I would like to close by thanking the sponsors of this important conference for inviting a member of Alaska's oil industry to participate. The fact that the perceptions of 1969 led to the policies of the last decade gives us hope that the perceptions of 1979 will enable us to work together with those in Alaska's government in the decades ahead to create an environment in which Alaska's natural resources may be developed in a manner consistent with the goals expressed in the State's constitution: "It is the policy of the State to encourage...the development of its resources by making them available for maximum use consistent with the public interest"...of all Alaskans."

Footnotes

[1]"The Financial Foundations for Future Alaska." A Conference on the Future of Alaska. Seminar One Reports. Delta Group. p. 7.

[2]"Alaska's Revenue Forecasts and Expenditure Options." Institute of Social and Economic Research. University of Alaska. Vol. XV. No. 2. July 1978. p. 1.

[3]Starratt, Patricia E., *Alaska's Emerging Fiscal Crisis*. Alaska Oil and Gas Association. 1979. p.7.

[4]Tussing, Arlon R., "Investing in Economic Development." Remarks delivered at a Public Symposium on Alaska's Financial Future. Alaska Growth Policy Council. October 20, 1979. title page.

[5]*Ibid*., p. 2.

[6]*Ibid*., p. 5.

[7]Reaume, David. Department of Commerce and Economic Development. Statement before Eighth Annual Economic Development Workshop for Alaska Communities. November 7, 1979.

[8]Bank, Richard K., Metropolitan Life Insurance Company. Prepared Testimony. TransAlaska Pipeline System. Dockett No. OR78-1. Federal Energy Regulatory Commission. November 20, 1977. pp. 7 and 12.

[9]Tussing, *op. cit*., p. 2.

[10]Starratt, *op. cit*., p. 12.

[11]"The Constitution of the State of Alaska. Article VIII. Section 1. Full text. It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest."

Biographical Sketch

During high school, Kenneth Showalter worked as a farm laborer, freight handler for B&O Railroad. During college years he worked part time in his father's hardware store and during the summer he worked as a carpenter on construction projects. Showalter joined the Standard Oil Company (Ohio)—Better known as SOHIO—in November of 1950 as a marketing department trainee. He worked a great variety of jobs in a half dozen locations around Ohio, including industrial sales, consumer sales, sales manager, site developer (real estate), division manager and department manager of pricing. In early 1975 he was assigned the job of Assistant Director of Alaskan Affairs and later promoted to Directo Alaska Government Affairs, his current job. His current employer is SOHIO Petroleum Company.

PROPOSED TAX STRUCTURE FOR ALASKA DURING A BUDGET SURPLUS

prepared by
Ken Gain

Introduction

During the decade of the 70's Alaska's burgeoning oil production, increased taxes on the petroleum industry, and the rapidly accelerating price of petroleum due to inflation and the high prices established by the O.P.E.C. cartel have produced substantial unanticipated revenue to the State of Alaska. As a result the State will be entering the decade of the 80's with surplus revenues in the range of $2-4 billion. In view of this large surplus, it is only appropriate that Alaska review and perhaps modify its existing tax structure.

History

Since Statehood, the tax revenue needed to support state government has come primarily from the following sources:

(1) Severance taxes on petroleum extraction, and ad valorem taxes against petroleum related facilities;
(2) Excise taxes levied primarily on the sale of gasoline, tobacco and alcohol;
(3) Gross business tax levied against the gross receipts of Alaska business; and
(4) Corporate and personal income tax.

At the beginning of the 70's, the principal source of State revenue was the corporate and personal income tax. However, during the decade, a series of new and larger taxes levied against the petroleum industry as well as the increasing production of and price of petroleum, have increased the revenue from petroleum related taxes to the point where they constitute over 65% of the State's current tax income. This increased income from petroleum related taxes as well as the State's royalty income from the sale of State owned oil, has been responsible for creating the large unanticipated surplus.

By 1978 it became obvious that the State would begin securing surplus income from oil taxes and royalties and therefore, certain modifications of the tax structure were adopted by the 1978 Legislature. As of January 1, 1979 the gross business tax, which was an extremely unpopular tax with business people, was repealed. In addition, the net cost of the personal income tax to Alaska residents was reduced through enactment of an "Individual Income Tax Credit." This resident tax credit allows a tax credit of $100 per taxpayer ($200 for joint returns) against taxes otherwise due in 1979 and will increase to $300 per taxpayer ($600 for joint returns) in 1981.

As a result of the unanticipated surplus, considerable discussion has been generated in recent months on the subject of abolishing or significantly reduing the personal income tax. Although it would of course be possible to reduce other taxes, no substantial support has developed toward reducing them. It is considered highly unlikely that anyone but the petroleum industry would support a reduction of taxes against that industry and therefore the author will address only the probabilities of reduction or elimination of some of the other taxes. Because alcohol and, to a lesser degree, tobacco create substantial public health costs as well as other social welfare costs (related to alcohol), the current taxes on these items do not yet offset their social costs. Therefore, repeal of these taxes would meet with substantial opposition. The increased price of petroleum, which is responsible for the unanticipated surplus, has also greatly increased the cost of gasoline to the Alaskan consumer. Therefore, support could be generated for a repeal of the excise tax against gasoline which would thereby reduce its cost to the Alaskan consumer. However, in terms of the overall current price of gasoline and the future anticipated cost, the elimination of this tax would not make a substantial price difference. Moreover, it is the opinion of this author that price is the ultimate answer to the conservation of petroleum products and therfore elimination of the excise tax against gasoline would only delay petroleum conservation in Alaska. Based on the foregoing, it therefore appears that the prime candidate for reduction or elimination is the personal income tax and the corporate income tax.

Putting the Income Tax in Perspective

In analyzing Alaska's personal and corporate income tax, it is important to understand the relationship with the Federal income tax. The regulations for the Alaska income tax closely parallel those for the Federal income tax and is based upon a percentage computation of the Federal tax. There is, however, one significant difference. Federal income tax rules provide that State income taxes are an allowable deduction for taxpayers who itemize deductions on their Federal Income Tax Return. Therefore, an Alaskan taxpayer, in the highest Federal bracket (70%) may deduct 70% of the amount of State income tax he pays from the amount of Federal income tax he pays. This means that for the highest income brackets, the net cost of the State income tax is only 30¢ on the dollar. For a person at the lower end of the income bracket (14%), the net cost is a sharply increased 86% of the actual tax. For the person who does not itemize deductions on his Federal tax return, the amount of Alaska income tax paid has no affect on the amount of Federal income tax paid, and therefore the net cost to him of the Alaska income tax is 100% of the amount paid. In almost all cases, it is usually advantages for persons who own homes (due to the fact that mortgage interest and real estate taxes are itemized deductions), or who have high incomes to itemize their deductions on the Federal return. Therefore, it can readily be seen that the persons who pay the highest percentage of net dollars (although not necessarily the most dollars) in State income tax are those persons who rent or who are in the lower income tax brackets.

In analyzing the income tax, it is also important to analyze just who is really paying that tax. In a recent talk, Governor Hammond indicated that the gross revenue from the personal income tax was approximately $130 million, of which amount $30 million is paid by non-residents of the State of Alaska.

It must be remembered that most projections indicate that the income from petroleum taxes and royalties will sharply diminish within fifteen years unless there are additional oil discoveries. Therefore, the projected level of state spending will begin resulting in deficit budgets. Any elimination or reduction in taxes to Alaskan residents is likely to be temporary in nature.

Before enacting any new tax, four basic questions which must be answered are as follows:

(1) Is the tax reasonably fair?

(2) Is the tax reasonably easy to administer?

(3) Is the tax reasonably related to the ability of taxpayers to pay?

(4) Will the tax have an undue negative affect on the economy? (Since government is not as efficient in its utilization of capital as private enterprise, higher taxes will always have some adverse economic impact.)

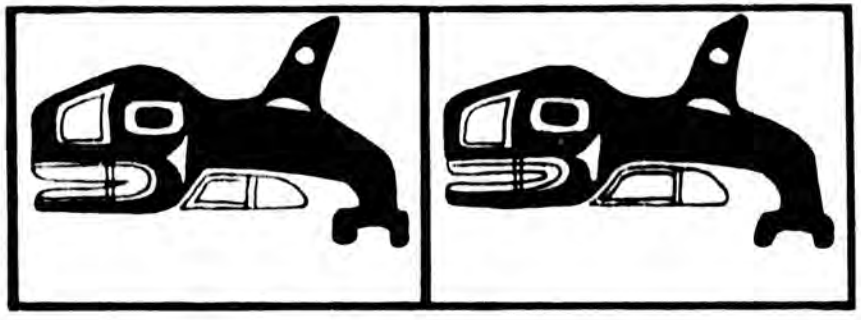
Therefore, when consideration is given to the reduction or elimination of the tax, it is only reasonable the same criteria should be applied.

One Alternative is to Simply Eliminate or Reduce the Current Income Tax

In analyzing the pros and cons of the alternatives the criteria which would be used for imposing a new tax will be applied.

Pros

The reduction or complete elimination of the income tax is incredibly simple to administer. With taxes reduced, it is a simple matter of reprinting the tax schedule. If they are eliminated it would be relatively easy to disband that portion of the Department of Revenue dealing with the income tax. It is certainly reasonably related to the ability to pay since no one would be paying any income tax. On the one hand it can be argued that it is very fair, since those persons who will benefit are those persons who are paying the taxes in the first place. However, a sub-



statistical argument can be made that the reason the tax can be eliminated is due to the profits derived from Alaska's natural resources, and that since these resources belong to all of Alaska's residents, all of them should share in an equitable manner. Unfortunately, the matter as to which approach is the most fair is pretty much a matter of individual philosophy and should be the subject of a book on philosophy rather than a brief paper on tax structure.

Cons

The negative arguments against complete elimination of the income tax begin with a discussion of whether or not it is fair which, as discused above, is a matter of individual philosophy. The overwhelming argument, and of this author's opinion, the key issue against eliminating the tax is the economic impact on the State of Alaska. As discussed earlier in this paper, any reduction in the Alaska income tax will, for the taxpayer who itemizes his deductions, increase his Federal income tax. Therefore, a significant portion of the amount of reduction in Alaska income tax will be offset by a corresponding increase in Federal taxes. Although the author does not have at his disposal hard statistics as to the percentage of Alaskans who itemize Federal returns and their averge Federal tax rate, it is reasonable to assume that since approximately 50% of all Alaskans are homeowners, approximately 50% do in fact itemize deductions on their Federal tax returns. Based on examination of Alaska's per capita incomes, it is reasonable to assume that the average Alaskan who itemizes his Federal tax return would conservatively be in the 30% Federal tax bracket. Therefore, complete elimination of the $100 million in State income tax paid by Alaska residents (Governor Hammond's figures) would amount to a corresponding increase of $15 million in Federal income taxes (50% x $100 million x 30% = $15 million). Considering that $30 million of the total $130 million in income tax is paid by non-residents, the complete elimination of the personal income tax would result in only $85 million (or approximately 65% of the loss of revenue to the State) in the pockets of Alaska residents. While an additional $85 million at the personal disposal of Alaska residents would certainly enhance the economy, it is this author's opinion that we should strive for a higher return.

The Recommended Tax Structure

It is this author's opinion that the State would better be served by keeping the income tax in force and providing a series of tax credits which will either reduce, eliminate, or provide a negative tax based on a series of tax credits related to the high cost of living in Alaska. This proposal would be based on continuation of the current "Individual Income Tax Credit" with additional credits equal to the amount of real property taxes and heating and electricity paid, or indirectly paid as a renter, on a permanent residence within the State of Alaska. Obviously, there would have to be some limitation as to the amount of such credits. These credits could easily be established, year to year by the Legislature, depending on the amount of revenue needed to operate the State. Assuming that it is the intent to completely eliminate the $130 million collected in income tax, it wuld be possible to calculate these credits as the maximum of the actual total (i.e., sum of the current individual credits, plus the cost of real estate taxes on the residence, plus the total cost of the heating and electricity for that residence) or say $325 per family member, which is the approximate per capita amount based on $130 million income tax revenue. Since a portion of this recommendation is to allow an actual negative income tax, it is important to separate the tax structure from the welfare system. It is therefore recommended that an additional maximum limitation be established as 50% of the taxpayer's gross earned income.

To allow renters to take advantage of credits for taxes and utilities, which they indirectly pay through the owner of the property, it will be necessary to place a certain administrative burden on owners of rental property. To offset their cost in providing this service to tenants, it is proposed that owners of rental property be allowed to deduct as tax credits the amount of credits for real estate taxes which would be attributable to vacant units. As an illustration of how this would work, assume that a taxpayer owned a four-unit apartment building on which the real estate taxes were $1,200/year and that throughout the year he averaged a vacancy of 25%. In this instance, the renters of each unit would receive a $300 credit and the owner would receive the remaining $300 credit. The renters would, in addition to the credit for real property taxes paid, receive credit for their pro rata share of the utilities.

Relief to corporations paying the corporate income tax should be provided by allowing tax credits to help offset the high cost of doing business in Alaska. While it would be possible to establish corporate credits for real estate taxes paid, and utility costs, it is this author's opinion that a more beneficial type of credit should be related to the number of Alaskans employed. It is therefore recommended that corporate income tax relief be related to Alaska employee credits. Under this system each corporate taxpayer would be allowed a tax credit, equal to an amount established by the Legislature, for each employee who is an Alaska resident. By utilizing this form of credit, there would be greater incentive to those types of industry and business which are labor intensive and therefore provide greater benefits to more Alaskans. It would even be possible to allow higher credits for certain industries, the development of which the Legislature would like to encourage.

Since these credits are likely to be temporary in nature, and may vary from year to year, the most efficient method of administering the credits is to prepare an additional schedule to the current income tax form. After the taxpayer completes his normal income tax computations, he would then prepare the form for his credits. So that the taxpayer realizes that he will ultimately pay for any new government programs enacted, and that the credits are in fact temporary, the form should have a label such as "Temporary Tax Credits Due to Surplus Petroleum Revenues." By utilizing this method, the amount or limitation on the credits could be varied from year to year, depending on the State's revenue needs, while at all times maintaining a high level of consciousness with the taxpayer that he is ultimately responsible for the cost of government programs.

Pros

The recommended alternative is fair if the reader subscribes to the philosophy of fairly equal distribution of the benefits among the entire population. Because it spreads the amount of tax reductions more evenly through the populace and is related to cost of living and doing business in Alaska, it is more related to the ability to pay than the alternative of a complete elimination of income taxes. With the exception of credits which would accrue to non-resident corporations employing Alaskan residents, all of the credits would accrue to the residents of Alaska and therefore would provide a greater dollar impact on our economy. Because of the broader distribution and the allowance of a negative income tax, the benefits would accrue more heavily to persons who do not itemize their Federal income tax returns, and therefore will reduce the amount of the tax reduction benefits, which would be lost through increased Federal taxes.

Cons

An argument against this recommendation is, of course, the element of fairness which again depends on philosophy. Another argument against the proposal is that it would be more complicated to administer than a complete elimination of the income tax. On the other hand, the mechanism already exists for administering the income tax and with the exception of providing regulations for determining the amount of credits to renters, it should not be significantly more difficult to administer than the present law. Since owners of rental property would be receiving some benefits in exchange for calculating credits to renters, they should be quite cooperative.

Summary

In summary, it appears that the recommended course of action is preferable to complete elimination of the income tax in that it directs more dollars into the Alaska economy, and will benefit more Alaskans, particularly those currentle receiving no reduction in Federal taxes for the amount of State taxes paid. It also has the benefit of providing the greatest tax reduction for those businesses providing the most jobs for Alaskan residents.

While adoption of this tax structure would leave some higher income Alaskans still paying income taxes, it must be remembered that these higher income persons are already receiving substantial credits against the amount of their Alaska income tax through reduction in the amount of their Federal income tax. Therefore the issue of fairness does not seem to be an overwhelming one.

The major objection against the recommended tax structure, as opposed to the alternative of eliminating income taxes, is that there is no cost or effort involved in the elimination of income taxes. However, it is likely that at some future date it will be necessary to again levy income taxes and the amount of tax reduction benefits lost to the Federal government and non-

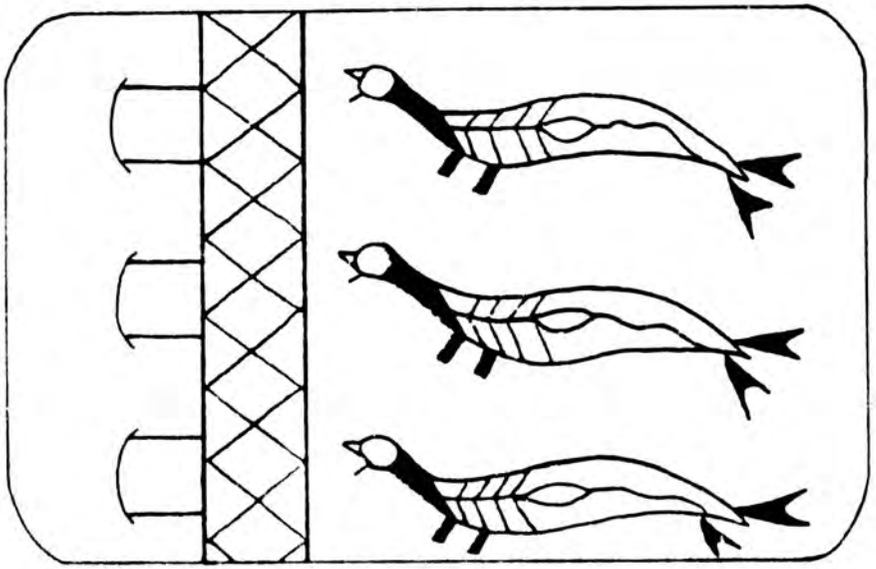
the Legislature to distribute benefits from our petroleum wealth greater than the amount of income taxes, but still retain the necessary mechanism to levy taxes which might be required in the event of some unforeseen change in petroleum revenues.

Footnote

[1]According to the Department of Revenue, actual revenue for fiscal 1979 from income taxes was $117,181,248.80 from personal income taxes and $24,828,170.87 from corporate income taxes for a total of $142,009,419.80. They were unable to, as of the date called, verify the amount paid by non-residents.

Biographical Sketch

Kenneth Jay Gain, MAI, SRPA, SRS, CCIM, is a 28-year Alaska resident who is currently employed as President of Professional Realty, Inc., and as Chairman of Real Estate Services Corporation, of Anchorge, Alaska. In his personal practice he specializes in counseling clients in achieving tax shelter through investment in real estate. He has also organized and currently manages some 15 partnerships designed to provide tax shelter for investors.



PERMANENT FUND

prepared by
Emmitt Wilson

Since it became apparent several years ago that Alaska would be able to accumulate a sizable surplus due to mounting revenues from the North Slope Oil Reserves, everyone and everybody has developed their plan for managing or spending these revenues. The past two sessions of the State Legislature have considered the idea of a permanent fund bill to establish the control of this apparent wealth.

In reviewing the report on the Brookings Institute Conference held ten years ago after the $900 Million oil lease sale, it is obvious that trying to predict and predetermine the actions and consequences of the next ten years will be nothing more than guesswork on the economists part. Throughout a history that has experienced the failure of four distinct economic systems, economists, for the most part, have only projected from current assumptions and later explained why their predictions failed. Ten years from now it is unlikely that my statements and recommendations will have stood the test of time but I offer them in the belief they would be good for Alaska today and well into the future.

The number one controversy that exists within Alaska at this moment is what to do with $1 to $4 Billion the State will apparently receive this fiscal year, over and above all operating costs-and the possible $45 Billion of such accumulated surplus by 1995. It appears we are now in the position that John Maynard Keynes would describe as having a budget balanced at naught on both sides, with the community starving to death because of inability to put itself to work. Theory and practice have lost contact.

At the very same time we are amassing these billions of surplus dollars, we are witnessing the failure of hundreds of Alaska businesses due to the lack of financing. Our homebuilding industry that is so vital to continued economic growth and expansion is being devastated because of the lack of mortgage money within the income limitations of the homebuyer. Moreover, hundreds of [illegible] can't be gainfully employed. What is [illegible] I think we need to answer at least four questions:

(1) Should Alaska continue to tie itself to the monetary policy of the Lower 48?

(2) What exactly is economic growth and is it desirable?

(3) Have we enough of it now?

(4) How can we get more of it, if we desire?

Should Alaska continue to tie itself to the monetary policy of the Lower 48?

By sharply increasing interest rates and adopting direct controls on the money supply, Chairman, Paul Volcker and the Federal Reserve Board have ordered what could be a long and severe recession with higher unemployment a certainty. This could be costly to Alaska's economy even if Mr. Volcker were right in predicting that it will bring inflation down, perhaps to 10% by the end of the year.

This is unlikely, however, since Alaska's unemployment rate is well above the Lower 48 and much of the inflationary boom is beyond the reach of monetary policy. The market power of big business to set wages and prices is a good example. So too is OPEC oil pricing, with another increase expected in December. A huge increase in social security payroll taxes in January will increase employer costs, drive up prices and reduce employee take-home pay, creating new pressures for catch-up wage increases. Higher interest rates are in themselves inflationary in the short run, since they increase the cost of money. Federal tax collections will decline with the Gross National Product and federal outlays for recession relief will rise steeply. The resulting increase in the deficit will be upwards of $20 Billion for each percent of unemployment. This deficit will have to be financed at the higher rates of interest decreed by the Fed, which will further increase the deficit.

Productivity, the lack of which is another cause of inflation, is not improved during recession. Factories have to be operated at less than efficient levels of capacity and investment falls off due

[illegible] head of the AFL-CIO, has called the Volcker [illegible] "the wrong move at the wrong time."

Since World War II there have been three recessions with nearly five million unemployed, with ratios rising to almost 8 percent. This is not an indication of healthy economic growth. The main problem appears to be the huge U.S. trade deficit we are acquiring due primarily to the demand for energy that last year amounted to $40 Billion and is estimated to reach $90 Billion in the coming year.

Alaska does not face such deficits. Instead, we are blessed with resources that insure tremendous increases in our Gross National Product." We have sources of continued cash flow, far and above the needs of prudent state government. Why then should we not return some of this income to the electorate in the form of tax relief, low interest loans and programs to benefit education and health? Instead, we are becoming part of an orchestrated recession being created by the Feds. We have the resources, the markets, the people and finally the money we have always lacked, until now, to build ourselves the best life and dynamic economy of any state in the Union, and of most countries, for that matter.

What is economic growth and is it desirable?

There are a variety of criteria for economic growth such as "the dollar output of goods and services," or some in the more abstract, such as "progress," "well-being," "higher living standards," etc. Measurements, meanwhile, can be in physical units, such as energy, tons, dollars, and also in human terms, such as the number of people employed and unemployed.

Affluent societies do not need to increase their tonnage of physical goods as much as they need to increase services; including the arts of living. Beyond the dollar totals, beyond full employment, lies this central question - *How well does the gross output serve the people who live in the economy?* Alaska is abundantly supplied with hard and soft minerals, water, forests, fish and money. We are seriously under supplied with job opportunities, schools, teachers, hospitals, housing, livable cities and many public necessities. We need to monetize our resources and our men and women.

[illegible] economy is far below potential at the present time. We should never forget the fundamental goal, *to keep citizens employed and the community healthy.* Until every person who wants to work is working, until every housing unit has food, shelter, clothing, health services and education, we have not adequately managed our economy.

How can we get more of it (economic growth) if we desire?

It has never been done in an open society without increasing its debt. Our so-called free enterprise system is primarily a debt system, where bank money, which began as a debt of the borrower, is converted into new wealth. To increase the growth rate, money must go into the flow faster than it is taken out. The new money, it has been found, will also stimulate an increase in spending over and above the amount of the original addition.

John Maynard Kaynes was the first to draw attention to what is now generally known as the "multiplier." When money is motionless, as in a sock or a vault, nothing happens-except to the ego of its possessor. When it is spread around the market, the initial expenditure activates a series of waves, like a stone thrown into a pool of water, which continue to expand for some time.

Most of us assume that the initial spending is the only spending; we completely neglect the multiplier. Thus $1 Billion, borrowed from the banks and spent by the government to put a man on the moon might be regarded as a total loss, to some, money down the drain. Actually, owing to the multiplier effect, perhaps $2 Billion will be spent for food, shelter, clothing, health and education. The scientists, engineers and workmen spend their salaries and wages. The individuals who receive the money spend most of it save some of it. Business firms also save some of it, as the dollars go around and around in the circuit

Professors Canto, Joines and Webb of the University of Southern California, Graduate School of Business Administration, did a study on the effect of Proposition 13 in California. Proposition 13, which became law in July, 1978, placed a lid on property taxes at 1% of market value and dropped revenues on which counties, municipalities and school districts rely, from $12 Billion



to about $5.6 Billion. The $6.4 Billion cut in property taxes was approtioned as follows: only $2.3 Billion went to homeowners, with the landlords getting $1.2 Billion and commercial and industrial interests winning a $2.9 Billion cut.

The $2.9 Billion cut for the Business Community prompted Governor Brown to urge corporations to invest their tax savings in California to create more jobs and a "Buoyant Economy."

The report which was presented a year after the Bill was enacted showed there was a decline of 100,000 jobs in the public sector but a creation of 552,000 new jobs in the private sector. The unemployment rate in California declined from 7.6 percent to 6.2 percent while the U.S. rate declined from 6.1 percent to 5.8 percent; the lowest gap in 20 years for California.

To [illegible] income tax cuts in [illegible] were followed by a [illegible] in unemployment and a dramatic increase in the Commonwealth's surplus. Similarly, the professors noted that in 1982 and 1984 tax cuts resulted in the national economy experiencing "a period of unprecedented expansion," with unemployment declining from 6.7 percent to 3.8 percent in 6 years.

These examples illustrate the multiplier effect. It doesn't matter if it is in the form of a tax cut or *new* loans. If it allows an addition to current investment which would not have occurred otherwise, incomes will necessarily be increased and at a rate which will normally exceed the rate of the increased investment.

Money lenders, centuries ago, issued gold certificates to an amount greater than the gold in their vaults. They thus created money "out of the air," or more properly, created the means to finance an increase in production. They took a calculated risk that the gold certificates with inadequate metal behind them, would stimulate enough enough activity by the borrower so that he would possess new wealth, and could repay the loan and interest.

Keynes summarizes the modern process. A grant of bank credit, and the checks resulting therefrom, will tend to:

(1) increase the output of wealth,

(2) increase employment,

(3) improve wages, and

(4) raise the gross national product.

The bank credit comes "out of thin air" to begin with, but usually materilizes into useful economic events. Credit can be extended to a businessman, to a government, to an individual or to a charitable enterprise, for that matter. The businessman normally gives his note, the government its bond, or short-temr paper. Both help to create money or numbers never before in existence!

The only thing that has ruined this desirable process is infla-

[illegible] for the or equipment goods & services. Inflation can be independent of, and is not necessarily correlated to, the amount of money or credit available."

We've been offered hundreds of contributing causes of inflation, most of which are really effects, not causes. In any viscious cycle, an effect becomes a cause, and vice versa. High interest rates are a case in point. Inflation requires high interest rates. Lenders are entitled to receive back at least as much value as they lent. If the dollar is worth less at the end of the loan period, equity demands that the lender receive enough additional dollars to make up for the loss in value of dollars lent, but interest costs are part of the expense of doing business, so high interest *resulting* from inflation in turn *causes* more inflations.

Until we completely change our U.S. corporation tax structure to a graduated rate (above $100,000 earned) we will not stop inflation. With a g[illegible]uated corporate rate, price and profit increases would be as wo[illegible]less to business as wage increases are to labor. As it is now, wage increases are just added on to the price, plus the profit on the increase, and passed on to the consumer.

A graduated corporate tax program that would achieve this end of price-wage spiral would be profitable to business, labor and the entire economy since each would gain more real buying power instead of dollars worth less all the time.

Martin J. Meyer and Dr. Joseph M. McDaniel, Jr. wrote a book entitled *Don't Bank On It*. In it they say "Believe it or not, any sum of money deposited in any Bank or Savings and Loan Association at any time during the past 10 to 25 years, after deductions of average income taxes on interest earned, would have brought more loaves of bread, more heads of lettuce, more rides on the subway or more copies of the *New York Times* with the original deposit than it will today will all of the compound interest added. Money must be made to multiply itself many times over in the span of a score of years if the thrifty are to keep pace with inflation."

The best Master Trust Agreements offered by the top banks and money managers with their "very *aggressive*" asset mix of [illegible] return of 11.8% over a five year period. Their [illegible] asset mix of 80% bonds, 6% stocks and 14% cash is projected at 9.3%. After adjustments for management fees and taxes (in the case of corporations and individuals) the net after tax return is more like 6.4% to 6.8%.

The State of Alaska, to my knowledge, has never had a net effective yield on its investments in excess of 8% annually. Meanwhile, an inflation rate of at least 10% is predicted for this year.

Under these conditions how can anyone argue that "Saving" our surplus money for future generations is the correct path to take when we are not even getting our own money back at the end of the year.

The State can, however, realize a much higher rate of return if we can obtain the direct results of the multiplier effect within our economy.

Take for example an 11% net return from a master trust agreement in comparison to an 8% - 30 year loan on a new home built in Alaska using a $100,000 principal amount. The 11% will make the State $11,000 in interest the first year. The 8% home loan will only return $8,000. How can we justify this? At least 50% of the $100,000 is labor that the economists say turns over 5 to 7 times before winding up in someones bank account. Let's be conservative and just figure 4 times, or $200,000 of direct benefit to the economy generated by the labor portion of this one loan. The land that was subdivided required permits from the municipality, soils tests, engineering, title reports, legal documents, utility design and construction, all before the lot was produced. The house, besides the labor, required the materials and equipment and tools, all of these things contribute to a continuous sequence of expansion and we call the multiplier pro[illegible]ess. And taxes are paid to the municipality and state each time the sequence occurs. The property tax at 9 mills on an $80,000 assessment would be $720 per year. The state income tax on $200,000 in a 9% tax bracket would be $1,800.

The difference between the 11% and the 8% rate to the homeowner would be $218.50 *less* per month. Assuming most of this

went back into circulation with the multiplier effect of 4-1 it would mean $10,488 per year additional benefit to the economy. Considering these compounding beneficial effects how could anyone say that "outside" investment is better for Alaska, unless you do not want growth or employment.

The similar advantages of providing superior rate financing to Alaska businesses would be just as dramatic. If you would pull 20 case files at random from the State Business Loan Section, that were made without bank participation, you would find typically a $100,000 loan at 8% for 10 years will provide that business $500 - $700 of new money per month that it didn't have before. Applying the multiplier effect to this, it should become obvious that just as the tax cut under Proposition 13 put new money into play, that created jobs and actually more than made up the tax loss, this same result could be accomplished in Alaska by just lending people their own money at reasonable rates.

I would strongly recommend that 50% of the Permanent Fund be allocated for investment in a revolving loan fund for Alaska homeowners and businesses.

From every indication, the abnormally high interest rates decreed by the Feds will be forced back down within one year. Treasury Secretary, G. William Miller, the administration's chief economic spokesman, in a recent appearance before a subcommittee of a House-Senate joint economic committee, assured them the administration is prepared to "offer alternatives" to the current policy. The Treasury-Secretary said he believes a two-tiered system of bank interest rates, with lower rates for smaller business "makes good sense."

Lawrence B. Simons, Assistant Secretary of Housing and Urban Development, on November 9, 1979 confirmed that they are about to ask Congress for money to buy single family mortgages at below-market interest rates. A 1974 law authorizes $10 Billion for such purposes.

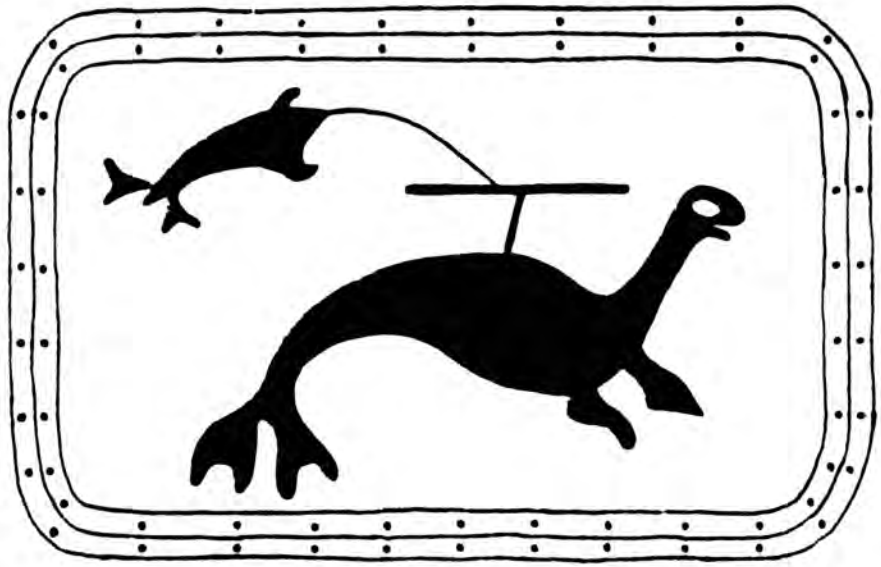
When the rates drop, Alaska could sell its mortgage portfolio or utilize the bond market "to create money," if it wished. In this manner the original funds could be leveraged to many times their original amount.

These loans should be available to all qualified Alaskans, regardless of income or mortgage amount limitations. The process for smaller business loans should be simpler and faster, and bank participation should be a choice of the borrower, not a compulsory requirement.

The Permanent Fund can provide the energy Alaska's economy has been waiting for...an adequate flow of money that can add millions of dollars of income and thousands of jobs.

Biographical Sketch

Emmitt Wilson is the director of the Alaska Teamsters 959 Credit Union.



by
David L. Allison

The issues of management, regulation, harvesting and processing of the fish resources located off the shores of Alaska have been in the forefront of the debate over Alaska's Natural Resources Policy since prior to statehood. However, not since the 1930's and 1940's when codfish salteries located along the western and northwestern coast of Alaska closed down, has there been significant domestic and Alaskan concern for high volume - low unit value seafoods such as pollock, cod, rockfish and sablefish.

In 1976, after much debate, and in the face of strong opposition from the U.S. Department of State, Congress passed, and the President signed, the Fisheries Conservation and Management Act of 1976 (FCMA).

The FCMA provided new opportunities and challenges to the State of Alaska. The extension of U.S. fisheries management jurisdiction from 12 to 200 miles opened up a vast protein resource to American fishermen and processors. The options for the State of Alaska were:

(a) to do nothing about development of this new resource;

(b) to follow the lead of industry;

(c) to follow the lead of the federal government; or

(d) to take the lead by coordinating the efforts of state, federal and private sector interests towards the goal of maximizing the benefits of development for Alaskans.

Governor Hammond chose the latter option, and, with the support of both houses of the Legislature, he established a Bottomfish Development Coordinator in his office and appointed members to a newly constituted Bottomfish Task Force. The Governor charged the task force with the responsibility of planning a State Bottomfish Development Program which would:

(a) develop an [illegible] industry able to enter freely and profitably in domestic and world markets;

(b) develop, within a period of approximately 20 years, the domestic utilization of Alaska bottomfish resources to the fullest optimum yield;

(c) encourage the establishment of permanent onshore processing facilities through state support of adequate port/harbor and community infrastructure;

(d) encourage the maximum participation of Alaskan workers and entrepreneurs in the bottomfish industry; and

(e) conserve and manage the fishery resource for a long-term, sustainable fishing and processing industry in Alaska.

Goals and policies were recommended by the Task Force and established by the Governor. State funded demonstration projects and surveys of industry and community needs were conducted. As a result of state executive and legislative efforts, the State of Alaska initiated the most complete and comprehensive program for domestic development of underutilized species of any of the states. Even federal assistance programs and policies, as we move into the 1980's, are keying on the state planning and development activities. *The State of Alaska Program for Development of the Bottomfish Industry* has become the framework within which a flexible and dynamic development program can be constructed, extended and maintained. This paper is an overview of the State program with notes on what it is, who is involved and where the program is headed in the future.

The State initiated program has now reached a significant stage of expansion. Community needs assessments directed by the Arthur D. Little planning document have been completed by the Department of Community and Regional Affairs through the first, or study, phase. Demonstration projects have been completed in several areas of the state and documents have been submitted detailing the experience of the processors and fishermen involved in those initial projects. Educational and informational conferences have been well attended, regulatory structures have been reviewed and potential barriers to full development have been identified.

The effects of the FCMA and state efforts are already beginning to become evident. Black cod (sablefish) fishing and processing effort has shifted from Japanese fleets to U.S. vessels during the past nine months. The domestic black cod fleet has expanded in only 18 months from fewer than 20 small handline vessels to more than 50 boats with state of the art automatic longline gear on many of them. Foreign vessels are being moved out of the tanner crab fishery over the next two years, and even that action is regarded as too slow by the fishermen. The latest 125 foot class vessels from the troubled king crab and salmon fleets are being modified with bottomfish and mid-water gear and onboard heading and gutting equipment to allow seasonal participation in the bottomfish fishery. Diverse elements of the industry, including processors and fishermen in small towns and villages around the coastal rim as well as federal and regional assistance agencies, are turning to the State of Alaska for direction and information on how and where the most effective further development of the industry should take place.

In establishing the State development program to date, the following elements of state government have directly participated and will, along with additional divisions and departments, have continuing responsiblity through completion of the twenty-year plan:

(1) Office of the Governor:

a. Bottomfish Coordinator and several Special Assistants*
b. International Fisheries and External Affairs*
c. Coastal Zone Management*
d. Division of Policy Development and Planning*

(2) State Legislature*

a. Joint Committee on Resources
b. Bottomfish Interim Committee
c. Office of the Speaker of the House
d. Office of the President of the Senate

(3) Department of Commerce and Economic Development*

(4) Department of Community and Regional Affairs*

(5) Department of Education

(6) Department of Environmental Conservation*

(7) Department of Fish and Game*

(8) Department of Labor*

(9) Department of Public Safety

(10) Department of Transportation and Public Facilities*

(11) University of Alaska

*Represented on Work Group or Task Force

In addition, the Governor's coordinator and the legislative program managers have integrated into the planning process fishermen and fishermen's organizations, native regional corporations, village corporations, labor unions, seafood processing and marketing representatives, the Alaska Fisheries Development Foundation, Economic Development Administration, National Oceanic and Atmospheric Administration (NOAA), National Marine Fisheries Service (NMFS), North Pacific Fisheries Management Council, and the Army Corps of Engineers.

The effective coordination and correlation of these local, state and federal agencies with one another and with the private sector industry interests remains an essential part of the fishery development program as we move from the organizational stage into active implementation of the program design.

Phase II of the development program, the implementation phase, is ready to get underway. In Phase II fishermen off Alaskan shores should accelerate their capture of progressively larger portions of the optimum yield (OY) of bottomfish and other underutilized species. Both onshore and offshore domestic processing expansion should begin to impact foreign allocations. Port and harbor development, together with shore-based support infrastructure, will be moving rapidly into the desing and construction stage.

Sufficient data is also becoming available through studies

[redacted] of the University of Alaska and the University of Washington to answer long standing questions regarding socio-economic impacts, cost-benefit comparisons between gear and vessel types, likely employment scenarios, foreign investment impact and quality assurance requirements. Such study and research efforts will continue as an integral part of the implementation phase with the results of those efforts being incorporated into the twenty-year development program on an ongoing basis. The state program is moving according to schedule toward realization of goals and objectives set by Governor Hammond in 1977, 78 and 79.

Projects underway and tentatively planned for FY81 and FY82 are directed towards accomplishing the following tasks:

(1) Complete a full analysis of the labor force characteristics of the fishing and fish processing and marketing industry.

(2) Encourage and facilitate the creation and utilization of a trained Alaskan labor pool.

(3) Reduce the extent of the boom-bust economic cycle and extremes of seasonal unemployment in coastal areas, both in fishing communities and business and supply centers.

(4) Analyze the impact of foreign investment and market control on Alaskan fishery development and work towards resolution of problems flowing from such situations.

(5) Refine and expand data base on amounts and locations of stocks of fish and increase the utility and availability to the industry of data accumulations.

(6) Develop and implement means and methods to more effectively distribute necessary technical and practical information to fishermen and processors. [A comprehensive whitefish processing manual is now available as a result of a Kodiak demonstration project this past year.]

(7) Make available additional bottomfishing education programs for fishermen and processors from basic bottomfish fishing and processing skills to specialized procedures for trawl [redacted] of high technology [redacted] processing equipment.

(8) Complete the identification of appropriate locations and begin design and construction process for establishment of port and harbor facilities as well as water, power, sanitation, housing and transportation infrastructure in targeted communities.

(9) Update and refine goals, policies, objectives and activities of the state program to conform to results of ongoing study and research efforts.

(10) Identify and analyze new or expanded finance and bonding mechanisms for infrastructure development and direct financial assistance to fishermen, processors and marketing organizations to assist their entry into the bottomfishery.

(11) Continue analysis of marketing and quality assurance problems and formulate proposals for addressing those problems.

Among specific communities and areas likely to be impacted by the development programs underway or contained in the FY81 and FY82 programs are:

Ketchikan*	Anchorage*	Kake
Kodiak*	Hoonah	Sand Point*
Petersburg*	King Cove*	Sitka*
Cold Bay	Juneau	St. Paul*
Yakutat*	St. George	Unalaska/Dutch Harbor*
Cordova*	Valdez	Dillingham (Bristol Bay)
Seward*	Homer*	Hooper Bay/Scammon Bay
Akutan	Kenai	Norton Sound - Nome

*probably major development impact

Virtually all programs impacting these communities are either:

(1) one time study efforts, or

(2) planning, design and construction of capital projects which will be eventually paid for by user fees.

The State and federal efforts, including investment of approxi-

mainly 4.5 million dollars plus federal vessel financing guarantee programs, have generated or stimulated the following types of existing and planned development and investment: (approximate amounts)

(1) Unalaska/Dutch Harbor: $35+ million dock, harbor and port development (American President Lines, Village of Unalaska, City of Dutch Harbor). $10+ million processing plant expansions (Pacific Pearl, PanAlaska, Unisea, others). $5+ million commercial facilities expansion and development (private mall, Unisea, city and village).

(2) Homer: $10+ million combination port/harbor development for expanded fishing fleet and processing facilities.

(3) Seward: $20+ million shipyard construction.

(4) Over $125 million in construction of vessels designed for, or capable of conversion to, trawl fishing for pollock, codfish and other underutilized species.

(5) Expansion of the U.S. black cod (sablefish) fleet off southeast Alaska from fewer than 20 vessels to more than 50 vessels, many specially designed and outfitted for highly efficient automated longline fishing.



(6) Increased employment in fish processing, marketing and related activities in Anchorage, Ketchikan, Petersburg, Kake, Sitka, Sand Point, Kodiak, King Cove, Dutch Harbor, Unalaska, Cordova and Valdez.

(7) Management, development and consultation services generated by the private sector in Anchorage, Fairbanks, Kodiak, Juneau and Seattle.

(8) Multi-million dollar proceeds from Aleutian Islands Area State Land Sales.

In addition to direct financial investment and returns, other types of benefits for Alaskans and industry have flowed from the investment to date:

(1) Clear demonstration of the ability of Alaska to take a leadership position in State-Federal cooperative planning and management of natural resource utilization and community development.

(2) Increased concentration of federal research and development funding in areas impacted by development of the fisheries off the coast of Alaska.

(3) Reduction of foreign fishing fleet activity off the coast of Alaska and replacement by American vessels with American crews.

(4) Demonstration of the effectiveness of advance planning and policy formulation for major state projects.

Addtional tangible benefits are likely to flow from continuation of Alaskan fishery development and the Bottomfish Program:

(1) Development of a labor force of Alaskan citizens to take advantage of 10,000 to 20,000 new jobs over the next 10 to 20 years.

(2) Development of viable fishery oriented communities in rural coastal areas with strong local government units.

(3) Increased feasibility of surface transportation from Anchorage

in the Aleutian Islands and western Alaska as year-round fisheries and processing expand the permanent population base in those areas.

(4) Reduction of state's dependence on non-recurrent revenues.

(5) Provision of government services to meet the needs of southwestern, western and coastal Alaska citizens in a more effective and efficient manner.

(6) Encouragement of economic development which offers long-term net benefits to all Alaskans.

(7) Improved ability of the private market system to provide needed goods and services to Alaskans as well as to other domestic and foreign markets.

(8) Promotion of rational development and management of fish and wildlife for the long-term economic and social benefits of all Alaskans.

(9) Reduction of the boom-bust cycle in the Alaska economy.

(10) Improved U.S. balance of payments.

The State of Alaska has made remarkable progress in moving towards realization of the Governor's Renewable Resource Development goals through the bottomfish program within the brief time since the FCMA was established. With continued cooperation, assistance and advice from individuals and agencies in the private and public sector, from fishermen, business people, consultants and advisors, from critics and supporters alike, we can continue the development and implementation of a program which is charting Alaska's future frontiers today.

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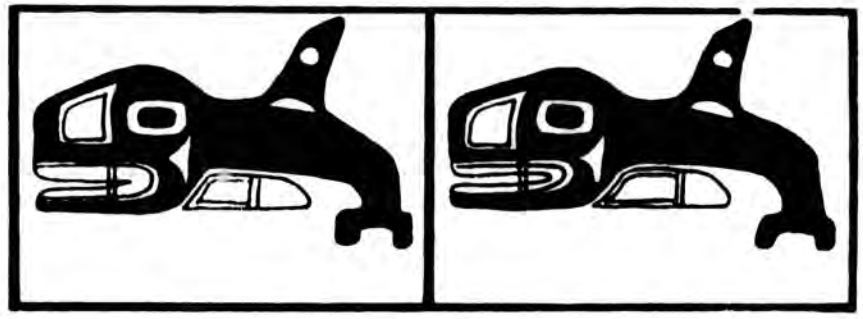
Biographical Sketch

Dave Allison is a planning and program specialist with the Office of the Governor, Division of Policy Development and Planning. He specializes in bottomfish industry development issues and policies. He graduated from Marian College in Indianapolis, Indiana in 1964 and received his Doctor Degree from Indiana University in 1968. He served as a State Representative in the Indiana Legislature in 1969 and 1970 and practiced law as a partner in the law firm of Allison and Barnhart until leaving Indiana for Alaska where he has lived since 1978. He has served on the boards of numerous civic and non-profit commissions and organizations and is a member of various professional associations in the fields of law and fisheries.



HISTORICAL PERSPECTIVE

by

Richard Montague

Alaska Division of Tourism: Government concern for fostering growth of the visitor industry dates from Territorial Days. The Territorial Legislature regularly appropriated funds for tourism promotion and one of the early line agencies established by the newly created Alaska State Government in the 1960s was the Alaska Travel Division, first placed in the Office of the Governor, in recognition of tourism's external role as a promotion agency whose focus lay primarily outside Alaska. Subsequently, the division was transferred to the Department of Commerce, then in the mid 1960s to the Department of Economic Development. The division of tourism, as the agency is currently known, is a line office within the Department of Commerce and Economic Development.

Legislative intent behind creation of a line division for tourism was to foster continued growth of the visitor industry through two main methods of approach: *external promotion* of visitor attractions through media advertising, distribution of informational literature, participation in travel shows and similar events, and *internal promotion*, primarily through administration of grant programs to assist political subdivisions and non-profit organizations in furthering local development of visitor attractions and facilities. Although percentages have varied from year to year, generally the amount spent on external promotion exceeds that spent on internal promotion by three to one. This expenditure pattern directly reflects the Legislative mandate to concentrate primarily on bringing visitors, *i.e.*, non-Alaska residents, into the state, rather than on promoting travel within Alaska on the part of Alaskans. The two considerations go hand in hand, however, since out-of-state visitors require a physical "plan," *e.g.*, both publicly and privately operated attractions and facilities to service the traveling and vacationing public.

The aiding and abetting of the growth of tourism has been viewed since the beginning of Alaska state government within the overall context of fostering the state economy as a whole. Essentially, the division's promotional programs may be viewed as the sum total of efforts to import monies into the state through the vehicle of visitor spending instate. Recently concluded independent studies show out-of-state visitor spending probably exceeded $200 million for 1979, thereby making tourism a highly significant factor in Alaska's export/import economy. By the measuring point of spending brought into the state and the instate spending on travel within the state, the visitor industry ranks second among Alaska's industries.

Visitor spending within Alaska generated at least $20 to $25 million in taxes, fees and receipts to state government in terms of 1975 dollars. More than 6,000 Alaskans were employed on a full-time, 12 months of the year basis in catering to visitors in 1975. Their wages in 1975 are estimated to have exceeded $55 million. Tax receipts by local government in 1975 are estimatee to have been between $4 and $5 billion.

A secondary purpose of creating a division of tourism was to establish an agency which would function as the principal advisor to the administration and Legislature on matters of state tourism policy, as well as visitor industry and state government. The latter is a highly significant function, as tourism is, seen from the point of view of state government, a "mixed" activity, in that the state itself is heavily involved in the visitor industry through the state museum system, the state system of public works and waysides, the state ferry system and the department of fish and game.

tourism Revolving Loan Fund:

During the early 1960s, the Tourism Revolving Loan Fund was established to provide a state loan program for the construction of new tourism facilities. The program has been highly effective in providing for the construction of additional hotel space statewide. Through October 1979, $24 million in loan funds have been granted to 49 private sector firms and organizations. The program is administered by the division of business loans within the Department of Commerce and Economic Development.

Staffing: The division has offices in Juneau. During summer months, temporary personnel are assigned to the state-operated visitor information center at Tok. Current division complement is 15 of which 5 are professional staff. The division is one of

its personnel since 1975. In 1975, the division had a personnel ceiling of 29 positions. This decreasing in staffing has been brought about without any significant decrease in the functions of the division.

Current Status

Cooperative Marketing: Beginning in 1975, the division embarked on a program of *cooperative marketing*, a departure from earlier promotional concepts. Under this new approach, funds of the private sector and the public sector were combined under the division's leadership direction to create a joint cooperative marketing program. Legislative authorization for combining public and private sector funds was contained in the revisions to the 1975 Tourism Act, part of the Legislation which transferred the functions of the Department of Economic Development into the newly formed Department of Commerce and Economic Development.

Several factors led to this new concept, principal among which was the realization within the private sector that only through cooperative pooling of private sector funds with those of the division could a sufficient mass of monies be brought together to raise the nationwide level of awareness of Alaska to a point where a significantly larger number of North Americans would vacation in Alaska. Raising consumer awareness was simply too large a problem to be successfully attacked without a joint cooperative effort. Another factor was the attitude of the Hammond Administration which looked with favor on such industry-government efforts as part of a general precept that industry should contribute an appropriate share to state-supported programs directed primarily toward helping a specific economic sector.

Cooperative Marketing Budgets: Cooperative marketing began in the spring of 1976 with the contribution of $94,000 of industry funds to the joint marketing program for the 1976 season. The net effect of this first contribution was to enable the division to expand and stretch its existing program thereby allowing more persons to be informed about vacationing opportunities in Alaska. The cooperative program has functioned in essentially the same manner since 1976, with a joint marketing plan being established each year which provides for both public and private sector input and funding. The marketing program is "neutral," however, in that no [illegible] in the jointly sponsored media advertisements. Contributions to the cooperative marketing program can be best shown in tabular form, *viz*:

Division of Tourism & Cooperative Marketing Budgets

Fiscal Year	General Fund Appropriation	300 Category Funding	Private Sector Funding	Total Operating Budger
FY 76	1,172,300	699,000	94,000	1,266,300
FY 77	1,415,300	679,000	557,500	1,972,800
FY 78	1,411,700	693,600	402,000	1,813,700
FY 79	1,666,500	900,500	400,760	2,067,260
FY 80	2,026,400	1,268,200	588,100	2,614,500
TOTAL:	7,692,200	4,240,800	2,042,360	9,734,560

As is evident from the table above, the total operating budget of the division from FY 76 to FY 80 was approximately $9.7 million dollars, of which $7.7 million was provided by the General Fund and $2.0 million by the private sector. The private sector contributed equals 27 percent of the divisions's *entire* state-funded budget and 48 percent of its state-funded contractual services account during this five year period. This is not other joint industry-state economic activity which can boast such a record of sustained private-public sector cooperation in the common cause of state economic development.

Approximately 80 percent of the $2 million of private sector funds stem from firms headquartered outside Alaska. Principal contributors have been major airlines serving Alaska, tour operations and travel wholesalers, and cruiseship companies.

The base of private sector support for cooperative marketing has grown as well. The first year of cooperative efforts, 1976, saw six firms joining with the division as "marketing partners." The 1980 program includes 54 private sector marketing partners. Alaska's cooperative marketing efforts, in fact, are *international* in scope, as the tourism office of Canada's Yukon has been a regular "marketing partner" in these efforts.

Achievements of Cooperative Marketing: Most observers credit cooperative marketing programs with having played a very major role in the more than doubling the annual visitor stream to Alaska. The most recent benchmark year before launching cooperative marketing, 1973, saw about 215,000 visitors to Alaska. During 1979, visitor industry and divison statistics show over 510,000 visitors, an increase over 1973 of 137 percent.

Shifts in Visitor Stream Segmentation: The visitor market has undergone significant shifts in market segmentation over the past fifteen years. These shifts have been especially evident during the past five years of cooperative marketing. These trends are evident from the following table, *viz*:

Visitors Entering Alaska by Mode of Transportation

Calendar	Percentage Accounted For By: Cruiseship	Ferry	Airlines	Highway	Total
1964	19%	20%	22%	39%	100%
1967	15%	22%	24%	39%	100%
1973	17%	13%	39%	31%	100%
1977	15%	6%	68%	11%	100%

The most dramatic shift in transportation mode is the trend toward commercial air, from 22 percent of the visitor stream in 1964 to 68 percent of the visitor stream in 1977. It is estimated commercial air travel in 1979 will account for 75 percent of more of all arriving visitors. The trend toward air travel parallels a corresponding *decrease* in highway traffic (as measured at Port Alcan), which has essentially remained at fifty to sixty thosand per year for the last six years. These market segment shifts reflect the general trend toward use of mass-mode transportation systems to travel to Alaska, both as a time-saving and a cost-saving measure. They also reflect a shift in the types of persons vacationing in Alaska. Whereas the Alaska visitor market was heavily influenced by the retired persons and senior citizens market in the early 1960s, the 1970s have seen significant expansion of the "adventure" travel market, primarily middle aged persons from professional and managerial groups who actively seek recreation and vacation experiences beyond the traditonal fare of cruiseship voyages and conducted city sightseeing. Both market segments, the retired/senior citizens market and the younger

[illegible] "mix," although growth potential in terms of numbers is judged to be greater in the latter category rather than in the former.

Offshore Holiday Market: An important emerging visitor market is holiday travelers from Europe and the Far East. The current offshore visitor market is slightly larger than 20,000, of which the largest national group are West Germans, followed by Japanese. As European-origin visitors tend to remain in Alaska about twice as long as visitors from North America, their economic impact is far greater than their numerical number suggests. Japanese visitors tend to be a short-term market, as normally Japanese groups spend only one week in the state. An interesting aspect of this market is the hope that the Japanese may emergy as a significant factor in winter tourism to Alaska, particularly for skiing.

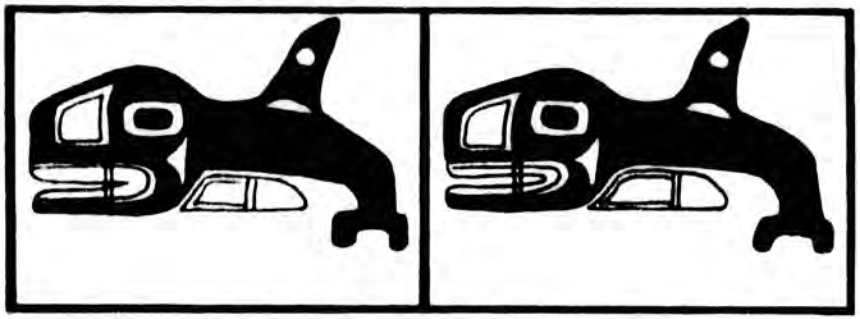
"Worlds of Alaska:" The media advertising campaigns funded through cooperative marketing have essentially focused on promoting the availability of the state's tourism information brochure, *Worlds of Alaska* through coupon response advertising. Readers of the cooperatively funded advertisements in publications such as *Alaska Magazine*, *National Geographic*, *Sunset*, as well as other publications, are urged to mail the prepaid reply coupon to obtain their free copy of *Worlds of Alaska*. Over one million copies of *Worlds of Alaska* have been distributed through this means since the campaign began in spring of 1976. The publication is revised annually to insure that prospective visitors receive the most up-to-date information possible regarding Alaska visitor attractions and facilities. The 1980 edition of *Worlds of Alaska* is 112 pages and has doubled in size since the initial edition of 1976.

A particularly useful feature of this annual publication is the "Alaska Travel Index" section which lists over 1,200 Alaska visitor industry firms and organizations which provide services to the traveling public. The address of each listed business or organization contains the code designated "DOT" allowing recipients to gauge the number of response letters deriving from listings in the Index. There are a large number of visitor industry firms in Alaska which receive upwards of 100 such letters each year requesting additional information or actually making bookings. The net effect of these annual cooperative marketing programs

visitor information necessary to purchase an Alaska vacation either as a travel "package" or on a "plan-it-yourself" basis where the visitor makes his own independent arrangements. Listings in the "Alaska Travel Index" are free to visitor industry firms, whether a firm is a financial contributor to cooperative marketing or not. There is absolutely no way in which small or medium-sized visitor industry firms could place information on their attractions or facilities in front of an annual audience of millions of readers without cooperative funding on the part of both the private and public sectors.

Computer Analysis of Visitor Interests: Beginning in 1978, the cooperative marketing effort added a new aspect to the traditional coupon reply forms by which readers ordered they copies of *Worlds of Alaska*, the division's fulfillment brochure. This new aspect was inclusion on the reply card of interest categories, allowing prospective visitors to request additional information. The names of visitors asking for such information are made available to private sector firms for direct mailing of product-line literature. The private sector ordered over 1 million such computer-generated names for the 1979 program. These private sector mailings supplement the mailing of *Worlds of Alaska* which the division sends to all coupon respondents.

Of the some 300,000 coupon responses received from the 1979 campaign, the latest year for which such figures are available, almost 40 percent, or approximately 124,000 persons, specifically sought information on hotels, motels, lodges and resorts in Alaska. Computer analysis of visitor inquiries for the 1979 program can best be shown in tabular form, *viz*:



[illegible]

Interest Category	Information Requests	% of Total Response
Hotels, motels, lodges and resorts	123,777	41%
Tours to/within Alaska	120,434	40%
Travel to Alaska by air	63,277	21%
Travel to Alaska by car, camper or motorhome	149,879	50%
Travel to Alaska by cruiseship from Calif.	52,595	18%
Travel to Alaska by cruiseship from British Columbia	52,388	18%

Interest Category	Information Requests	% of Total Response
Travel to Alaska by ferryliner	71,465	24%
Travel to Alaska by motorcoach or rail	61,179	21%
Travel off the beaten track	106,829	36%
Sportfishing and sporthunting	79,971	27%
Convention and incentive travel	9,230	3%
Special interest activities	78,040	26%
Off-season (winter) travel	53,233	18%
TOTAL:	1,022,297	100%

On the average, each coupon respondent in 1979 requested information on 3.4 interest categories.

Significant is the relatively large percentage of coupon respondents seeking information on the "adventure" category, *i.e.*, travel off the beaten track, special interest (birding, wildlife observation, etc.) activities, sportfishing and sporthunting, as well as off-season (winter) travel.

Cross-tabulation of these interest categories shows that more than one third of all coupon respondents specifically request information on these interest categories. The interest level of 40 percent for information on tours to and within Alaska is a direct

reflection of the market segmentation which places about one third of all travel to and within Alaska in the "package" category, whereas the remaining two thirds is independent travel where the visitor puts together his own itinerary. Interest in mass-mode transportation is clearly shown by the interest in travel by air, water (cruiseship and ferries), and surface (train or bus). As is typical for the United States generally, about one half of all respondents sought information on travel by car, camper or motorhome. These are primarily independent, *i.e.*, non-package travelers who plan to vacation either by driving to Alaska or by flying to Alaska and renting cars, campers or motorhomes. The fly-drive market segment is expected to achieve substantial gains as the American public turns to more fuel-efficient and less-costly ways to vacation.

New Directions

Success of Cooperative Marketing: Alaska's widely acclaimed program of joint private-public sector promotion has drawn nationwide attention and several states are investigating how they might benefit by patterning their promotion efforts on the Alaska formula. The essential ingredients of the Alaska cooperative formula can best be summarized as follows, *viz*:

(1) Strong and effective leadership on the part of the division of tourism in designing and implementing cooperative programs. The division has been willing to assume the lead role in getting such programs funded and into operation. The division also functions as the essential "neutral" marketing partner, the catalyst which allows the private sector partners to cooperate toward the commonly shared goal of destination promotion.

(2) Insight and willingness on the part of the private sector in being willing to collectively pool their funds with those of the state in cooperative ventueres. It is an act of considerable farsightedness for a private sector firm voluntarily to place its own promotional funds in a common "kitty," over which the private sector firm making the contribution does not have programmatic control.

(3) Success of the program is greatly increasing the nationawide consumer awareness of Alaska's vacation potential and the resultant substantial (more than doubling) increase in the visitor stream. The program demonstrably "works." The proof of this conclusion is the continued willingness of the private sector to make major financial contributions to the program over a period of five years.

Fine Tuning: Both state government and the Alaska visitor industry have created jointly a vehicle, namely cooperative marketing, which has won nationwide respect and has proven its effectiveness by generating growth in the visitor stream. As the years have progressed, the basic program has been refined and honed to make it increasingly responsive and cost-effective. Much of this could not be accomplished until market research had been completed to show where the program had made significant breakthroughs, since much of the cooperative effort entailed pioneering marketing efforts on the part of government as well as industry.

A successful formula has evolved from the dialogue of the past five years which should prove extremely helpful in furthering growth of the Alaska visitor industry over the next decade. Two key factors will determine whether such efforts will be successful: 1. Will funding continue to be available in sufficient amounts from both the private and public sectors? 2. Will the degree of cooperation and trust which currently exists between the private and public sectors be maintained? A major uncertainty remains. What will be the attitude of state government to continued growth of the visitor industry? Far greater efforts will have to be made on the part of both industry and government to explain the aims and goals of the visitor industry to the Alaska public during the decade of the 1980s than was done during the decade of the 1970s. The future of Alaska's visitor industry is absolutely linked to the state's posture on economic development over the next decade.

Biographical Sketch

Richard Montague was graduated from Harvard University in 1956. After service in the U.S. Army and as a writer and photographer, he moved to Alaska in 1969 to join *Alaska Magazine* and *The Milepost*. He founded his own publishing business in 1973, Alaska Travel Publications, Inc. Director of the division of tourism since January 1975, he is a member of Rotary, Society of American Travel Writers, SKAL, and the Explorer's Club (New York). Mr. Montague is also a member of the national board of directors of Discover America Travel Organizations DATO) in Washington, D.C.

SCOMM

#30:23

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER / POUCH D – JUNEAU 99811

To: Honorable George Hohman
Chairman
Legislative Council

January 11, 1980

From: Bertram L. Wagnon, Deputy Commissioner
Department of Commerce & Economic Development

Subject:
Department Comments

In compliance with your letter of December 31, 1979, attached are the department comments on the Alaska Conference of Future Frontiers.

If you have any questions concerning this, please feel free to contact me.

08-H2LH

Page 6, Line 24-25. "Supporting private enterprise through the provision or facilitation of venture captial in Alaska."

Comment: This need is now being met through the Alaska Renewable Resources Corporation under the Department of Revenue.

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Comments: The Division of Business Loans does consider factors beyond those presently considered by banks. In compliance with the eligibility rule as stated in AS 45.95.070(3)(c), "The loan will potentially create more jobs and provide additional services in the community" the division gives prime consideration to the number of jobs and the increase in goods and services made available to Alaskans by the project for which loan funds are requested.

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Comments: Certainly we agree the State should have goals for various kinds of development. We have outlined these goals which appear in the introduction to the economic development budget document:

> "The primary goal is to develop, strengthen, and diversify Alaska's economic base by utilizing the State's natural human and financial resources in an effective manner, which offers long term net benefits to all Alaskans...with maximum opportunity to participate in the State's economy."

Page 8, Lines 1-25 and Page 9, Lines 1-2. "Alpha Group recommends that the State investigate a gas-stripping plant for the liquids at Prudhoe Bay and the State transportation system to bring the gas liquids and royalty share to tidewater for maximum State benefit.

Further, Alpha Group recommends that every effort be made to use Alaska petroleum to lower the cost of fuel throughout the state.

Alpha Group Recommendation on Fisheries:

Alpha Group recommends that the Alaskan fisheries program do the following:

1. Encourage and support the best possible harvest, transportation and care technique for all its multiple fisheries;

State fisheries products;

3. Initiation of the most advanced systems of quality production, control, transportation and storage of fisheries products;

4. Make every effort to train persons in the technical skills necessary to operate in a modern fishery.

Alpha Group's Timber Recommendation:

Alpha Group resolves that the State should facilitate in every way possible development of Alaska's vast timber resources in an expeditous, economically feasible and ecologically responsible manner."

Comments: A particularly large amount of work has gone into the investigation of the possibility of a gas stripping plant, particularly by the Department of Natural Resources. The question of such a plant is really one of costs versus benefits, as well as economics. The State Government would, of course, favor development of a job creating industry, provided its viability can be proven.

Ideally, Alaskans should have access to relatively low priced fuel. The State Government is not always in a position to influence pricing decisions especially with private companies. If the opportunity arises I'm sure it will be carefully considered.

Alaska has launched an extensive effort to support fisheries development. Considerable amounts of money are being expended to test the new Mustad equipment and train personnel. Several programs have been recently undertaken to improve quality control. Education programs are underway.

The bulk of Alaska's coastal timber is in either parks, under private contract or on private land. This does not leave a great deal of latitude for State marketing efforts. The State role therefore, has been one of research, publications and limited timber sales. This effort is carried out, with a few exceptions, by the Department of Natural Resources.

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Comments: The State supports the development and preservation of cultural facilities and has funded numerous such projects, the latest of which were the $750,000 grant to Haines and $400,000 to Angoon. In addition, the cultural facilities act established a program and advisory council in this department for the purpose of promoting cultural facility development in Alaska.

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER

Pouch Z
Juneau, Alaska, 99811
(Telex 45-328)

January 22, 1980
000H

Honorable George H. Hohman, Jr.
Co-Chairman
Alaska's Future Frontiers Conference
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Hohman:

The Future Frontiers Conference recently held in Anchorage represents an often too rare opportunity for useful dialogue and input from the citizenry of Alaska regarding the policies and practices of all levels of government in the State. The concept of this unique approach to planning is to be applauded and the further refinement of the process to be encouraged for the future. I appreciate this opportunity to comment on the suggestions and recommendations of the five groups of delegates as they pertain to the Department of Transportation and Public Facilities.

Attached is a staff analysis of these recommendations prepared by my Planning and Research Unit. This staff analysis contains comments that first pertain to recommendations concerning statewide transportation policies and goals, then to recommendations relating to the regional planning processes, and finally, to those recommendations more specifically concerned with a particular mode or type of facility. The recommendations of each of the five groups have been addressed within this framework to avoid the redundancy of dealing with each group as a separate entity.

It is apparent from a general examination of the entire set of recommendations that there exists major incongruities between the intended horizon of outlook and the actual horizon of outlook implicit in most of the recommendations. To a large degree, it is obvious that this problem can be attributed to the lack of adequate time for deliberations and the apparent delays in circulating the series of issue papers. It appears that with the short amount of time available for deliberation, the natural inclination was to reduce the horizon of outlook from a 10-year "futures" perspective to the more immediate concern of the next session of the Legislature. It is important to verbalize this confusion with respect to the horizon of outlook to place the attached staff analysis in a more proper context. And, while there is certainly value to the recommendations even within this context, I think that with future conferences of this nature, the "futures" horizon of outlook should be better adhered to, with the organizational format structured time-wise to facilitate this concern.

Another consideration to note is the need for more direct and better coordinated involvement with the executive branch line agencies with future conferences of this nature. I understand the intent of this conference was to avoid having representatives from the various bureaucracies and the Legislature as delegates and applaud that concept. It is important that there are these kinds of opportunities available to the citizenry of Alaska to meet without the strong influence of politicans or bureaucrats. Nevertheless, I think this conference would have benefited from having invited representatives from the various agencies available as technical resource people. Many of the topics that were discussed are issues of direct interest or responsibility to people working in government. It is my understanding that several occasions arose where these people would have been helpful had they been available for consultation. This type of interaction would have been less important had the original horizon of a 10-year "futures" outlook been more of a reality at the conference. I hope this concern receives due consideration when planning future conferences.

If there are any questions concerning the attached comments, please contact me or John Bates, Acting Deputy Commissioner, Planning and Research Unit. Thank you again for this opportunity to respond to these recommendations.

Sincerely,

Robert W. Ward
Commissioner

Attachment

cc: John Bates, DOT/PF
Dennis M. Dooley, DOT/PF
Kit Duke, DOT/PF
Larry Soden, DOT/PF
Jessie Dodson, Office of the Governor

Staff Analysis of tne Recommendations

from

The Future Frontiers Conference

prepared by

Planning and Research Unit

partment of Transportation
and
Public Facilities

January 15, 1980

This staff analysis is broken down into the following three distinct sections: (1) a general discussion of the Department's goals and how those goals interrelate with the general statewide recommendations of the five work groups; (2) a more specific discussion of the regional planning processes now underway; and (3) a quite specific discussion, by mode, of the projects and programs currently being undertaken or anticipated by the Department.

The composite of these three sections, while not addressing each and every specific transportation recommendation resulting from this conference, provides the reviewer with a sound background and a better understanding of the Department's goals, direction, programs, and projects, with a direct relationship to the ultimate objectives of the conference.

I. Statewide Transportation Policies and Goals:

A. Introduction:

The Department of Transportation and Public Facilities (DOT/PF) is charged with the responsibility to plan, design, construct, maintain and operate the intra-state transportation network of Alaska. This network includes highways, airports, ports, docks and public transportation.

The composite of this transportation network is the life line of the State for industry, commerce, tourism and the personal needs of every Alaskan. The quality of this network and its ability to meet the demand of its users has a direct impact on the quality of life in Alaska and the cost of every commodity consumed in the State.

In meeting the responsibilities of an effective intra-state transportation network, Departmental projects and programs address the following goals:

(1) A reduction or stabilization of recurring maintenance cost impacts on the State's treasury.

(2) The provision of transportation capital funding support for industry and commerce with a real growth potential, e.g., fisheries and resource extraction.

(3) Encourage the development of local government structures by providing capital funding for the transportation facilities necessary to enhance local private and public sector income.

(4) An equitable demarcation between State and local government responsibility for the provision and operation of transportation facilities and services.

(5) To support and enhance where appropriate the maintenance of the divergent lifestyles of Alaskans.

B. Responses to Statewide Recommendations:

BETA Group - 1. Transportation systems shall minimize adverse social, cultural and environmental impacts.

The Departmental goals referenced above address this recommendation in two ways. First, the demarcation between State and local responsibilities entails that local input be made in project or system development. This local input assures that local initiatives are incorporated in project and system determination and that, impacts, both projected and potential, of those projects and systems have been weighed. Secondly, the goal of maintaining the divergent lifestyles of Alaskans entails that the Department both consider the local initiatives discussed above, as well as make special analysis of project and program impacts with respect to the question of lifestyle.

BETA Group - 2. All existing transportation facilities shall be upgraded to standards which assure traveler safety, optimal freight rates and minimal maintenance costs.

The Departmental goals above address this question as well. The support of the lifestyle of Alaskans assures that facilities be constructed so as to protect the safety of Alaskans. The provision of optimal freight rates is entailed in both the support of lifestyles and in capital funding support for industries with a real growth potential. Finally, maintenance costs of facilities is directly addressed by the goal that such maintenance costs shall be minimized as a result of capital implementation by the Department.

BETA Group - 3. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical public safety and service support. Particular attention should be paid to improving and developing airport and port facilities and alternative transportation modes to accommodate critical economic needs, such as the transportation of fisheries products.

As shown in number 2, above, the recommendations included in this section are addressed by the goal of support for lifestyles and support for industry with real growth potential.

BETA Group - 4. When new transportation projects are proposed, full operation and maintenance costs shall be considered in the decision to implement the project.

Again, this recommendation is directly addressed by the goal of reduced or stabilized maintenance impacts on the State treasury as a result of capital improvements.

BETA Group - 5. Appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

The incentives referenced here are entailed by the goal of support for industry with real growth potential.

BETA Group - 8. The Department of Transportation (sic) shall explore innovative and alternative transportation modes that may result in lower freight and fair (sic) costs and avoid adverse social, cultural and environmental impact. A criterion for evaluating new transportation systems in both rural and urban Alaska shall be energy efficiency.

This recommendation is endorsed and pursued through the Department's goals by supporting industry with real growth potential, by supporting individual lifestyles where appropriate, and by reducing or stabilizing

recurring impacts on the State's treasury.

GAMMA Group - 1. Aesthetic qualities are incorporated in all transportation and public facilities planning.

In addition to the statutory requirement that one percent of all funds for facilities improvements be dedicated to aesthetic improvements, the Department's goal that individual lifestyles be supported and maintained addresses this recommendation. This reasoning is built on the fact that aesthetic appreciation and interaction is primarily a personal set of activities.

GAMMA Group - 2. Any anticipated transportation development would only be implemented based on the expressed preference of the local areas to be effected.

This recommendation is addressed by the goal that capital implementation by the Department support local government structures (e.g., through selection of only those projects approved or endorsed by local policy-making bodies), by the goal of providing for a equitable demarcation between State and local government responsibility for the provision and operation of transportation facilities and services, and finally, by the goal to support the individual lifestyles of Alaskans.

EPSILON Group - 1. The State should encourage development, maintenance and upgrading of existing area transportation systems.

This recommendation is broadly addressed by the goals which support industry with a real growth potential, which encourage the development of local government structures, which encourage an equitable demarcation between State and local government in the areas of services and operation of transportation facilities, and which seeks to support and enhance the divergent lifestyles of Alaskans.

EPSILON Group - 6. Alaska should use a portion of the unanticipated revenues from the North Slope to defray the cost of intrastate transportation.

This recommendation is broadly addressed by all the goals of the Department in the sense that these goals are implemented through the DOT/PF Capital Improvement Program (CIP), and as a result of the fact that the current and projected CIPs are funded in part through these same unanticipated revenues.

II. Recommendations Relating to Existing and Proposed Regional Planning Processes:

A. Introduction:

Currently the Department is conducting or intends to conduct eight (8) regional transportation plans as follows: Western and Arctic Alaska Transportation Study (WAATS), Upper Cook Inlet Air System Study, Prince William Sound Study (PWS), Matanuska-Sustina Borough Study, Kenai Peninsula Borough Study, Southeast Alaska Transportation Study, Interior Study and Aleutian Ferry and Southwest Transportation Study. Each of these studies is an ongoing process of perception gathering, policy development, data acquisition, analysis, project and program recommendation, and presentation.

The structure of the regional studies for the purpose of conducting the work and arriving at recommendations is as follows: each of the regional studies is composed of a policy committee of regionally elected and nonelected policy-makers and a technical committee composed of local and State transportation planners and managers. Additionally, some regional studies employ consultants to perform some of the technical committee functions, so as to discourage unwarranted growth among permanent State employees. The essential work of perception gathering, data acquisition, analysis, and project and program alternative recommendation development is conducted by the technical committees and/or the consultants. Policy development and selection of one or more alternatives for subsequent resource allocation decision-making at the Statewide level is the function of the policy committee. Where multi-regional goals and objectives are in question, and where Statewide or multi-regional policy development is needed, the efforts of the Alaska Transportation Planning Council are employed.

In essence the sum total of the Department's regional planning activities equals Statewide planning activities. That is to say, the mosiac formed by the Regional studies is a Statewide study.

The point of regionalization in the study process is tied not only to the intent of the Legislature to defend divergent cultures, but also to the the goal enunciated in Section I of the analysis: the support of divergent lifestyles of Alaskans. With no standardized set of study tools (or perceptions) with which to begin, it is felt by the Department that any potential regional bias on the part of its planning efforts is, if not eliminated, at least reduced in probability.

What this discussion states then is that, in terms of Legislative mandate and Departmental goals, "Statewide planning" must necessarily be viewed in the terms of the regional planning processes.

Based on this reasoning, a number of conference recommendations otherwise containing Statewide language can be best addressed through these regional planning processes.

B. Specific Recommendations:

ALPHA Group - 2. Preparation and implementation of a state-wide plan for surface and air transportation.

As can be seen from the above discussion on regional planning, the presentations to policy-makers which result from the sum total of perception gathering, policy development, data acquisition, analysis, and project and program recommendation in each of the regional studies entails the existence of a "Statewide Plan." Again, the point being that the plan, given the regional emphasis, will better address the locally-derived solutions to local transportation problems.

ALPHA Group - 4. Develop a complete inventory of the entire State's transportation facilities.

It can be seen from the above discussion that the sum total of all data gathering and analysis activities in each of the regional studies will entail the existence of a Statewide transportation facilities inventory.

BETA Group - 7. As part of a regional resource planning process, the Department of Natural Resources shall undertake a thorough assessment of transportation needs in relation to development of Alaska's renewable and nonrenewable resources.

It is unclear whether this recommendation would assign lead transportation planning responsibility to DNR where resources are concerned, or whether the recommendation would place a mandate on both DNR and DOT/PF to closely coordinate resource inventories with transportation planning. It is clear, however, that the regional planning structure discussed above is able to accommodate the incidence of renewable and nonrenewable resource development and its impact on transportation facilities, existing and projected. One possible method for the consideration of resource development impacts on transportation facilities would be for planners and managers from DNR to assist with the technical committee requirements of certain regional planning efforts, as well as for policy-level personnel from DNR to have representation as required on both regional policy committees and the Alaska Transportation Planning Council.

BETA Group - 9. The Department of Transportation (sic) shall give immediate attention to the development of intraregional transportation systems that do not necessarily link.

Each of the regional planning processes discussed in this Section is multimodal in nature; that is to say: each of the processes is not limited to the consideration of any given mode or modes. Further more, to accomplish this multimodal thrust, the planning conducted in each of the processes is intermodal in nature; that is to say: in the course of the regional planning processes, the relative advantages of any given mode is measured against the relative advantages of other modes to achieve both effective and efficient transportation. The result of this method of planning is the ongoing consideration of not only continuous systems of linked transportation facilities such as roads and highways, but also the ongoing consideration of unlinked facilities, such as areawide roads connecting regional ports or airports.

III. Specific Responses by Mode and/or Issue:

A. Air:

ALPHA Group - 2. Preparation and implementation of a state-wide plan for air and surface transportation.

ALPHA Group - 4. Develop a complete inventory of the entire State's transportation facilities.

DOT/PF is progressing toward this goal already, through regional plans such as the Southeast Study, WAATS (Western and Arctic Alaska Transportation Study), Southwest Study, and so on. These regional studies will be the foundation of the subsequent over-all intergrated State Transportation Plan. The inventory recommended under ALPHA's fourth recommendation is currently being developed as part of DOT/PF's regional planning efforts.

ALPHA Group - 3. Construction of a complete system for rural air transportation, navigation aids and facilities, relatively equivalent to present regional airport facilities.

GAMMA Group - 3. There are improved rural air transport system.

A review of the dialogue contained in the conference transcripts might show specifically what ALPHA had in mind, but for now it is assumed that the group had some interest in larger airports at some of the smaller villages. DOT/PF efforts along that line will be discussed below. GAMMA Group's recommendation is more generally concerned with improving rural air transportation. With respect to the installation of navigational aids and facilities, the State's role is primarily advisory to the Federal Aviation Administration. Traditionally, the Federal role has been to provide for the safe movement of aircraft through the air (i.e., through the certification of aircraft and operation of navigational facilities), while the State or local government provides the facilities for handling the aircraft on the ground (i.e., runways, aircraft parking and servicing areas, etc.).

BETA Group - 3. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical public safety and service support. Particular attention should be paid to improving and developing airport and port facilities and alternative transportation modes to accommodate critical economic needs, such as the transportation of fishery products.

GAMMA Group - 3(a). Safety should have major emphasis in development of air transport systems.

DELTA Group - 12. Upgrade rural airports to make them more fully operational

and safe.

DELTA Group - 13. Expand key rural commercial center airports to provide more economical transportation systems.

BETA Group's recommendation discusses the need for safety and service. Much of our current program consists of airport reconstruction and expansion, which both contribute directly to improved safety. With respect to the economic role of airports and air transportation, DOT/PF is currently considering the possibility of creating "convertible" airports whose prime function would be to permit large cargo operations when needed at a community, without the costly obligation of snow removal and year round maintenance of the longer runways. One target of the "convertible airport" concept is the fisheries industry, wherein heavy cargo aircraft, operated only during the relatively short summer fishing season, would be provided full length runways at a number of villages. This would permit the delivery of fresh fish to a wide variety of processing locations. However, during the winter months maintenance costs on the airport would be minimized by the lighting of and snow removal from only the shorter runway length needed for routine air service to the community. These "convertible" runways could be opened in the middle of winter to permit the delivery of heavy or bulk cargo by large aircraft on an "as needed" basis. At smaller villages these flights would be infrequent. Having the longer runways available, however, could reduce the local (costly) store inventories, permit the delivery of bulk fuel on demand, and be available for emergency needs. As of mid-January, this concept is still under study.

BETA Group - 5. appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

With respect to the recommendation, suggestions have been made that privately-owned public airports be granted some property tax relief. The average citizen may not realize the important role that a number of privately-owned airport facilities play throughout the State. Perhaps only half of the airports in Alaska are owned by the State or local government, with many of the remaining fifty percent being owned by private industry. Some of the privately-owned fields provide an invaluable public service. Several airports within the Municipality of Anchorage are the home base for large numbers of aircraft. Metro and Phillips Field in Fairbanks both accommodate many aircraft, including some scheduled and charter flights, and Bradley Sky/Ranch at North Pole serves as the primary field for that entire community.

GAMMA Group - 1(a). The State DOT/PF should avoid a standardization in highway design through incorporation of aesthetics, through a more holistic approach to planning, through employing people of various disciplines. In order to accomplish this, the State should at times seek waivers of federal standards and/or build the projects with the State monies.

It is worth noting that DOT/PF has achieved an excellent working relationship

with the FAA and regularly obtains waivers to Federal airport standards. DOT/PF has also been aggressive in obtaining waivers to Federally imposed airport operating standards, particularly those regulations associated with airport security and certification. And, many airports have been built using State money only, without Federal aid.

B. Highways:

ALPHA Group - 5. Upgrade and expand inter-community road systems, including but not limited to extension of the road to Tanana and a connecting link between the Yukon and Kuskokwim Rivers.

ALPHA Group - 6. Avoid imposing transportation intrusions on communities or regions whose residents do not want them, i.e., unwanted highways.

One of the principal objectives of any regional transportation study, i.e., Western and Arctic Alaska Transportation Study, is ultimately the rational selection of specific capital investments (projects). The basis for selection of these projects is the result of social, economic and environmental analysis. One of the principal sources of input to that analysis is public participation. Thus, from public input, ranging from individual expression to corporate interests, comes much of the information necessary to base decisions upon. Not suprisingly, public participation is considered particularly essential when analyzing local or regional inter-community roads.

GAMMA Group - 1(a). The State DOT/PF should avoid a standardization in highway design through incorporation of aesthetics, through a more holistic approach to planning, through employing people of various disciplines. In order to accomplish this, the State should at times seek waivers of federal standards and/or build the projects with State monies.

Highway design necessarily should, and does, incorporate a variety of disciplines. Design philosophies and techniques tend to be evolutionary, improving with time. Alaska's highways reflect this trend as evidenced by increased emphasis on such features as bike paths, contouring and seeding of slopes, and individually designed structures which address the aesthetic requirements of the particular site. Such considerations generally increase design costs and, until recently, was considered as somewhat of a luxury compared to the basic essential of structural integrity. In light of our current economic position, more attention is being given to aesthetic considerations.

On the other hand, a considerable effort has been made in the past to maximize construction dollars by designing, where appropriate, to less than "Federal standards." For instance, Alaska has probably recycled more used bridges than any other State. Again, now that we are beginning to enjoy an increase in State revenues, we are in an ever better position to optimize construction dollars by exercising the option of Federal vs. State funding.

DELTA Group - 16. Improve maintenance and upgrade present State highway system.

The State has every intention of improving maintenance capability and upgrading the existing highway system, as evidenced by the proposed capital and operating budget increases.

C. Marine Highway System:

ALPHA Group - 1. Expand and upgrade the marine highway system throughout the entire state, including but not necessarily limited to the Alaska Peninsula-Aleutian communities, Yukon-Kuskokwim and tributary system and other areas as later selected.

DELTA Group - 7. Expand and upgrade the Alaska Marine Highway System.

Comprehensive intermodal regional transportation studies are now underway in Southeast, Prince William Sound, Aleutian/Southwest, Western/Arctic which will include recommendations for expansion and upgrading services of the Marine Highway System. The Western/Arctic Regional Transportation Study will include development of alternatives for transportation services for the Yukon-Kuskokwim and tributary system. Some $79.4 million expenditures for Capital Improvements on the Marine Highway System will be requested in the Fiscal Year 1981-1982 biennium budget to the Legislature.

D. Marine/Ports:

ALPHA Group - 7. Improve and expand river-loading facilities.

GAMMA Group - 4. There is improved and expanded marine transportation, including support facilities, throughout Alaska.

EPSILON Group - 2. And should further develop programs to expand public harbor and port facilities, with a view of expanding the fishing and maritime industry in Alaska.

EPSILON Group - 4. The State should pass legislation enabling the establishment of port authorities with full taxing powers.

The Western and Arctic Alaska Regional Transportation Study will investigate the needs for improving/expanding or locating new river-loading facilities on the Yukon-Kuskokwim and tributary river system, as well as port development along the coastal area from Bethel to Barrow, including the Canadian McKenzie River Waterway. The State has contacted the U.S. Army Corps of Engineers to solicit their expansion of the National Waterways Study Program to include the rivers/waterways of Alaska.

Other Regional Transportation studies will include port development needs in the Southeast, Southwest and Aleutian Chain.

As an adjunct to the State's Bottomfish Development Program, marine port infrastructure development is being actively pursued cooperatively by the Departments of Transportation and Public Facilities and Community and Regional Affairs. A parallel effort is underway by the Federal government through the Economic Development Administration, U.S. Department of Commerce, to determine the financial support required for ports and community infrastructure development to assist the growth of Alaska's fisheries industry. The U.S. Army Corps of Engineers is completing a port development and maritime commerce study of Southwest Alaska to scope the needs for Federal support on harbor construction.

A Port Authority study being undertaken by the Department of Transportation and Public Facilities will examine the institutional mechanisms, including legislation, for port authorities in Alaska.

Some $42.6 million expenditures for Capital Improvements of ports and harbors statewide will be requested in the Fiscal Year 1981-1982 biennium budget to the Legislature.

E. Public Transportation and Paratransit:

BETA Group - 6. The State of Alaska shall assist in the immediate improvement and development of mass transit systems in urban Alaska.

Currently, there are five (5) public transportation systems of the classic variety in the State: Barrow, Fairbanks, Anchorage, Juneau and Ketchikan.

The State has in the past and continues to assist these systems with the planning necessary to determine what capital improvements are necessary to make the systems more effective and what operational improvements are needed to make the systems more efficient. Additionally, the State has planned for and assisted in obtaining Federal grants for a total of forty vehicles (specially equipped vans and minibuses) for use in specialized, demand-responsive (or "paratransit") systems, operated according to local choice by twenty private, nonprofit organizations in fifteen communities Statewide.

Within the FY81-82 Capital Improvement Program (CIP), the Department recommended for the first time an ongoing State presence in meeting the fiscal requirements of transit and paratransit development and expansion Statewide. The Governor's Budget Review Committee passed on to the Legislature, based on this recommendation, a request for $10 million in capital assistance and technical assistance to be administered by the Department over the two-year life of the CIP.

EPSILON Group - 3. The State should research and encourage alternative transportation systems, including mass transportation in the urban areas.

As stated above, the Department's efforts in this field have now culminated

in the recommendation to the Legislature that the State directly assist with the capital needs of new and existing transit systems throughout the State.

Additionally, the Department this year has signed a contract with the Alaska Municipal League for the purpose of conducting a Statewide transit management assistance program and needs assessment. Under the terms of the contract, the League will assist new and existing operators and policy-makers in both developing alternative resource allocation strategies, and in making cost effective operational adjustments. A second portion of the contract will assist the State in determining and fine-tuning its ongoing role in transit by making available to State policy-makers and planners a data base which demonstrates Statewide perceptions on transit from policy-makers, operators and private citizens.

EPSILON Group - 5. The Department should hold local public hearings and the legislature provide funding for both inter- and intrastate transit systems on a community-to-community basis as desired locally.

As discussed above, the Department is implementing this recommendation in part through the Alaska Municipal League, and has recommended to the Legislature the involvement alluded to in the second portion of the recommendation.

With respect to locally desired transit development and the related public hearings, in addition to the contract with the Municipal League, the Department also administers Federal transit planning funds for the development of Transit Improvement Programs (TIP's) in communities desiring such projects. A required portion of the TIP (or TDP, the "Transit Development Program") is the public hearing. Essentially, these documents are intended to serve as a basis for local decisions on the existence or nonexistence of a transit system, and subsequently as the basis for both the amount of resources to be devoted to the system as well the operational characteristics of the system.

Finally, with respect to intercity services, the Department now administers the FHWA Section 18 Program (capital and operating assistance for transit in nonurbanized areas). Under this program intercity carriers are eligible recipients, and, while no existing intercity carrier applied for funding during the first program year, one new service applicant was recommended for funding to initiate a service between Manley Hot Springs and Fairbanks, with a potential connection to Nenana.

F. Rail:

Although there were no specific recommendations or suggestions enunciated by any of the five groups of delegates at the conference with respect to the rail mode, the issue of the Alaska Railroad and a transcontinental rail link through Canada was discussed by most of the groups. This latter topic was also the focus of Mr. Red Swanson's issue paper on Alaskan Railroad Systems, mailed to the delegates prior to the conference.

The general tone of these discussions was favorable to increased utilization of Alaska's existing rail system, with strong interests expressed to further examination of the potential of a rail link through Canada. In light of this activity, there are certain issues with respect to the rail mode that warrant mention within this analysis.

The State of Alaska is vitally interested in exploring the potentials of the rail mode as an essential element of the State's evolving transportation infrastructure. With the exception of a few random task-specific rail studies conducted over the last several years in Alaska, there has been virtually no in-depth study and analysis of the rail mode with a perspective to statewide importance. Section 803 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, authorizes the Secretary of the U.S. Department of Transportation to make available Federal financial assistance to eligible States for certain types of rail service programs. As a prerequisite to receiving the operational portions of the local rail service assistance funds, States must successfully complete rail planning activities.

The availability of these Federal monies presents the State with an excellent opportunity to conduct extensive study and analysis of the existing rail network and the future potentials and liabilities of the rail mode with respect to the over-all transportation infrastructure. The Department of Transportation and Public Facilities, Planning and Research Unit, has been designated by Governor Hammond as the State agency responsible for coordinating, administering and implementing a rail planning program for Alaska. In early September 1979, DOT/PF applied for a $100,000 Federal rail planning assistance grant, matched by $25,000 of State in-kind benefits, to begin this rail study. On September 26, 1979, the Federal Railroad administration awarded the State of Alaska this grant. These funds are being used to collect necessary rail data, to identify rail needs in connection with other modes of transportation and to analyze major railroad proposals. The work performed under this Federal grant will provide the foundation for the preparation of Alaska's State Rail Plan.

The two major objectives of this rail study are the development of a railroad planning capability and the assembling of transportation information and data for future use in developing commerce opportunities for Alaska's resources. The accomplishment of these goals will enable the State to make more rational decisions on the future utilization of Alaska's railroads. It is anticipated that the work to be performed under this rail planning assistance grant will produce the following two measurable products: (1) a second, more detailed and technical Planning Work Statement for the next fiscal year funds; and (2) a Preliminary Project Analysis of the existing rail system and major railroad proposals.

The Federally-owned and operated Alaska Railroad, the major existing rail system in the State, is participating directly in the performance of this work. DOT/PF and the Alaska Railroad co-chair the Rail Technical Work Group, which is responsible for technical expertise and work direction throughout the rail planning process. This type of Federal/State cooperative planning is particularly important in Alaska where much land is under Federal control and long-range uses are not as yet identified. The Rail Technical Work Group also consists of one representative from the Federal

Highways Administration (representing the Federal Railroad Administration), the Department of Commerce and Economic Development, the Department of Environmental Conservation, and the Department of Natural Resources. This organizational format reflects the desire by DOT/PF to include all relevant agencies at an early point in the rail planning process, thereby hopefully resolving differences within the planning process and avoiding conflicts over recommendations from the finished products.

Policy direction and input comes from the Alaska Transportation Planning Council and the Interdepartmental Transportation Planning Group, an ad-hoc task force composed of the respective Commissioners of the four State agencies mentioned above. Both of these groups have direct lines of communication with the Governor and DOT/PF.

Currently, it is anticipated that the completion date for all of the above-outlined activities will be May 1980. It is imperative that other line agencies and the Legislature be fully aware of these rail planning activities under DOT/PF, coordinating all related activities and proposals accordingly. Over the last several years, there appears to have developed a great deal of polarization of viewpoints with respect to issue of a rail link through Canada. A growing perception in the minds of many is that those analysts who concentrate on the economic considerations of the issue are opponents, while those analysts who stress the values of development are proponents. It is unfortunate that there has developed this type of perception with respect to the issue. A project of this magnitude, with only rudimentary analysis to date, can ill afford this constraint to the constructive dialogue necessary to the satisfactory analysis of the issue.

DOT/PF is by statute the State's lead agency responsible for transportation planning. In firm recognition of these duties, DOT/PF is committed to performing the in-depth analysis of the potentials of the rail link proposal. However, DOT/PF intends to perform this analysis within the context of the statewide rail planning process currently underway. It would be premature for the State to make any solid commitment to this project before additional information is available. Nor is there any overwhelming impetus that requires urgency for State action. Most of the data and information needed will certainly be available by no later than the beginning of the next Legislative session. An intelligent approach through a rational and coordinated rail planning process must be encouraged and supported if the State of Alaska hopes to employ efficient use of the rail mode in its transportation infrastructure.

G. Telecommunications:

1. Single State Toll Area:

DELTA Group - 11. Create a single toll area for the entire state for telephone communications.

ALPHA Group - 2. Efficient telephone systems with a single toll area spreading the costs throughout the State.

The increasing use of satellite communications has made the costs of intrastate telephone calling less affected by distance and helps make the case for single-rate intrastate toll service. Recognizing that telephone rate design is a complicated matter affecting the revenues of more than 20 local telephone companies, Alascom, and virtually every citizen, the State should request the Alaska Public Utilities Commission to consider distance-insensitive toll rates in its deliberations on rate design.

2. General Policy and Program Management

BETA Group - 1. Broadcasting of state government activities shall be under the control of an independent public board with regional representation.

Currently, all program material being submitted to rural television broadcasting is approved by an independent rural television program and policy council. The council, commonly referred to as the Rural Alaska Television Network (RatNet), is composed of seven rural representatives from across the State. In addition, the council has village contacts in most of the 79 rural communities receiving satellite television programming. A number of rural village governing bodies have not responded to the RatNet request for local village contacts. State government does select instructional television programming through the Department of Education. This programming material is first screened by rural educators and only broadcast if it meets their criteria for instructional television. Other state television programs are offered to the private commercial television stations for their use and the decision to broadcast this material is solely that of the commercial station.

BETA Group - 7. The University of Alaska shall provide the means and directive to provide education throughout the state via telecommunications.

Currently, the University of Alaska, through the Office of the President, is investigating the feasibility of providing educational programs via telecommunications. The President of the University is committed to instructional telecommuniciations as a means of improving and expanding rural educational opportunities. In addition, Senate Concurrent Resolution #35 and House Concurrent Resolution #28 have directed the Alaska Public Broadcasting Commission, the Department of Education and the Department of Transportation and Public Facilities to conduct a study into the feasibility of providing statewide educational television. Due to the nature of education within the state, the University of Alaska is taking a vital role in the study. This study will be completed by mid-February and delivered to the Legislature for legislative action.

BETA Group - 2. Any expansion or improvement of public communication must be preceded by a careful evaluation of the ongoing as well as start-up costs and of who is going to "pick up the tab."

This is a laudable statement and an excellent reminder to all since the ongoing costs are often the heavy burden and are not always easy to

determine. Another point worth noting is that with the increasing competiveness of the providers of telecommunication equipment and services a reassessment of current state policies may be in order to insure that the State obtains the most from the money it spends to improve communications.

BETA Group - 3. Government shall not interfere in program availability.

We agree with this statement. State or Federal government should not be involved in anyway in censoring or determining program content. Neither should government establish priorities for airing or transmitting one program before or in place of another. However, if there is a greater demand for transmission time than is available, some mechanism must be establish for making such decisions. This task has been handled during the Television Demonstration Project by the AFN Telecommunications Committee, which consisted of one representative from each of the twelve native regions. It has been replaced by the Rural Alaska Television Network which is a committee having non-native representatives included in its make-up. These two groups have set priorities for programs to be transmitted to the rural areas. The broadcasters have selected the commercial programming that has been brought into the urban areas.

BETA Group - 4. Development of communication systems shall be sensitive to the resulting social and political effects.

The initial reaction after reading this statement is likely to be enthusiastic support. However, after a more careful reading and some serious thought we would suggest a qualification or two. The bringing of increased communications to any community certainly has the potential for impacting on the social and political life of the individuals living there. However, it is not always possible to know what that impact will be. Even if it is determined to be negative, the question arises as to whether it is the government's right or responsibility to refuse service to a community on the basis of it being "bad" for them. The Television Demonstration Project is a good example. The results of several studies have been published that deal with the harmful effects of commercial television programs on the people who watch them, especially young children. These studies could be construed as adequate justification for not adding any new communities to the system or for eliminating the service to the existing ones. Anyone familiar with the situation at all knows that this is not a viable alternative. The citizens of these communities would insist that they have the right to decide for themselves.

Ideally, the citizens of a community should be presented with as much information as is available regarding the positive and negative aspects of adding or reducing communications services. After they have had an opportunity to consider the alternatives they should make the decision as to what level of communication services they desire.

BETA Group - 5. Highest priority shall be given to upgrading communications

between rural communities and the rest of the world.

This has been and is a continuing priority within the State as evidenced by the fact that practically every community in the State has telephone service. There are presently 140 single telephone communities. The major need and emphasis presently and in the future will be to increase and improve service.

BETA Group - 6. Career education shall be provided in the field of communications.

This is a plausible sounding recommendation. We would suggest that a research effort be funded to determine what areas within the field of communications should be given priority for establishing this type of training program.

3. Microwave System:

GAMMA Group - 5(a). Improved UHF/VHF microwave systems.

BETA Group - 8. VHF and microwave systems shall be developed as a supplement to satellite communications.

The thoughts behind these recommendations are not clearly understood. The referenced UHF/VHF/Microwave systems could be those operated by common carriers providing service in the State or those operated by the State itself.

In general, telephone service is provided via terrestrial radio systems where those systems were in place prior to the availability of satellites, or where distance from a community to telephone network access points makes a terrestrial tie-in an economical alternative to a satellite link. Where service through terrestrial systems is demonstrably inadequate to meet user needs, the State should pursue what means available to ensure that the carrier takes the steps necessary to bring service to an acceptable level.

The State (DOT/PF Division of Communications) currently operates microwave systems in the Southcentral and Fairbanks areas with long-range plans to extend microwave links along the Interior highway system. These microwave circuits are primarily for communications with Public Safety and Highway agency units, but could be expanded to provide administrative telephone and data circuits for other State agencies.

4. Improved Telephone Service:

GAMMA Group - 5(b). Improved telephone communications.

DELTA Group - 10. Legislature should mandate that the top priority of

the telecommunications system be the installation of emergency and medical telephone in every village in Alaska.

The one hundred small earth stations now in place throughout the State have resulted in achievement of the goal to provide telephone service to every community of 25 or more persons. The reliability of the small earth stations has been a problem, but equipment and operating improvements has resulted in a steady increase in reliability. A limiting factor, however, has been the reliability of local power in many communities. Power failures have resulted in loss of telephone service for periods of a few hours to several weeks. The problem of adequate local power is one which must be solved in many communities before telecommunications services can be expanded or improved.

The original one hundred small earth stations were each equipped to provide one telephone and one emergency telephone circuit. However, the 87% increase in interstate tariffs which was implemented by Alascom in 1978, resulted in the Alaska Area Native Health Service canceling installation orders for 35 communities. There are currently 57 communities with access to the emergency medical system.

A first step in planning for the implementation of a statewide emergency and/or medical telecommunications system should be discussions with appropriate representatives of the Alaska Area Native Health Service to determine if a cost and service sharing arrangements can be worked out to take advantage of the equipment which is now available.

5. Regional Uplink Capability:

DELTA Group - 9. Regionalize the telecommunications system so that regional centers can broadcast via an uplink system regional news, entertainment, public affairs and educational television.

GAMMA Group - 5(c). Improved uplink systems from regional centers on satellite systems.

The capability of uplinking video through Alascom earth stations exists in Anchorage, Barrow, Fairbanks, Nome, Kodiak, Bethel, Kotzebue, and Juneau. However, permanent originating facilities and links to uplink earth stations are available only in Anchorage, Fairbanks, and Juneau.

A possible problem with regional program origination lies in the fact that if, as at present, only one transponder on a satellite is available for State television service, only one regional center will be able to uplink at any given time to rural viewers. If should be noted that uplinking would pre-empt existing television service to rural communities.

6. State Funding:

EPSILON Group - page 52. The State should participate in funding both the existing and newly developed systems of communications, so that those expenses are not part of the consumer service charges for improved

communications networks, including the utilization of advanced and expanded telecommunications technology.

For two years, the State has been participating in proceedings of the Federal-State joint board on the matter of Alaska and Hawaii separations procedures. It is hoped that through these efforts, a separations policy which will equalize telephone costs in Alaska with those in the rest of the country will be realized.

DOT/PF is preparing a report to the Legislature on alternatives to State subsidization of television (as directed by the 1979 Legislature in the appropriations bill, FCCSSB 53). There is a possible contradiction in between EPSILON Group's recommendation and the intent of the Legislature as expressed in FCCSSB 53.

H. Public Facilities and Energy:

EPSILON Group made the following recomendations on energy issues (pages 47-49):

1. "The State should invest funds for the development of appropriate energy source(s)." (Page 47, Line 8). Agree. The Fairbanks research section is involved with several energy projects which relate to energy sources such as the lighting of remote airfields. However this statement is probably intended to apply to commercial or community scale energy source. Our perception is that the need for community energy systems which are more "appropriate" than diesel fuel is the greatest energy requirement at this time, and is not being addressed adequately at this time be legislation, policy or funding. We advocate immediate funding of the development of appropriate energy sources particularly as they may be appropriate to remote areas. We propose the investigation of the production of hydrogen in the short term from gasification of ore and/or heat and in the long term from solar and wind power.

a. The second proposal, that "the State should look into grants or subsidies for the development of alternative energy sources for marine transportation" (Page 47, Line 10), also should address the potential of hydrogen. State ferries which currently use electric motor drives could be retrofitted with hydrogen fuel cells without the development of any new technology. The State should investigate the economic feasibility of creating its own hydrogen by electrolysis using excess Snettisham power.

3. The third proposal is for cash prizes for "Energy efficient" structures (Page 47, Line 13). There is conflict between this incentive and the legal mandates of energy efficiency suggested elsewhere. An obstacle to implementing this idea is a definition of "energy efficient." I would suggest that if the State were to legislate energy requirements for residences that they require new dwelling units to make available the estimated annual energy use expressed

in equivalent gallons of fuel oil. Such a rating would be similar to the EPA mileage rating for autos.

Also relevant to this proposal is the promulgation of national energy performance standards for all new construction currently underway at the Department of Energy. These standards would require public and private structures to comply with what appear at this time to be rather rigorous "energy budgets" thus making cash prizes superflous.

4. The proposal to "upgrade existing State buildings" is currently planned for by a six-year capital improvement request for over 200 million dollars. This request will provide for technical energy audits of facilities and for capital expenditures for those items which the audits show will have the greatest return to the State.

5. A proposal is made that future State facilities be designed in accordance with ASHRE 90-75A by 1985. State facilities are currently being designed to meet or exceed this standard.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU, ALASKA 99801

March 4, 1980

The Honorable George Hohman
State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Hohman:

The staff of the Department of Fish and Game has reviewed the fishery related recommendations of the Conference on Alaska's Future Frontiers. Our comments on each of these recommendations are as follows:

ALPHA GROUP

Fisheries Recommendation #1 "Encourage and support the best possible harvest, transportation, and care techniques for all its multiple fisheries."

Fisheries Recommendation #3 "Initiation of the most advanced systems of quality production, control, transportation, and storage of fishery products."

A good quality product is essential to success in the marketing of fish. Fish from Alaska have on occasion had a poor reputation for quality. If Alaskan fish products are to compete in domestic and world markets, only fish of the highest quality should be offered for sale. This is particularly true in the case of salmon where competition for markets is intense due to increasing harvests in Japan and Canada, our major competitors for the world salmon market.

Fisheries Recommendation #2 "Readiness for complete harvest and best utilization of all State fishery products."

Readiness for complete harvest of the available fishery resource implies construction of vessels and production facilities capable of handling the catch in even extremely good years. It is not sound enterprise to capitalize for peak years. The best use of capital would be to provide for the capability to catch and process the harvest in most years. During peak years, such as is expected for the Bristol Bay salmon runs this year, special arrangements can be made by industry to utilize all of the available resource.

In Alaska's established fisheries, salmon and crab, there exist ample harvesting and processing capacities to accommodate the harvests during most years. It is the underdeveloped groundfish fisheries which need extensive investment in order to harvest the available resource. However, investment

in vessels and processing facilities is only one element necessary for complete harvest and best utilization of the State's bottomfish resources. Markets must be developed simultaneously with the capacity to produce products from the groundfish fishery. Any investment by the State in underdeveloped fisheries must be closely coordinated with efforts to create markets for the product.

Fisheries Recommendation #4 "Make every effort to train persons in the technical skills necessary to operate in a modern fishery."

Adequate training for the fishermen and processing personnel of the fishing industry is a worthy goal of the State's fishery development program. The institutional framework to provide this kind of training already exists through the University of Alaska Sea Grant Program, the University of Alaska Extension Service, local high school and community college programs, and the Alaska Fisheries Development Foundation. The adequacy of existing programs and their funding deserves some review by the Legislature to insure that the maximum potential of these programs is realized, and so that unnecessary duplication of services does not result.

DELTA GROUP

Recommendation #22 "Stimulate the rapid development of on-shore processing facilities and Alaska-based vessels with development of the bottomfish industry utilizing all of the State's investment and regulatory tools including but not limited to:

A. Loans for fishermen and processors;

B. State bonds for construction of ports and harbors; and

C. Promoting a marketing association to develop world markets for Alaska seafood products."

The Department supports this recommendation. The long term economic benefit to the State will accrue from the use of its renewable resources. Investment in the development of the renewable resources is an appropriate mechanism to ensure long term returns on the income derived from non-renewable resources.

Recommendation #23 "Establish strict quality control for all Alaska seafood products."

As stated above for a similar recommendation by the Alpha Group, the Department acknowledges the importance of high quality standards for Alaska fishery products in order to compete in world markets.

Recommendation #24 "Encourages the legislature to investigate the possibility of establishing a policy that would restrict foreign ownership and control of the Alaskan seafood processing industry."

Widespread investment in Alaska's seafood processing industry by foreign corporations has provided much-needed capital during years of low profitability. However, there is now a potential for these foreign corporations to attempt

to protect their investments in their high seas groundfish fishing fleets by stifling the development of a domestic groundfish industry. If the State can encourage the development of a domestic processing industry, the influence of foreign interests can be reduced. An expanded domestic fishing industry would return greater benefits to Alaska because much less of the revenue would go out of the State. The Department would endorse a study of the feasibility of promoting domestic ownership and control of the seafood processing industry.

Recommendation #25 "Support a substantial federal exploitation tax to be levied on foreign vessels fishing and processing in the American 200-mile zone."

Foreign fishermen fishing in the Fishery Conservation Zone must pay a permit fee and a poundage fee. The permit fee is about $200 per vessel. The poundage fee is equal to 3.5% of the U.S. ex-vessel price of fish allocated to each foreign nation. It is doubtful whether a 3.5% surcharge on the foreign harvests off Alaska is sufficient to offset the marketing advantage of the foreign fish companies due to their cheaper labor and established marketing channels. The poundage fee may have to be increased before domestic fishermen can compete in world markets on equal footing with the foreign companies selling fish caught in American waters. If the revenue collected from fishing fees can be allocated to pay for expanded management programs on groundfish, then an additional benefit would be derived from these fees.

The U.S. Department of Commerce is currently reviewing its procedures for assessing foreign fishing fees. If the State of Alaska has reasons to support higher fees for fishing off Alaska, then now would be an opportune time to make such a recommendation. The Department of Fish and Game recommends that these revenues from fees be shared with the States in the same manner as Forest Services timber sale receipts and federal oil and gas rents.

EPSILON GROUP

Fisheries "The Epsilon Group recommends that the legislature adopt fisheries as it highest priority..."

Far be it from us to recommend without bias a legislative priority for fisheries, but there is a desperate need for the State to increase its expenditures for fisheries management and research. The need for additional funding is documented in the Governor's FY81 budget now before the Legislature. We particularly wish to emphasize the need to fund research and management of developing fisheries both to assure their continued productivity and to preclude having to take funds from management of existing fisheries to meet new demands.

Fisheries "The Epsilon Group recommends... that the State increase its jurisdiction over fisheries activities to include the entire 200-mile limit."

Historically the State of Alaska has exercised an implicit jurisdiction over the fisheries of Alaska regardless of how far off-shore they occurred. With the passage of the Fishery Conservation and Management Act, the State's extended jurisdiction has become suspect due to the threat of Federal pre-emption of the State's authority beyond three miles. The Department is the primary expert on the fisheries of Alaska because of its proximity to the fisheries and its

historical involvement. It makes no sense for Federal government to spend its money developing a duplicative system of regulatory development, public input, and management while the State has a well-established and well-accepted management program in place. The effect of duplicate systems would be eventual divergence of State and Federal regulations. The Alaska Board of Fisheries and the Department of Fish and Game are cooperating with the Federal government in the management of the Fishery Conservation Zone, but we are reluctant to surrender any of the State's leadership in this area to the Federal government which is less sensitive to the needs of the local fishing industry. Action by the Legislature would strengthen the State's position in dealing with the Federal government by affirming the current policy of the Board and Department.

Transportation Recommendation #2 "And should further development programs to expand public harbor and port facilities with a view of expanding the fishing and maritime industry in Alaska."

The expansion of ports and harbors is another essential element in the development of an Alaskan-based fishing industry. With the current trend toward larger vessels capable of fishing on the high seas for extended periods, there is an increased need for facilities capable of handling these large vessels. As long as these facilities are not available in Alaska, the large vessels now entering the fleet will continue to be based outside of Alaska.

With Regard to Energy "The legislature should provide funding for the development of sail power applicable to the fishing and maritime industries..."

The Department does not expect the fishing fleets to return to sail power, however, there will be radical changes in the design of fishing vessels and in the fishing strategies employed by the fleet due to changes in fuel economics. Energy intensive fisheries such as the troll fishery can be expected to undergo significant changes as the price of fuel increases. Fuel efficiency will be a significant aspect of fishing in the future. In general, the fishing fleet can be expected to shift toward larger, technology-intensive vessels.

In terms of the relationship between subsistence and energy, two points are clear: First, rising energy costs in villages may increase the reliance on subsistence acquired food while at the same time constraining the modern means to obtain that food. This may, in turn, result in a return to other forms of subsistence technology, such as dog teams, which also place demands on wild resources. Second, many villages have now become reliant on imported energy. Any programs which result in greater local self-sufficiency through utilization of local renewable and nonrenewable resources may reduce the impact of rapidly rising energy costs.

Thank you for the opportunity to comment.

If we can assist you in drafting the legislation to implement these recommendations, please contact us.

Sincerely,

Ron Skoog

Ronald O. Skoog
Commissioner

MEMORANDUM State of Alaska

TO: Honorable George Hohman
Alaska State Senate

DATE: February 14, 1980

FILE NO:

TELEPHONE NO:

FROM: Marshall L. Lind
Commissioner of Education

SUBJECT: Future Frontier Recommendations

A review of the group recommendations concerning education reported out of the recent Future Frontier Conference revealed that the recommendations fall into several main categories. Therefore, our response will be found in these categories rather than item by item.

I. Telecommunication

Several groups recommended an expansion and increased use of a telecommunication network for education and other public uses. Our response to these recommendations are contained in our response to Senate Concurrent Resolution 35. I believe that positive action on this report would meet the spirit of the Future Frontier participants' recommendations.

II. Vocational and Technical Education (Reference attached statements for additional information)

Participants' recommendation to increase support of secondary vocational education would be accommodated by positive action on the Governor's amendment to SB 199, which, among other things, reworks the vocational education foundation schedule to increase vocational education program funds of the district level.

Increased state support for adult (out-of-school) Alaskans could be achieved in a variety of ways: more direct state block grant or direct appropriation to community colleges and skill centers, an adult foundation formula for school districts as well as the university system; or tuition waivers for adult Alaskans are several funding methods which have been proposed. To date, no one plan has been universally endorsed. The Legislature may wish to propose a study of funding alternatives in this area if it wishes to pursue the recommendations of both the Future Frontier Conference and the earlier forum.

III. Special Education

Again, the recommendation for increased funding for both handicapped and gifted students, would be accommodated by the Governor's amendments to SB 199, which reworks the current special education foundation schedule to provide increased program funds to local districts.

The recommendation for improved programming for special students is receiving attention from the department as we develop program standards. Under current administrative funding for the department, we will be able to develop standards in one or two program areas (i.e., blind, deaf, gifted, etc.) per year. However, again the Governor's amendments to SB 199 call for the development of program standards in all areas and will contain a fiscal note to fund this activity.

IV. Bilingual Education

The conference participants called for increased support for bilingual/bicultural education. With the exception of a minor reworking of the bilingual foundation schedule to accommodate higher costs for districts with multiple language groups, the current foundation support to schools appears adequate. The minor revision is again contained in the Governor's amendments to SB 199.

V. General State Aid to School

Several groups called for full state funding of education costs. Again, amendments to SB 199 would allow for 100% state funding of basic needs while still requiring some local effort in city and borough school districts. Since the equalization scheme outlined in the amendments to SB 199 appears to adequately take into account differences in local tax wealth, the department would support this system over full state funding.

VI. Other Program Areas

The conference participants specifically named several areas as needing additional support: health education, adventure-based education, small high schools and legal education.

With the exception of adventure-based education, which is a high cost/high effective alternative to regular high school programs, the Department believes that local districts will have, through the proposed revision to the foundation program, adequate financial means to support educational programs to meet local needs. Therefore, we would not recommend specific state funding for health education, legal education or small high schools.

If the state wishes to expand adventure based education, however, additional resources will need to be made available. If the state is to realize the full benefits of adventure-based education both as an alternative and as a means of making the regular secondary program more relevant to Alaskan youth, it is our recommendation that funds for such programs be made available to local school districts on a grant basis rather then to a state agency.

VII. Miscellaneous Recommendations

The conference participants made several recommendations which do not readily fall into the above categories. These will be responded to on an individual basis.

A. Two-step Teacher Certification

During 1979, the State Board of Education prepared such a two-step certification process in an attempt to assure that teachers in Alaska had knowledge about the unique conditions and cultures of the State. Widespread adverse public comment (over 400 responses to the proposed regulations were received) caused the Board to withdraw the proposed regulations.

B. Mandated Class Size

The conference participants recommended a mandated maximum class size at the elementary school level. As this is a local problem, differing in severity among districts around the state, the Department recommends that the responsibility for determining class size continue to rest with the local school board. Again the proposed amendments to SB 199 could help alleviate this problem which appears to exist only in some of the larger urban centers, by increasing the amount of funds available at the elementary school level.

C. Education for Minority Students

The conference participants recommend that special consideration be given to minority students through program development and teacher preperation to enable such students to achieve at grade level. At present, there is no special foundation support for English-speaking minority students although various federal categorical funds for such purposes are being utilized in the state. The legislature may wish to address this concern through a state funded counterpart of the federal compensatory education program or through revision of the current foundation program which would extend additional funds to districts for all educational programs. Such additional funds, depending on local need, could be directed to specific programs for under achieving minority students

The concern for adaquate teaching preperation to include knowledge and skills necessary to teach across different cultures is also spoken to in more general terms elsewhere in the report.

Currently, the Department of Education is working on Alaska standards for teacher preperation programs. Course work and experience in cross cultural education will undoubtedly be considered as part of these standards. In the future, University teacher training programs may require additional state support to come into compliance with these and other Alaska standards.

If you have questions concerning any of the above comments, please do not hesitate to contact me.

Attachment

Fisheries and Communications

In the fisheries area, there are currently two Federal Vocational Education Grants designed to develop, expand and coordinate fisheries education in new or emerging occupational areas. These grants are being conducted through the Southeast Regional Resource Center and Kodiak Community College.

A state level fisheries committee is being organized to examine fisheries education across the state from the elementary, to adult and college education levels. The Committee will be looking at what currently exists, what needs to be done first, and how to go about doing it.

A grant has also been received by the Department of Education for a full-time fisheries education position. The responsibility of this position will be to work with all agencies to develop and implement fisheries education programs.

Communications Education consisting of radio and television programs have been developed at Dillingham and Yakutat for high school students.

These were developed with state vocational foundation monies at the local level. State vocational dollars can be used for developing programs in any vocational area as the district desires, although most of these dollars are used to continue existing programs rather than implementing new ones. <There are no state vocational grant funds and limited federal dollars for developing new programs.>

Adult Continuing Education

Areas of the Future Frontier report with which the Adult and Continuing Education Unit is particularly concerned are placement, fisheries, life copying skills and adult basic education. Our recommendations follow:

1. PLACEMENT

We feel that job placement should be centralized through one institution, such as the Skill Center if operated on a statewide basis, there should be a unit that serves all institutions. If approached by too many agencies wishing job placement for their graduates, industry would find it not worth its while to coordinate the many requests. One agency in the state should coordinate the requests and allow industry to devote its time to creating the positions.

2. FISHERIES

A number of fisheries education activities are occurring throughout the state, such as the Governor's demonstration projects, Alaska Fisheries Development Foundation training, Alaska Skill Center's ship construction, rebuilding and repair, and the community college fisheries education programs. In order to provide the most effective use of resources and funds, it is necessary to consolidate the coordination of these activities into one agency. The Adult and Continuing Education Unit has submitted a proposal to the Governor's Office to fund such a position during FY'80 and anticipates that the position and its funding will be approved in its FY'81 budget.

3. LIFE COPING SKILLS and ADULT BASIC EDUCATION

These programs were initially created to help those adults who had not completed nigh school or who were unable to cope in their everyday life or jobs because they lacked sufficient education. Traditionally, the tests for the high school equivalency certification tests were academically oriented. A movement has begun in the United States to base this test on life coping skills such as balancing the checkbook, cooking measurements, reading and filling out tax forms, etc. Our unit supports this concept and is currently pursuing its use in our program.

Student Exchange Programs

A recent annual survey conducted of 49 school districts verified a continuing and increasing need for career and vocational related experiences that are not available to the student locally. That survey was done by the Rural Student Vocational Program (RSVP), which, since 1970, has been providing rural students with two weeks of "full-time" on-the-job experience in their intended occupational field in Juneau, Anchorage or Fairbanks.

In response to the survey:

1) RSVP's student capacity statewide has been increased from 800 to 1000 for FY'81;

2) RSVP's purpose is being broadened to also encompass career exploration, occupational areas not traditionally considered "vocational"; short-term intensive training as well as work experience, leadership development, and urban students to rural experiences; and

3) RSVP will serve more "special needs" students. Cultural exchange occurs naturally and is a valued by-product of these student experiences. These RSVP "Student Extended Programs" are based in part upon concepts in the Alaska Plan (ADOE, 1975) which proposed turning the entire State into a learning environment where every business, industry and government agency would become a training resource.

In planning for the 80's, thought must be given to expanding the program further if more than 5% of the 20,000 high school students are to be served each year.

The State of Alaska should improve the status of vocational-technical education statewide. Such efforts should be geared not only toward program development and maintenance, but improved employment prediction needs and improved job development and job placement.

Response:

Under P.L. 94-942, Federal Vocational Education funds of up to $150,000 are available each year for grants to school districts, post secondary institutions, regional resource centers and other eligible agencies for program improvement activities based on the priorities of the Alaska Vocational Education Planning Council (AVEPC).

AVEPC has reaffirmed each year that since federal vocational education funds are so limited, the primary use of these funds would be to help with the start-up costs of new programs for the first and possible second year. After that, state vocational education funds are adequate on the maintenance of this program at the secondary level. Post secondary/Adult programs initiated with federal funds also appear to be continuing once the federal funds are expended.

One area that seems to need a source of funds is equipment maintenance. Vocational programs, primarily in the trade and industrial and technical areas require expensive and well maintained equipment. Since the emphasis is on new programs, federal funds are not available for use in equipment maintenance and would not have much of an impact due to the limited number of dollars available. School districts could use state vocational foundation funds for equipment up-keep and maintenance. Post secondary institutions can include a line-item in their budgets for equipment maintenance. However, at both the secondary and post secondary levels, administrators sometimes do not understand the difficulty or complexity of the equipment and do not fully realize the necessity of maintenance expenditures and often cut this item from their respective budgets which in turn affects the operation of their vocational programs. Another problem cited is that when funds are available there is no one locally or in-state who has the skills to repair the equipment, thus increasing the costs of importing technicians to do the repair. It would be helpful therefore, if a fund were set aside for this specific purpose either from current vocational education foundation support or in addition to such support or a combination of both.

Improved employment predictions in terms of employment demand and occupational supply is one of the areas of concern of AVEPC. The coordination of supply/demand is also one of the responsibilities of the federally funded Alaska Occupational Information Coordinating Committee (AOICC). One of the issues identified by AVEPC for inclusion in the Occupational Preparation Plan reads as follows: "There is an apparent need for supply/demand information but the need has not been systematically identified." AVEPC is working on recommendations, and a plan of action with timelines and possible sources of funding for each of the issues identified in the Occupational Preparation Plan.

Improved job development and job placement is also a priority area of the Planning Council. They have allocated $100,000 of federal program improvement funds for FY'81 for this purpose. It is anticipated that 4-6 projects will be funded. There are two primary areas of concern that need to be addressed. First, is convincing school districts and post secondary institutions of their responsibilities to ensure that job development and job placement are an integral part of an occupational preparation program. The second, is that there should be centralization of this responsibility so that duplication of services does not occur. Currently school districts do not receive financial or other incentives to assume any responsibility for job placement and job development of their program completers.

Career and Vocational Education

(Attachment)

That the State of Alaska allocate funds for local school districts, for teleconferencing and vocational education, according to a policy other than Average Daily Membership in order that all elementary and secondary students in Alaska might be provided the option of a technical trade appropriate for the 1980's, soliciting counseling from industry.

Response:

Because ADM is an entitlement from State Foundation and block grant funding is competitive, there is guarded support for any move from Average Daily Membership (ADM) funding (categorical funding) of vocational funding to block grant funding. However, the Department of Education is supporting legislation currently being considered by the Legislature for funding the development of agricultural programs. State grant funds for specific purposes could be accommodated within the current funding and planning structure of the Department of Education. State grant funds combined with ADM funding could accommodate changing needs while entitlement maintains the continuity of funding for existing programs.

The Department of Education is assuming that by "soliciting counseling from industry" the participants at the conference meant that employers should be involved in the design and content of local vocational programs. Local school districts or post secondary institutions that use federal vocational education funds are required to have a local vocational education advisory committee. Business and industry representation is a requirement for these committees. The Alaska Vocational Education Planning Council has further required that business and industry as well as other appropriate agencies be involved in the planning and implementation of programs in new and emerging occupations supported in whole or in part with federal funds. These requirements do not now apply to state vocational foundation funds.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

January 30, 1980

Copy Erik



The Honorable George Hohman
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Dear Senator Hohman:

We have carefully reviewed the transcript of the "Conference on Alaska's Future Frontiers," held December 6,7,8, 1979, and are attaching our specific comments and recommendations.

May we take this opportunity to congratulate both you and Representative Russ Meekins, and your staffs on the manner in which this information was gathered. The meeting was most challenging, speaking from personal experience as an interested observer at the conference. Further, the representation collected there was impressive by its diversity and obvious dedication to their task.

We will follow the implementation of the resolutions from the conference with keen interest. If in that process we can be of any further assistance, please let us know.

Sincerely,

Helen D. Beirne

Helen D. Beirne,
Commissioner

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

COMMENTS PREPARED JANUARY 31, 1980

IN RESPONSE TO RESOLUTIONS PREPARED BY

LEGISLATIVE COUNCIL -- STATE OF ALASKA

CONFERENCE ON ALASKA'S FUTURE FRONTIERS -- DECEMBER 1979

Helen D. Beirne, Commissioner
Department of Health and Social Services

FUTURE FRONTIER'S RESOLUTIONS

I. ALPHA RESOLUTIONS

A. Education
B. Child care.....DHSS Comment
C. Transportation
D. Communications
E. Law and Justice
F. Financing
G. Oil and Gas
H. Fisheries
I. Timber
J. Energy
K. Another Future Frontiers

II. BETA RESOLUTIONS

A. Government Services
B. Communications
C. Justice
D. Finance
E. Education
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ALPHA GROUP'S CHILD CARE RESOLUTION

Alpha Group resolves that the legislature consider the following recommendations in the area of child care:

1. That the State continue to use the resources of private child-caring institutions to deliver services to children entrusted to the State's care; and
2. That the State place children with child-care institutions as a good parent would, providing for prompt payment of full cost of care which includes a portion of those costs required to keep the institution ready to receive the State's children.

The policy of the State should be that of a good parent that cares well for children for whom it has responsibility and pays its bills quickly.

DHSS COMMENT TO ALPHA GROUP'S CHILD CARE INSTITUTION

Division of Social Services:

Division of Social Services supports the appropriate use of private child-caring institutions for children in the custody of the Division. However, the Division's policy is to utilize all possible alternatives prior to institutionalization.

Division of Social Services policies and procedures require prompt payment of all substitute care billings. The Division's automated billing system initiated in September of 1978 has significantly improved the payment system.

BETA GROUP'S HEALTH RESOLUTION

Health services which include:

1. Family planning counseling; and
2. Mental/Alcoholism/Drug Abuse Health need to be made available to all areas of the State from the paramedical/nurse practitioner level in the rural areas to the fully sophisticated facilities in central urban areas. An adequate means of transportation and communication is necessary.

Expansion of the professional role of paramedics and nurses shall be encouraged at all levels of health-care delivery.

An adequate curricula be added to the school system, stressing early detection and providing training opportunities to help school children become aware of health-care needs.

Alternative methods need to be considered for future water/sewer systems to ensure the practicality of the operation from a maintenance and cost standpoint.

Catastrophic health care should be available to all Alaskans with a mandatory deductible requirement sufficient to prevent abuse.

A need state-wide is for health education in the media. Our TV, radio and newspaper should have more specific information about preventive health measures. Only when our whole community is more concerned about health will we improve our children's health and, consequently, the welfare of future generations.

DHSS COMMENT TO BETA GROUP'S HEALTH RESOLUTION

Division of Public Health:

While the counseling effort does need expansion, such expansion should also be accompanied by a greater accessibility of family planning services. There are a number of individuals and organizations which might be able to assist in making counseling and services more accessible and available including community health aides, private organizations such as women's groups and the family planning association, the native health corporations, the State Division of Public Health, the Division of Social Services as well as regional corporations or local government units. An expanded effort would undoubtedly require more trained staff, more equipment and more space as well as funds for community outreach efforts and materials for community and individual education.

It might also be worthwhile to look into common restrictions in health insurance coverage which often do not pay costs of sterilization procedures since sterilization is becoming nationally a widely accepted method of contraception. Thought might also be given to means for expanding the use of non-clinical methods of contraception such as the condom through a wide marketing effort in the public sector.

"An adequate curricula be added to the school system...":

This is a very important recommendation. The State Health Coordinating Council, the three Health Systems Agencies, the Department of Education and various school districts have been working intensively during the last year to develop a curriculum. Substantial progress has been made.

Local school districts are generally free to determine their curricular content within certain guidelines established by the state. This independence should be preserved. There is probably a good deal of interest on the part of school districts to provide health teaching if it can be integrated into the general curriculum. It seems likely that local school districts or regional resource centers might require assistance in the integration of health material into their basic teaching program. This assistance might take the form of educational materials, visual aids, lesson plans, and technical assistance in the use and integration of these materials. Availability of funds to finance such assistance would probably do a great deal to assist local school districts in providing an adequate health curriculum to their students.

"...future water/sewer systems...":

The traditional method of liquid waste disposal is to inject the waste into a piping system with transport to a central processing

point. All laws and regulations are geared to regulate this area. New methods are being developed for liquid waste disposal and some are good while others are bad. Consideration should be given in law and regulation to allow for research, study, development and testing of alternative systems with subsequent approval of systems found to be acceptable. The high cost of sewage systems, central processing plants and the necessary maintenance may soon become totally prohibitive, especially in remote areas. Pre-planning of alternative systems now may be a cost effective measure.

It is improbable that the traditional methods of water supply and distribution will vary greatly in the next years. Only the method of treatment is likely to change. Current laws and regulations appear capable of accepting any new treatment processes which may be developed. Reducing water quality standards is not an answer since this could lead to an increase in waterborne illness.

"A need state-wide is for health education in the media.":

A program of health information in television, radio and newspapers should be coordinated with service delivery programs of health departments, regional corporations and state efforts. The media portion could be expected, if well done, to increase awareness of certain types of health information and to stimulate interest on the part of the viewer to obtain additional information. It should be born in mind that the development of good media materials is a relatively expensive process. Even short public service spot announcements on television can cost well over a thousand dollars per spot if one includes the reproduction of the announcement for various outlets. Preparation of longer programs which could present information in somewhat greater depth would be correspondingly more expensive. There are resources in Alaska which can do professional preparation of quality public service announcements and programs. Because of the heterogeneous nature of the Alaskan population it may be necessary to provide some sort of grant mechanism to regional corporations to assist them in preparing information which is geographically and culturally acceptable and understandable to the viewing audience.

If interest on the part of newpapers could be stimulated to include health related information, a consortium of Alaskan health workers could probably be set up to write columns, stories, etc. Perhaps such materials could be distributed on some kind of "syndicated" basis to newspapers and magazines.

Division of Mental Health:

"A need state-wide is for health education in the media":

While broad health education is a necessary goal, we would like to encourage along with physical health education, behavioral health

education. The legislature has funded "Here's Looking at You" and there are many other models that can be utilized in the schools. "Explorations in Living", a curriculum out of Utah could be implemented cheaply with the support of the Community Mental Health Centers.

Office on Alcoholism and Drug Abuse:

1. Training: A "Manpower Development Plan for Alcoholism and Drug Abuse Personnel" has been completed by this Office which proposes to create a body of certified paraprofessional and professional alcoholism/drug abuse treatment practioners in Alaska. Its priority target groups for training are:

1) Rural Native Personnel
2) Existing Local Alcoholism/Drug Abuse Staff
3) Related Health, Criminal Justice and Social Services Personnel

There is a need for money for expansion of existing programs and, a broad variety of new programs as well. Adequate documentation exists both for the need, and to describe types of programs, as well as how their effectiveness can be measured.

A "no cost" measure that could be attempted by the Alaskan State Legislature would be a joint resolution of both houses asking "the President and Congress to insist that the Alaskan Area Native Health Service develop and implement a comprehensive Mental Health, Alcoholism and Drug Abuse Prevention, Treatment and Rehabilitation program for the Alaskan Native people, in partnership with the State, not later than 1981".

The AANHS has no such plan or program. 55% of the total population in treatment in state funded alcoholism programs are Alaska Natives. Less than 1% of the AANHS budget is devoted to these problems.....

The only barrier to such a "corp" of trained personnel being brought into existence is dollar resources to implement the plan. Our FY '81 budget suggests a beginning effort at about $90,000.00. More money gets more product. The curricula for training ranging from very basic to highly sophisticated prevention, intervention, treatment and program management skills are available.

The mechanisms for implementing a peer-based certification system for counselors at two basic professional levels is in place.

Methodical training of a limited number of rural native personnel and personnel of existing programs, began this year.

Appropriate training/education and certification of practitioners will help ensure that community based programs in the bush, especially, are staffed by competent personnel who are permanent residents of their communities, thereby enhancing the potential for both program effectiveness and stability.

2. Resources for Programs: Local Alcoholism and Drug Abuse programs have not had budget increases, beyond inflation, since 1975.

GAMMA GROUP'S HUMAN RESOURCES RESOLUTION

Gamma Group envisions a future for Alaska as one which:

1. **The diginity and well-being of Alaskans of all ages, race, sex and economic status are guaranteed.**

   Recommendations:

   a. **Adequate housing, preventive and crisis medical treatment, day care and aid for the elderly are essential.**

2. The causes of alcohol abuse as an impediment to the full utilization of Alaska's human resource have been recognized and effectively dealt with.

3. Private industry is encouraged to assume the responsibility to offset adverse development impact in the areas affected.

   Recommendations:

   a. Socioeconomic studies should be done before the fact, not after the problems occur.

4. Good health is a right of the people.

   Recommendations:

   a. people should be educated about nutrition.
   b. funds should be made available for building suitable medical facilities in rural areas.

DNSS COMMENT TO GAMMA GROUP'S HUMAN RESOURCES RESOLUTION

Office on Alcoholism:

2. In order for this condition to be realized, a multi-level program is necessary, minimal requirements of which include:

A) A complete revision of Title 04, the "ABC Law":

- **State policy of managing sales and distribution of Beverage Alcohol within a framework designed expressly to protect public health, safety and welfare, not primarily to ensure "orderly commerce".**
- **Restricted number of retail licenses**
- **Restricted opening hours of retail outlets**
- **Price controls**
- **Drinking age raised from 18 to 21**
- **Ban on all advertising**
- **Ban on sales in Dry Areas**
- **Regional ABC Boards - Citizen Controlled**
- **Greatly expanded enforcement capability**

B) Massive Public Education effort; media based; multi-lingual, regarding the causes, costs and consequences of Alcohol Abuse and Alcoholism.

- Increased public awareness
- Increased public understanding
- Altered public attitudes
- Reduction of public stigma toward abusers
- Reductions in per capita consumption
- Program needs to be operated for a minimum of five years, with a professional outcome evaluation component included

C) Continuation of K-12 "Here's Looking At You" public school curriculae implementation, statewide, for a minimum of five years, including a continuation of the evaluation component.

D) A basic review of economic development policy in the state: the kind, amount, scope, intensity and velocity of such development is a key determinant of rates of cultural/ personal stress and the attendant problems of violence, suicide, child abuse, alcoholism, alcohol abuse, depression, etc., especially amoung Rural Natives (see Attachment). The economic development policies of the state and federal governments need to incorporate "behavioral health impact analyses" at a minimum. Local residents have got to be afforded maximum control over development impacting their lives. We cannot afford to continue the myth that there is no relationship between milieu and Health.

E) Expanded early intervention/treatment programs for youth and young adults, especially those arrested on "minor consuming" or related charges, and those emerging from school classrooms asking for help, as a consequence of implementation of the "Here's Looking At You" program. (There have been many of the latter, already).

The most fundamental policy shift on the part of the government of Alaska, which must occur if anything approaching the desired condition is to be realized, is to stop letting the Licensed Beverage Industry, through it's campaign contributions and lobbying activity, set Alaska's Health, Social and Criminal Justice policies.

The Abuse of Alcohol is the prime cause of all social, health and criminal justice problems in Alaska. The people, through their elected representatives must gain control over that element of their environment. If they do not do so, we are condemning large segments of future generations to increasing rates of death, disease, disability, crime, suicide, child abuse, etc., and they are already astronomically high.

Division of Public Health:

4. a) The extent of the problem created by poor nutrition is not well known but is probably significant. There appears to be a greater danger of frank under-nutrition or malnutrition in bush areas particulary as subsistence life styles change in the direction of a cash economy.

   A great deal could be done in the area of nutrition education. Some of it could be accomplished through the media. Some could probably be accomplished through existing staff working in the field including food stamp worker, welfare worker, public health nurses, etc. Assistance could be provided in developing educational materials which could be used by these individuals in their contacts with the public.

   Perhaps some thought also should be given to working with village cooperatives so that operators of local retail outlets could possibly have a role in community education. Some assistance either of a technical or financial nature might also be provided to cooperatives to enable them to select stock items which are nutritious and which have adequate shelf life. Local groups such as church groups, etc. might also be encouraged or provide assistance in the development and publication of nutritionally adequate recipes using foods which are available either from local stores or in the subsistence economy. Local input could also be obtained on common food practices in each area for

nutritionally vulnerable groups, particularly infants, pregnant women and lactating mothers, so that the nutrition education effort could be focused on reinforcing practices which have value and modifying practices which either has no value or are detrimental to health.

4. b) There seems to be no doubt that the ultimate responsibility for preservation of public health rests with the state. However, there would seem to be a variety of administrative arrangements which could be made with regard to the delivery of services meant to protect health. The Department is entering into discussions with the North Slope Borough to explore interest and potential and the costs which would be involved in the Borough's assumption of a broader range of health activities.

There is a lack of clarity in certain of the federal regulations governing programs in which the federal government financially participates. This is especially true with regard to the private non-profit health corporations. The Department is attempting to clarify the federal requirements.

Because of the ultimate state responsibility for public health preservation, standards of performance for health related activities would have to be mutually negotiated between the state and whatever executing agency might be chosen.

DELTA GROUP'S HEALTH AND SOCIAL SERVICES RESOLUTION

That in the spirit of underlying each of the following policy recommendations, the broad cross-section of Alaskans from every part of the state strongly urge the legislative and executive branches to encourage, whenever feasible, the adoption and implementation of health and social programs which encourage local input, provide incentives for self-help and adopt creative policies that tend to encourage human dignity.

34. Public policy as developed by the legislative and executive branches of government should shift priority as far as possible from the curative and treatment approach to health promotion, health education and disease prevention and social service programs and similar approaches recommended for problems.

35. Since disease prevention is cheaper than cure and treatment, Alaska should single out diseases which contribute unduly to the pain and suffering of citizens and lay heavy claims on public funds. Earliest attention should be given to tuberculosis, otitis media, alcoholism and drug abuse, accident prevention, and venereal disease.

36. Cost containment for all health care purchased by government should be undertaken with a minimum goal that payment and fees for services should not be allowable beyond the increases in the Consumer Price Index for the region concerned.

37. That to the extent allowable by present law and reasonable amendments thereto, health and social services delivery programs should be vested in local government and in private nonprofit corporations with mutually agreeable funding provided by federal and state goverments.

38. Revenue-sharing funds made available by the Sate government for health services and health facilities should be made available to local governments, with the local governments determining the priorities for usage of the funds, whether for services, institutions, or facilities.

39. That public policy in Alaska include studies leading toward the possible revision of all direct service health expenditures with the emerging possibility of opting out the Medicaid program, the development of an unique and comprehensive Alaska health insurance program, or other innovative improved methods for assisting Alaskans in meeting medical costs.

40. **Immediate attention should be given to an improved catastrophic illness program to bring relief to low- and middle-income wage earners, otherwise ineligible for federal and state assistance.**

41. **The State should consider a revised plan of reimbursement for physician services and hospitals, including strong emphasis on the free enterprise, competitive system and that as a quid pro quo the free market forces be rigidly enforced as demanded in other fields of endeavor.**

42. **Alternatives to expensive institutional health care (hospitals, nursing homes, residential centers) should be sought, including pilot programs and coordinated home support and health care, with services available not only from nurses but also from doctors for in-home assistance.**

43. Since all forms of accidents are responsible for the highest percentage of Alaska deaths and a major portion of health care dollar expenditures, special massive attention should be given to the fundamental causes of those accidents and the relationship thereto to other social and health phenomena, and that a bold program of education and prevention be developed.

44. All third-party insurance payment mechanisms for health care in Alaska should be required to cover mental illness services in much the same way as they cover phyisical illness at the present time.

45. Legislative and executive branch decisions should be directed toward more extensive utilization and funding of community mental health centers and several small regional juvenile residential facilities should be provided for mentally disturbed juveniles.

46. That the legislative and executive branches provide for the detailed analysis regarding the financial impact of improving the current payment level of $120.54 per month per recipient under the Aid to Families with Dependent Children Program. (Under AFDC, the monthly payment for mother and child is $350 versus $608 for two persons under the supplemental security income programs.)

47. Since $80 per month per person for certain needy persons in the State is not sufficient to deal realistically with those eligible, a detailed study should be provided to determine the future structure and coverages under the General Relief and General Relief Medical programs.

48. **The legislative and executive branches of government should attempt to influence more strongly the Federal Office of Management and Budget in order to adjust the official poverty guidelines for Alaska, to bring it in line with financial realities and remove the current discrimination against Alaska's needy made possible by the policies of the Federal Office of Management and Budget.**

49. **That the legislative and executive branches provide for an updated, comprehensive study of the status of Alaska's elderly population, with special emphasis on adequacies of the financial assistance provided to elderly eligibles, and with special review of the effects of inflation and the fixed income of retired persons and in connection with a proposed Older Alaskans Commission.**

50. The legislative and executive branches of government in Alaska have recently provided for a comprehensive Corrections Master Plan for Alaska. After public hearings are held in affected communities only, those portions of the plan deemed to be acceptable should be strongly supported by the legislative and executive branches in order to improve both facilities and services in urban and rural areas of Alaska.

51. Limited and new programs, such as Treatment Alternatives to Street Crime and New Start Center have demonstrated efficiency and adequate rate of success in assisting in the continuing rehabilitation of ex-offenders. It is in the interest of every citizen of Alaska that such ex-offenders be assisted in developing new life patterns free of crime and deserve adequate staff and financial support to assist in that goal.

52. Even though public assistance in the form of money-transfer payment programs and social services based on counseling do not have the same goals, human service centers in various communities throughout the State should be co-located in order to serve citizens in a more efficient manner.

53. Since Alaska does not operate any social service child care institutions and only one correctional juvenile institution, revisions should be made in the "purchase of services" statutes by amendment in order to fund those privately operated programs giving care to juveniles whose care has been made a State responsiblity more nearly on the basis of actual full cost of care.

54. The legislative and executive branches of government should make provisions whereby a reasonable percentage

(approximately one percent) of the human services budgets of the State could be utilized by the executive agencies for research and evaluation purposes in order that full data may be available and proper evaluations made to place sound statistical and programmatical basis under all expenditures in the field of human services.

55. Support adventure-based education on a continuing basis.

56. Continue support of Crisis Centers throughout the State.

DHSS COMMENT TO DELTA GROUP'S HEALTH AND SOCIAL SERVICES RESOLUTION

Division of Public Health:

42. This suggestion should be pursued. There is a dearth of skilled home nursing care agencies in the state. Development of such resources would probably make some savings possible. The savings could accrue to the patient, his family as well as to society in general through containment of hospital and institutional costs. Any program which is developed should be carefully integrated with the homemaker service which is now operated through the Office of Aging and the Division of Social Services. If a home health pilot project could be certified by Medicare/Medicaid, some reimbursement from those sources might help offset costs. However, a state based home health care program should not be exclusively tied to Medicare/Medicaid since their regulations are unduly restrictive. The Department would be very happy to work with any individual or group interested in this type of service.

43. This is another important recommendation. First steps which might be considered in approaching the problem would include a good epidemiologic study of accidents in the state to determine where intervention might have the best chance of success. Another early step might be the organization of a forum or committee which would include the very large number of federal, state and private organizations which are involved in one or another of the aspects of accident prevention.

Division of Social Services:

52. The Division supports this resolution.

53. The Division of Social Services supports the concept that there is a need for the revisions of the "purchase of services" statutes. In as much as this is a resolution and does not completely explain the actual amendments requested or desired by the Delta Group, it is difficult to support the recommendation in its entirety. However, the Department of Health and Social Services is reviewing the "full cost of care" statutes and making recommendations to the Governor that amendments be offered to quarantee that there will be adequate contractual arrangements with child care institutions to insure that the State is purchasing a requisite amount of available beds at a purchase price which would quarantee the fianancial security of the institutions providing space to the State as these beds are needed.

Office of State Health Planning and Development:

34. SHPDA supports this resolution.

35. SHPDA supports this resolution with caution. Disease and injury prevention might not be cheaper for certain conditions; priorities should include consideration of the cost effectiveness of the preventative program and degree of debilitation caused by a particular condition.

36. This could not be supported without clarification of the intent of the statement. Is the referenced Consumer Price Index the general index or the index related to health care? If for health care, it appears that payments would be tied directly to prices, which is not necessarily a desirable condition. If for the general index, the assumption is implicit in the recommendation that costs for health care were in line with costs in other cost areas at the time of establishing the base. If this implicit assumption proved inaccurate, the health care sector would unfairly be restricted in the marketplace. Current studies indicate that a significant portion of health care cost increases in the past fifteen years were in fact due to "catch-up" by the health care industry and predominantly forced catch-up (expansion of minimum wage coverage and in minimum wage levels; other governmental incentives to provide comparable employment conditions; and unionization activities). Cost containment of governmental health care purchases is definitely a matter of concern since price increeases have also resulted from unneeded expansion of health care services, inadequate government reimbursement systems, and lack of sufficient competition in the marketplace. A solution is needed by any acceptable one will probably be somewhat more sophisticated than provided by the mimimum goal of this recommendation.

37. SHPDA supports this resolution.

38. State revenue sharing for health facilities and services is currently categorical in nature. Consequently, a presumption may be made that the legislative intent is to reinforce selected aspects of local health programs (e.g. hospital services; hospital construction). OSHPD (SHPDA) supports the recommendation that local governments determine priorities for usage of revenue sharing funds. The Alaska Revenue Sharing Program provided by Alaska Statutes (AS43.18), as it relates to health services, hospitals, health facilities, and construction aid, should be reviewed with the possiblity of revision to create a more equitable revenue sharing basis. Such review should be accomplished in conjunction with a review of other statutes for reinforcement of local health programs (e.g. AS 18.20, AS 18.25 and AS 18.26). Statutory changes resulting from such review should be consistent with State government committments in other health program areas (e.g. AS 18.07 governing State Health Planning & Development and the Certificate of Need provisions). One other

aspect to be assessed in reviewing State revenue sharing for health services and facilities is whether such revenue sharing provides excessive incentive for initiation of government health services which might have been provided by the private sector.

39. SHPDA supports completion of the proposed studies.

40. SHPDA supports this resolution.

41. SHPDA supports with reservations. Especially in rural Alaska, free market forces are not prevalent in the provision of, or payment for, health care services. In fact, the Certificate of Need program was predicted on the approach that monopolistic delivery of services in certain situations is the most desirable and cost efficient approach. There is a need for revision of reimbursement mechanisms and wherever possible, free market mechanisms should be incorporated.

42. SHPDA supports this resolution. The variety of providers should be broadened to include the delivery of heatlh services that can be adequately delivered at home (as opposed to institutionalization). The key phrase is "coordinated home support and health care." Adequate staffing is only one of the problems to be considered.

43. SHPDA supports this resolution. Support should also be provided for maintenance of an emergency medical system which has a goal of reducing death and severity of injury through the improved handling of an injured person following the occurrence of an emergency situation.

44. SHPDA supports this resolution.

54. SHPDA supports this resolution.

Division of Mental Health:

42. We would like to encourage thought to alternative methods of service delivery being explored. Alaska is ripe for the case manager integrated services type model and there are great cost efficiencies to be gained by this model in Alaska.

45. The Division of Mental Health supports the recommendation. There is a growing body of research that indicates behavioral health services have significant offsetting capacity in reducing physical health costs. The primary health problems in Alaska, Alcoholism, mental illness, accidents are all behaviorally related.

Office on Aging:

49. The last Comprehensive Study on Aging is now almost ten years old and it cost over $200,000 at that time.

We strongly recommend and urge that a similar amount of money from General Funds be appropriated to this Office to coincide with the 1980 Federal Census.

Instead of the study starting with the age of 60 or 65 (Senior Citizens) we should gather data on all adults of the age of 18 or 21, so that we can better plan for 1990's and the 21st Century.

We do not know if the present State policy of providing economic incentives such as the Alaska Longevity Bonus and tax exemptions and having a costly Pioneer Home system is either the most effective or if this is what the aging themselves want as contrasted to providing residential alternatives; in-home services; giving a tax break to a younger person to keep a "grandparent" in their home.

None of the current programs necessarily provide the kinds of family support systems required to retain the family unit in the rural or bush areas of the State. The Federal Older Americans Act is primarily fashioned for those heavier-populated cities with large concentrations of elderly. It does not lend itself to Alaskan conditions in Bethel and Dillingham or Juneau or Fairbanks.

Presently there are only 20,000 Alaskans age 60 and over, but there are over 200,000 Alaskans between the ages of 20 to 60. We must begin to properly plan for the over 50,000 Alaskans who will be over 60 years in 1995 - 2005. We are the "youngest" population at present, but we become an "older" population in twenty more years. We feel this issue must be surfaced at this time - but we must begin planning for the 1990's and the next century.

Division of Corrections:

50. We concur with Recommendation No. 50, but wish it could have been more unequivocal.

51. We concur with Recommendation No. 51. We have had only an indirect relationship with TASC, but it has helped us and we endorse its program. The New Start program is ours and we intend to expand it significantly.

53. Corrections supports Recommendation No. 53, as does the

Department. The present full-cost-of-care legislation has proven deficient so far as its purpose is concerned and has driven costs for private institutional care out of reach.

55. Corrections supports Recommendation No. 55 concerning adventure based education. We are presently arranging our second program. This approach has already been shown to be effective for some young people. We have developed a concept paper, a draft of which will be submitted to Allen Korhonen within the next day or so.

Office of Information Systems:

54. In response to Senator Hohman's proposed legislation concerning Human Services funding for the Department of Health and Social Services research and evaluation purposes, I feel that it is essential for future management of the Department that an increased emphasis be placed on both measures for program evaluation and research with which divisions can better evaluate the citizen's needs, and plan for meeting these needs. Senator Hohman's proposed legislation is an excellent step in this direction. I do feel, though, that possibly a larger percentage of funds should be set aside for this purpose. With the growing MBO emphasis in the Department, these increased funds could underwrite an excellent management research and evaluation program.

Division of Public Assistance:

36. The Division supports this recommendation, if by "region" the recommendation means "State".

39. The Division would strongly support a study which would accurately assess the feasability of replacing the Medicaid Program, including the indirect costs, and that would clearly identify improvements which could be made with only state resources. Such a study would be time-consuming and expensive, and it should be conducted by persons with considerable expertise in the field.

40. There is federal legislation pending which calls for a national catastrophic illness program. Thus far, the Division has no evidence that the existing program in Alaska, with its apparent level of funding, is failing to meet expressed needs of low- and middle-income families for assistance in managing the costs of catastrophic illnesses.

41. The Division supports this recommendation.

42. The Division strongly supports this recommendation. Efforts have already begun to develop alternative care systems, but additional attention, staff, and funding could be devoted to the issue.

46. The Department has recommended to the Governor that he propose amending AFDC maximum payment levels to include an annual automatic cost of living increase, the percentage to be that by which Social Security increases its payments each year. The Governor has approved and the amendment will be presented to the legislature very shortly.

47. The $80 per person limit does not apply to General Relief-Medical benefits. General Relief cash assistance paid for urgently needed subsistance items, such as rent, is paid under this statutory maximum. The Division does not believe a "detailed study" is necessary to show that this maximum, which was set in 1953, is not sufficient to meet the intent of the program in some cases.

48. Except indirectly, through the establishment of Federal Food Stamp Programs benefits levels for Alaska, OMB poverty guidelines do not restrict benefits levels of Public Assistance program recipients. The Division would support a study to determine if OMB Alaska guidelines are accurate or need upward revision. It would also support efforts to establish regional guidelines within Alaska. Such studies would help the Division work for more liberal Food Stamp benefits and would undoubtably be helpful to other programs which address the needs of Alaska's low-income populace.

52. The Division supports the concept of co-location wherever it is financially feasible. We would also like to have the staff resources to travel to remote areas more frequently, with intake staff of related agencies, and to conduct periodic joint clients congregate. Within resonable limits, such activities can not only increase service but also reduce administrative costs and increase accuracy. However, we would like to see co-location activities involve not just state agencies, but related federal, municipal, and native agencies.

EPSILON GROUP'S HEALTH AND SOCIAL SERVICES RESOLUTION

1. The State should establish a comprehensive health insurance program.

2. Encourage the private sector to provide health and social services in Alaska.

3. The State should emphasize the role of the family in social, health and education priorities and policies.

DHSS COMMENT TO EPSILON GROUP'S HEALTH AND SOCIAL SERVICES RESOLUTION

1. The Department has under study at this time a potentially revised health financing program, and a comprehensive health insurance program will be one alternative that will be under consideration.

2. A very substantial percentage of our health and social services are currently being provided by the private sector, especially our hospitals, nursing homes, social service child care institutions, foster care, and the vast majority of our physicians' services.

The policy of the Department of Health and Social Services is to purchase services through private, non-profit corporations, wherever possible; for example, all alcoholism and drug abuse services, all mental health clinics in the State except two. It is the Department's policy to encourage, wherever possible, the involvement of all private sectors in the delivery of services.

3. One of the primary goals of the Department has been and will continue to be programs that will strengthen the family.

Title XX strongly endorses services which preserve, rehabilitate, or reunite families.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

STATE OF ALASKA / JAY S. HAMMOND, GOVERNOR

Department of Transportation and Public Facilities
OFFICE OF THE COMMISSIONER

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January 22, 1980
000H

Honorable George H. Hohman, Jr.
Co-Chairman
Alaska's Future Frontiers Conference
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Hohman:

The Future Frontiers Conference recently held in Anchorage represents an often too rare opportunity for useful dialogue and input from the citizenry of Alaska regarding the policies and practices of all levels of government in the State. The concept of this unique approach to planning is to be applauded and the further refinement of the process to be encouraged for the future. I appreciate this opportunity to comment on the suggestions and recommendations of the five groups of delegates as they pertain to the Department of Transportation and Public Facilities.

Attached is a staff analysis of these recommendations prepared by my Planning and Research Unit. This staff analysis contains comments that first pertain to recommendations concerning statewide transportation policies and goals, then to recommendations relating to the regional planning processes, and finally, to those recommendations more specifically concerned with a particular mode or type of facility. The recommendations of each of the five groups have been addressed within this framework to avoid the redundancy of dealing with each group as a separate entity.

It is apparent from a general examination of the entire set of recommendations that there exists major incongruities between the intended horizon of outlook and the actual horizon of outlook implicit in most of the recommendations. To a large degree, it is obvious that this problem can be attributed to the lack of adequate time for deliberations and the apparent delays in circulating the series of issue papers. It appears that with the short amount of time available for deliberation, the natural inclination was to reduce the horizon of outlook from a 10-year "futures" perspective to the more immediate concern of the next session of the Legislature. It is important to verbalize this confusion with respect to the horizon of outlook to place the attached staff analysis in a more proper context. And, while there is certainly value to the recommendations even within this context, I think that with future conferences of this nature, the "futures" horizon of outlook should be better adhered to, with the organizational format structured time-wise to facilitate this concern.

Another consideration to note is the need for more direct and better coordinated involvement with the executive branch line agencies with future conferences of this nature. I understand the intent of this conference was to avoid having representatives from the various bureaucracies and the Legislature as delegates and applaud that concept. It is important that there are these kinds of opportunities available to the citizenry of Alaska to meet without the strong influence of politicans or bureaucrats. Nevertheless, I think this conference would have benefited from having invited representatives from the various agencies available as technical resource people. Many of the topics that were discussed are issues of direct interest or responsibility to people working in government. It is my understanding that several occasions arose where these people would have been helpful had they been available for consultation. This type of interaction would have been less important had the original horizon of a 10-year "futures" outlook been more of a reality at the conference. I hope this concern receives due consideration when planning future conferences.

If there are any questions concerning the attached comments, please contact me or John Bates, Acting Deputy Commissioner, Planning and Research Unit. Thank you again for this opportunity to respond to these recommendations.

Sincerely,

Robert W. Ward
Commissioner

Attachment

cc: John Bates, DOT/PF
Dennis M. Dooley, DOT/PF
Kit Duke, DOT/PF
Larry Soden, DOT/PF
Jessie Dodson, Office of the Governor

Staff Analysis of the Recommendations

from

The Future Frontiers Conference

prepared by

Planning and Research Unit

Department of Transportation
and
Public Facilities

January 15, 1980

This staff analysis is broken down into the following three distinct sections: (1) a general discussion of the Department's goals and how those goals interrelate with the general statewide recommendations of the five work groups; (2) a more specific discussion of the regional planning processes now underway; and (3) a quite specific discussion, by mode, of the projects and programs currently being undertaken or anticipated by the Department.

The composite of these three sections, while not addressing each and every specific transportation recommendation resulting from this conference, provides the reviewer with a sound background and a better understanding of the Department's goals, direction, programs, and projects, with a direct relationship to the ultimate objectives of the conference.

I. Statewide Transportation Policies and Goals:

A. Introduction:

The Department of Transportation and Public Facilities (DOT/PF) is charged with the responsibility to plan, design, construct, maintain and operate the intra-state transportation network of Alaska. This network includes highways, airports, ports, docks and public transportation.

The composite of this transportation network is the life line of the State for industry, commerce, tourism and the personal needs of every Alaskan. The quality of this network and its ability to meet the demand of its users has a direct impact on the quality of life in Alaska and the cost of every commodity consumed in the State.

In meeting the responsibilities of an effective intra-state transportation network, Departmental projects and programs address the following goals:

(1) A reduction or stabilization of recurring maintenance cost impacts on the State's treasury.

(2) The provision of transportation capital funding support for industry and commerce with a real growth potential, e.g., fisheries and resource extraction.

(3) Encourage the development of local government structures by providing capital funding for the transportation facilities necessary to enhance local private and public sector income.

(4) An equitable demarcation between State and local government responsibility for the provision and operation of transportation facilities and services.

(5) To support and enhance where appropriate the maintenance of the divergent lifestyles of Alaskans.

B. Responses to Statewide Recommendations:

BETA Group - 1. Transportation systems shall minimize adverse social, cultural and environmental impacts.

The Departmental goals referenced above address this recommendation in two ways. First, the demarcation between State and local responsibilities entails that local input be made in project or system development. This local input assures that local initiatives are incorporated in project and system determination and that, impacts, both projected and potential, of those projects and systems have been weighed. Secondly, the goal of maintaining the divergent lifestyles of Alaskans entails that the Department both consider the local initiatives discussed above, as well as make special analysis of project and program impacts with respect to the question of lifestyle.

BETA Group - 2. All existing transportation facilities shall be upgraded to standards which assure traveler safety, optimal freight rates and minimal maintenance costs.

The Departmental goals above address this question as well. The support of the lifestyle of Alaskans assures that facilities be constructed so as to protect the safety of Alaskans. The provision of optimal freight rates is entailed in both the support of lifestyles and in capital funding support for industries with a real growth potential. Finally, maintenance costs of facilities is directly addressed by the goal that such maintenance costs shall be minimized as a result of capital implementation by the Department.

BETA Group - 3. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical public safety and service support. Particular attention should be paid to improving and developing airport and port facilities and alternative transportation modes to accommodate critical economic needs, such as the transportation of fisheries products.

As shown in number 2, above, the recommendations included in this section are addressed by the goal of support for lifestyles and support for industry with real growth potential.

BETA Group - 4. When new transportation projects are proposed, full operation and maintenance costs shall be considered in the decision to implement the project.

Again, this recommendation is directly addressed by the goal of reduced or stabilized maintenance impacts on the State treasury as a result of capital improvements.

BETA Group - 5. Appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

The incentives referenced here are entailed by the goal of support for industry with real growth potential.

BETA Group - 8. The Department of Transportation (sic) shall explore innovative and alternative transportation modes that may result in lower freight and fair (sic) costs and avoid adverse social, cultural and environmental impact. A criterion for evaluating new transportation systems in both rural and urban Alaska shall be energy efficiency.

This recommendation is endorsed and pursued through the Department's goals by supporting industry with real growth potential, by supporting individual lifestyles where appropriate, and by reducing or stabilizing

recurring impacts on the State's treasury.

GAMMA Group - 1. Aesthetic qualities are incorporated in all transportation and public facilities planning.

In addition to the statutory requirement that one percent of all funds for facilities improvements be dedicated to aesthetic improvements, the Department's goal that individual lifestyles be supported and maintained addresses this recommendation. This reasoning is built on the fact that aesthetic appreciation and interaction is primarily a personal set of activities.

GAMMA Group - 2. Any anticipated transportation development would only be implemented based on the expressed preference of the local areas to be effected.

This recommendation is addressed by the goal that capital implementation by the Department support local government structures (e.g., through selection of only those projects approved or endorsed by local policy-making bodies), by the goal of providing for a equitable demarcation between State and local government responsibility for the provision and operation of transportation facilities and services, and finally, by the goal to support the individual lifestyles of Alaskans.

EPSILON Group - 1. The State should encourage development, maintenance and upgrading of existing area transportation systems.

This recommendation is broadly addressed by the goals which support industry with a real growth potential, which encourage the development of local government structures, which encourage an equitable demarcation between State and local government in the areas of services and operation of transportation facilities, and which seeks to support and enhance the divergent lifestyles of Alaskans.

EPSILON Group - 6. Alaska should use a portion of the unanticipated revenues from the North Slope to defray the cost of intrastate transportation.

This recommendation is broadly addressed by all the goals of the Department in the sense that these goals are implemented through the DOT/PF Capital Improvement Program (CIP), and as a result of the fact that the current and projected CIPs are funded in part through these same unanticipated revenues.

II. Recommendations Relating to Existing and Proposed Statewide Planning Processes:

A. Introduction:

Currently the Department is conducting or intends to conduct eight (8) regional transportation plans as follows: Western and Arctic Alaska Transportation Study (WAATS), Upper Cook Inlet Air System Study, Prince William Sound Study (PWS), Matanuska-Sustina Borough Study, Kenai Peninsula Borough Study, Southeast Alaska Transportation Study, Interior Study and Aleutian Ferry and Southwest Transportation Study. Each of these studies is an ongoing process of perception gathering, policy development, data acquisition, analysis, project and program recommendation, and presentation.

The structure of the regional studies for the purpose of conducting the work and arriving at recommendations is as follows: each of the regional studies is composed of a policy committee of regionally elected and nonelected policy-makers and a technical committee composed of local and State transportation planners and managers. Additionally, some regional studies employ consultants to perform some of the technical committee functions, so as to discourage unwarranted growth among permanent State employees. The essential work of perception gathering, data acquisition, analysis, and project and program alternative recommendation development is conducted by the technical committees and/or the consultants. Policy development and selection of one or more alternatives for subsequent resource allocation decision-making at the Statewide level is the function of the policy committee. Where multi-regional goals and objectives are in question, and where Statewide or multi-regional policy development is needed, the efforts of the Alaska Transportation Planning Council are employed.

In essence the sum total of the Department's regional planning activities equals Statewide planning activities. That is to say, the mosiac formed by the Regional studies is a Statewide study.

The point of regionalization in the study process is tied not only to the intent of the Legislature to defend divergent cultures, but also to ~~the~~ the goal enunciated in Section I of the analysis: the support of divergent lifestyles of Alaskans. With no standardized set of study tools (or perceptions) with which to begin, it is felt by the Department that any potential regional bias on the part of its planning efforts is, if not eliminated, at least reduced in probability.

What this discussion states then is that, in terms of Legislative mandate and Departmental goals, "Statewide planning" must necessarily be viewed in the terms of the regional planning processes.

Based on this reasoning, a number of conference recommendations otherwise containing Statewide language can be best addressed through these regional planning processes.

B. Specific Recommendations:

ALPHA Group - 2. Preparation and implementation of a state-wide plan for surface and air transportation.

As can be seen from the above discussion on regional planning, the presentations to policy-makers which result from the sum total of perception gathering, policy development, data acquisition, analysis, and project and program recommendation in each of the regional studies entails the existence of a "Statewide Plan." Again, the point being that the plan, given the regional emphasis, will better address the locally-derived solutions to local transportation problems.

ALPHA Group - 4. Develop a complete inventory of the entire State's transportation facilities.

It can be seen from the above discussion that the sum total of all data gathering and analysis activities in each of the regional studies will entail the existence of a Statewide transportation facilities inventory.

BETA Group - 7. As part of a regional resource planning process, the Department of Natural Resources shall undertake a thorough assessment of transportation needs in relation to development of Alaska's renewable and nonrenewable resources.

It is unclear whether this recommendation would assign lead transportation planning responsibility to DNR where resources are concerned, or whether the recommendation would place a mandate on both DNR and DOT/PF to closely coordinate resource inventories with transportation planning. It is clear, however, that the regional planning structure discussed above is able to accommodate the incidence of renewable and nonrenewable resource development and its impact on transportation facilities, existing and projected. One possible method for the consideration of resource development impacts on transportation facilities would be for planners and managers from DNR to assist with the technical committee requirements of certain regional planning efforts, as well as for policy-level personnel from DNR to have representation as required on both regional policy committees and the Alaska Transportation Planning Council.

BETA Group - 9. The Department of Transportation (sic) shall give immediate attention to the development of intraregional transportation systems that do not necessarily link.

Each of the regional planning processes discussed in this Section is multimodal in nature; that is to say: each of the processes is not limited to the consideration of any given mode or modes. Further more, to accomplish this multimodal thrust, the planning conducted in each of the processes is intermodal in nature; that is to say: in the course of the regional planning processes, the relative advantages of any given mode is measured against the relative advantages of other modes to achieve both effective and efficient transportation. The result of this method of planning is the ongoing consideration of not only continuous systems of linked transportation facilities such as roads and highways, but also the ongoing consideration of unlinked facilities, such as areawide roads connecting regional ports or airports.

III. [redacted]

A. Air:

ALPHA Group - 2. Preparation and implementation of a state-wide plan for air and surface transportation.

ALPHA Group - 4. Develop a complete inventory of the entire State's transportation facilities.

DOT/PF is progressing toward this goal already, through regional plans such as the Southeast Study, WAATS (Western and Arctic Alaska Transportation Study), Southwest Study, and so on. These regional studies will be the foundation of the subsequent over-all intergrated State Transportation Plan. The inventory recommended under ALPHA's fourth recommendation is currently being developed as part of DOT/PF's regional planning efforts.

ALPHA Group - 3. Construction of a complete system for rural air transportation, navigation aids and facilities, relatively equivalent to present regional airport facilities.

GAMMA Group - 3. There are improved rural air transport system.

A review of the dialogue contained in the conference transcripts might show specifically what ALPHA had in mind, but for now it is assumed that the group had some interest in larger airports at some of the smaller villages. DOT/PF efforts along that line will be discussed below. GAMMA Group's recommendation is more generally concerned with improving rural air transportation. With respect to the installation of navigational aids and facilities, the State's role is primarily advisory to the Federal Aviation Administration. Traditionally, the Federal role has been to provide for the safe movement of aircraft through the air (i.e., through the certification of aircraft and operation of navigational facilities), while the State or local government provides the facilities for handling the aircraft on the ground (i.e., runways, aircraft parking and servicing areas, etc.).

BETA Group - 3. Airport and port facilities in rural Alaska will be improved to assure the safety of users and provide adequate medical public safety and service support. Particular attention should be paid to improving and developing airport and port facilities and alternative transportation modes to accommodate critical economic needs, such as the transportation of fishery products.

GAMMA Group - 3(a). Safety should have major emphasis in development of air transport systems.

DELTA Group - 12. Upgrade rural airports to make them more fully operational

and safe.

DELTA Group - 13. Expand key rural commercial center airports to provide more economical transportation systems.

BETA Group's recommendation discusses the need for safety and service. Much of our current program consists of airport reconstruction and expansion, which both contribute directly to improved safety. With respect to the economic role of airports and air transportation, DOT/PF is currently considering the possibility of creating "convertible" airports whose prime function would be to permit large cargo operations when needed at a community, without the costly obligation of snow removal and year round maintenance of the longer runways. One target of the "convertible airport" concept is the fisheries industry, wherein heavy cargo aircraft, operated only during the relatively short summer fishing season, would be provided full length runways at a number of villages. This would permit the delivery of fresh fish to a wide variety of processing locations. However, during the winter months maintenance costs on the airport would be minimized by the lighting of and snow removal from only the shorter runway length needed for routine air service to the community. These "convertible" runways could be opened in the middle of winter to permit the delivery of heavy or bulk cargo by large aircraft on an "as needed" basis. At smaller villages these flights would be infrequent. Having the longer runways available, however, could reduce the local (costly) store inventories, permit the delivery of bulk fuel on demand, and be available for emergency needs. As of mid-January, this concept is still under study.

BETA Group - 5. appropriate incentives should be given to private enterprise to develop transportation facilities in the private sector.

With respect to the recommendation, suggestions have been made that privately-owned public airports be granted some property tax relief. The average citizen may not realize the important role that a number of privately-owned airport facilities play throughout the State. Perhaps only half of the airports in Alaska are owned by the State or local government, with many of the remaining fifty percent being owned by private industry. Some of the privately-owned fields provide an invaluable public service. Several airports within the Municipality of Anchorage are the home base for large numbers of aircraft. Metro and Phillips Field in Fairbanks both accommodate many aircraft, including some scheduled and charter flights, and Bradley Sky/Ranch at North Pole serves as the primary field for that entire community.

GAMMA Group - 1(a). The State DOT/PF should avoid a standardization in highway design through incorporation of aesthetics, through a more holistic approach to planning, through employing people of various disciplines. In order to accomplish this, the State should at times seek waivers of federal standards and/or build the projects with the State monies.

It is worth noting that DOT/PF has achieved an excellent working relationship

with the FAA and regularly obtains waivers to Federal airport standards. DOT/PF has also been aggressive in obtaining waivers to Federally imposed airport operating standards, particularly those regulations associated with airport security and certification. And, many airports have been built using State money only, without Federal aid.

B. Highways:

ALPHA Group - 5. Upgrade and expand inter-community road systems, including but not limited to extension of the road to Tanana and a connecting link between the Yukon and Kuskokwim Rivers.

ALPHA Group - 6. Avoid imposing transportation intrusions on communities or regions whose residents do not want them, i.e., unwanted highways.

One of the principal objectives of any regional transportation study, i.e., Western and Arctic Alaska Transportation Study, is ultimately the rational selection of specific capital investments (projects). The basis for selection of these projects is the result of social, economic and environmental analysis. One of the principal sources of input to that analysis is public participation. Thus, from public input, ranging from individual expression to corporate interests, comes much of the information necessary to base decisions upon. Not suprisingly, public participation is considered particularly essential when analyzing local or regional inter-community roads.

GAMMA Group - 1(a). The State DOT/PF should avoid a standardization in highway design through incorporation of aesthetics, through a more h istic approach to planning, through employing people of various disciplines. In order to accomplish this, the State should at times seek waivers of federal standards and/or build the projects with State monies.

Highway design necessarily should, and does, incorporate a variety of disciplines. Design philosophies and techniques tend to be evolutionary, improving with time. Alaska's highways reflect this trend as evidenced by increased emphasis on such features as bike paths, contouring and seeding of slopes, and individually designed structures which address the aesthetic requirements of the particular site. Such considerations generally increase design costs and, until recently, was considered as somewhat of a luxury compared to the basic essential of structural integrity. In light of our current economic position, more attention is being given to aesthetic considerations.

On the other hand, a considerable effort has been made in the past to maximize construction dollars by designing, where appropriate, to less than "Federal standards." For instance, Alaska has probably recycled more used bridges than any other State. Again, now that we are beginning to enjoy an increase in State revenues, we are in an even better position to optimize construction dollars by exercising the option of Federal vs. State funding.

DELTA Group - 16. Improve maintenance and upgrade present State highway system.

The State has every intention of improving maintenance capability and upgrading the existing highway system, as evidenced by the proposed capital and operating budget increases.

C. Marine Highway System:

ALPHA Group - 1. Expand and upgrade the marine highway system throughout the entire state, including but not necessarily limited to the Alaska Peninsula-Aleutian communities, Yukon-Kuskokwim and tributary system and other areas as later selected.

DELTA Group - 7. Expand and upgrade the Alaska Marine Highway System.

Comprehensive intermodal regional transportation studies are now underway in Southeast, Prince William Sound, Aleutian/Southwest, Western/Arctic which will include recommendations for expansion and upgrading services of the Marine Highway System. The Western/Arctic Regional Transportation Study will include development of alternatives for transportation services for the Yukon-Kuskokwim and tributary system. Some $79.4 million expenditures for Capital Improvements on the Marine Highway System will be requested in the Fiscal Year 1981-1982 biennium budget to the Legislature.

D. Marine/Ports:

ALPHA Group - 7. Improve and expand river-loading facilities.

GAMMA Group - 4. There is improved and expanded marine transportation, including support facilities, throughout Alaska.

EPSILON Group - 2. And should further develop programs to expand public harbor and port facilities, with a view of expanding the fishing and maritime industry in Alaska.

EPSILON Group - 4. The State should pass legislation enabling the establishment of port authorities with full taxing powers.

The Western and Arctic Alaska Regional Transportation Study will investigate the needs for improving/expanding or locating new river-loading facilities on the Yukon-Kuskokwim and tributary river system, as well as port development along the Coastal area from Bethel to Barrow, including the Canadian McKenzie River Waterway. The State has contacted the U.S. Army Corps of Engineers to solicit their expansion of the National Waterways Study Program to include the rivers/waterways of Alaska.

Other Regional Transportation studies will include port development needs in the Southeast, Southwest and Aleutian Chain.

As an adjunct to the State's Industrial Development Program, marine port infrastructure development is being actively pursued cooperatively by the Departments of Transportation and Public Facilities and Community and Regional Affairs. A parallel effort is underway by the Federal government through the Economic Development Administration, U.S. Department of Commerce, to determine the financial support required for ports and community infrastructure development to assist the growth of Alaska's fisheries industry. The U.S. Army Corps of Engineers is completing a port development and maritime commerce study of Southwest Alaska to scope the needs for Federal support on harbor construction.

A Port Authority study being undertaken by the Department of Transportation and Public Facilities will examine the institutional mechanisms, including legislation, for port authorities in Alaska.

Some $42.6 million expenditures for Capital Improvements of ports and harbors statewide will be requested in the Fiscal Year 1981-1982 biennium budget to the Legislature.

E. Public Transportation and Paratransit:

BETA Group - 6. The State of Alaska shall assist in the immediate improvement and development of mass transit systems in urban Alaska.

Currently, there are five (5) public transportation systems of the classic variety in the State: Barrow, Fairbanks, Anchorage, Juneau and Ketchikan.

The State has in the past and continues to assist these systems with the planning necessary to determine what capital improvements are necessary to make the systems more effective and what operational improvements are needed to make the systems more efficient. Additionally, the State has planned for and assisted in obtaining Federal grants for a total of forty vehicles (specially equipped vans and minibuses) for use in specialized, demand-responsive (or "paratransit") systems, operated according to local choice by twenty private, nonprofit organizations in fifteen communities Statewide.

Within the FY81-82 Capital Improvement Program (CIP), the Department recommended for the first time an ongoing State presence in meeting the fiscal requirements of transit and paratransit development and expansion Statewide. The Governor's Budget Review Committee passed on to the Legislature, based on this recommendation, a request for $10 million in capital assistance and technical assistance to be administered by the Department over the two-year life of the CIP.

EPSILON Group - 3. The State should research and encourage alternative transportation systems, including mass transportation in the urban areas.

As stated above, the Department's efforts in this field have now culminated

[illegible] with the capital needs of new and existing transit systems throughout the State.

Additionally, the Department this year has signed a contract with the Alaska Municipal League for the purpose of conducting a Statewide transit management assistance program and needs assessment. Under the terms of the contract, the League will assist new and existing operators and policy-makers in both developing alternative resource allocation strategies, and in making cost effective operational adjustments. A second portion of the contract will assist the State in determining and fine-tuning its ongoing role in transit by making available to State policy-makers and planners a data base which demonstrates Statewide perceptions on transit from policy-makers, operators and private citizens.

EPSILON Group - 5. The Department should hold local public hearings and the legislature provide funding for both inter- and intrastate transit systems on a community-to-community basis as desired locally.

As discussed above, the Department is implementing this recommendation in part through the Alaska Municipal League, and has recommended to the Legislature the involvement alluded to in the second portion of the recommendation.

With respect to locally desired transit development and the related public hearings, in addition to the contract with the Municipal League, the Department also administers Federal transit planning funds for the development of Transit Improvement Programs (TIP's) in communities desiring such projects. A required portion of the TIP (or TDP, the "Transit Development Program") is the public hearing. Essentially, these documents are intended to serve as a basis for local decisions on the existence or nonexistence of a transit system, and subsequently as the basis for both the amount of resources to be devoted to the system as well the operational characteristics of the system.

Finally, with respect to intercity services, the Department now administers the FHWA Section 18 Program (capital and operating assistance for transit in nonurbanized areas). Under this program intercity carriers are eligible recipients, and, while no existing intercity carrier applied for funding during the first program year, one new service applicant was recommended for funding to initiate a service between Manley Hot Springs and Fairbanks, with a potential connection to Nenana.

F. Rail:

Although there were no specific recommendations or suggestions enunciated by any of the five groups of delegates at the conference with respect to the rail mode, the issue of the Alaska Railroad and a transcontinental rail link through Canada was discussed by most of the groups. This latter topic was also the focus of Mr. Red Swanson's issue paper on Alaskan Railroad Systems, mailed to the delegates prior to the conference.

of Alaska's existing rail system, with strong interests expressed to further examination of the potential of a rail link through Canada. In light of this activity, there are certain issues with respect to the rail mode that warrant mention within this analysis.

The State of Alaska is vitally interested in exploring the potentials of the rail mode as an essential element of the State's evolving transportation infrastructure. With the exception of a few random task-specific rail studies conducted over the last several years in Alaska, there has been virtually no in-depth study and analysis of the rail mode with a perspective to statewide importance. Section 803 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, authorizes the Secretary of the U.S. Department of Transportation to make available Federal financial assistance to eligible States for certain types of rail service programs. As a prerequisite to receiving the operational portions of the local rail service assistance funds, States must successfully complete rail planning activities.

The availability of these Federal monies presents the State with an excellent opportunity to conduct extensive study and analysis of the existing rail network and the future potentials and liabilities of the rail mode with respect to the over-all transportation infrastructure. The Department of Transportation and Public Facilities, Planning and Research Unit, has been designated by Governor Hammond as the State agency responsible for coordinating, administering and implementing a rail planning program for Alaska. In early September 1979, DOT/PF applied for a $100,000 Federal rail planning assistance grant, matched by $25,000 of State in-kind benefits, to begin this rail study. On September 26, 1979, the Federal Railroad administration awarded the State of Alaska this grant. These funds are being used to collect necessary rail data, to identify rail needs in connection with other modes of transportation and to analyze major railroad proposals. The work performed under this Federal grant will provide the foundation for the preparation of Alaska's State Rail Plan.

The two major objectives of this rail study are the development of a railroad planning capability and the assembling of transportation information and data for future use in developing commerce opportunities for Alaska's resources. The accomplishment of these goals will enable the State to make more rational decisions on the future utilization of Alaska's railroads. It is anticipated that the work to be performed under this rail planning assistance grant will produce the following two measurable products: (1) a second, more detailed and technical Planning Work Statement for the next fiscal year funds; and (2) a Preliminary Project Analysis of the existing rail system and major railroad proposals.

The Federally-owned and operated Alaska Railroad, the major existing rail system in the State, is participating directly in the performance of this work. DOT/PF and the Alaska Railroad co-chair the Rail Technical Work Group, which is responsible for technical expertise and work direction throughout the rail planning process. This type of Federal/State cooperative planning is particularly important in Alaska where much land is under Federal control and long-range uses are not as yet identified. The Rail Technical Work Group also consists of one representative from the Federal

Highways Administration (representing the Federal Railroad Administration), the Department of Commerce and Economic Development, the Department of Environmental Conservation, and the Department of Natural Resources. This organizational format reflects the desire by DOT/PF to include all relevant agencies at an early point in the rail planning process, thereby hopefully resolving differences within the planning process and avoiding conflicts over recommendations from the finished products.

Policy direction and input comes from the Alaska Transportation Planning Council and the Interdepartmental Transportation Planning Group, an ad-hoc task force composed of the respective Commissioners of the four State agencies mentioned above. Both of these groups have direct lines of communication with the Governor and DOT/PF.

Currently, it is anticipated that the completion date for all of the above-outlined activities will be May 1980. It is imperative that other line agencies and the Legislature be fully aware of these rail planning activities under DOT/PF, coordinating all related activities and proposals accordingly. Over the last several years, there appears to have developed a great deal of polarization of viewpoints with respect to issue of a rail link through Canada. A growing perception in the minds of many is that those analysts who concentrate on the economic considerations of the issue are opponents, while those analysts who stress the values of development are proponents. It is unfortunate that there has developed this type of perception with respect to the issue. A project of this magnitude, with only rudimentary analysis to date, can ill afford this constraint to the constructive dialogue necessary to the satisfactory analysis of the issue.

DOT/PF is by statute the State's lead agency responsible for transportation planning. In firm recognition of these duties, DOT/PF is committed to performing the in-depth analysis of the potentials of the rail link proposal. However, DOT/PF intends to perform this analysis within the context of the statewide rail planning process currently underway. It would be premature for the State to make any solid commitment to this project before additional information is available. Nor is there any overwhelming impetus that requires urgency for State action. Most of the data and information needed will certainly be available by no later than the beginning of the next Legislative session. An intelligent approach through a rational and coordinated rail planning process must be encouraged and supported if the State of Alaska hopes to employ efficient use of the rail mode in its transportation infrastructure.

G. Telecommunications:

1. Single State Toll Area:

DELTA Group - 11. Create a single toll area for the entire state for telephone communications.

ALPHA Group - 2. Efficient telephone systems with a single toll area spreading the costs throughout the State.

The increasing use of satellite communications has made the cost of intrastate telephone calling less affected by distance and helps make the case for single-rate intrastate toll service. Recognizing that telephone rate design is a complicated matter affecting the revenues of more than 20 local telephone companies, Alascom, and virtually every citizen, the State should request the Alaska Public Utilities Commission to consider distance-insensitive toll rates in its deliberations on rate design.

2. General Policy and Program Management

BETA Group - 1. Broadcasting of state government activities shall be under the control of an independent public board with regional representation.

Currently, all program material being submitted to rural television broadcasting is approved by an independent rural television program and policy council. The council, commonly referred to as the Rural Alaska Television Network (RatNet), is composed of seven rural representatives from across the State. In addition, the council has village contacts in most of the 79 rural communities receiving satellite television programming. A number of rural village governing bodies have not responded to the RatNet request for local village contacts. State government does select instructional television programming through the Department of Education. This programming material is first screened by rural educators and only broadcast if it meets their criteria for instructional television. Other state television programs are offered to the private commercial television stations for their use and the decision to broadcast this material is solely that of the commercial station.

BETA Group - 7. The University of Alaska shall provide the means and directive to provide education throughout the state via telecommunications.

Currently, the University of Alaska, through the Office of the President, is investigating the feasibility of providing educational programs via telecommunications. The President of the University is committed to instructional telecommuniciations as a means of improving and expanding rural educational opportunities. In addition, Senate Concurrent Resolution #35 and House Concurrent Resolution #28 have directed the Alaska Public Broadcasting Commission, the Department of Education and the Department of Transportation and Public Facilities to conduct a study into the feasibility of providing statewide educational television. Due to the nature of education within the state, the University of Alaska is taking a vital role in the study. This study will be completed by mid-February and delivered to the Legislature for legislative action.

BETA Group - 2. Any expansion or improvement of public communication must be preceded by a careful evaluation of the ongoing as well as start-up costs and of who is going to "pick up the tab."

This is a laudable statement and an excellent reminder to all since the ongoing costs are often the heavy burden and are not always easy to

determine whether point worth noting is that with the increasing competiveness of the providers of telecommunication equipment and services a reassessment of current state policies may be in order to insure that the State obtains the most from the money it spends to improve communications.

BETA Group - 3. Government shall not interfere in program availability.

We agree with this statement. State or Federal government should not be involved in anyway in censoring or determining program content. Neither should government establish priorities for airing or transmitting one program before or in place of another. However, if there is a greater demand for transmission time than is available, some mechanism must be establish for making such decisions. This task has been handled during the Television Demonstration Project by the AFN Telecommunications Committee, which consisted of one representative from each of the twelve native regions. It has been replaced by the Rural Alaska Television Network which is a committee having non-native representatives included in its make-up. These two groups have set priorities for programs to be transmitted to the rural areas. The broadcasters have selected the commercial programming that has been brought into the urban areas.

BETA Group - 4. Development of communication systems shall be sensitive to the resulting social and political effects.

The initial reaction after reading this statement is likely to be enthusiastic support. However, after a more careful reading and some serious thought we would suggest a qualification or two. The bringing of increased communications to any community certainly has the potential for impacting on the social and political life of the individuals living there. However, it is not always possible to know what that impact will be. Even if it is determined to be negative, the question arises as to whether it is the government's right or responsibility to refuse service to a community on the basis of it being "bad" for them. The Television Demonstration Project is a good example. The results of several studies have been published that deal with the harmful effects of commercial television programs on the people who watch them, especially young children. These studies could be construed as adequate justification for not adding any new communities to the system or for eliminating the service to the existing ones. Anyone familiar with the situation at all knows that this is not a viable alternative. The citizens of these communities would insist that they have the right to decide for themselves.

Ideally, the citizens of a community should be presented with as much information as is available regarding the positive and negative aspects of adding or reducing communications services. After they have had an opportunity to consider the alternatives they should make the decision as to what level of communication services they desire.

BETA Group - 5. Highest priority shall be given to upgrading communications

between rural communities and the rest of the world.

This has been and is a continuing priority within the State as evidenced by the fact that practically every community in the State has telephone service. There are presently 140 single telephone communities. The major need and emphasis presently and in the future will be to increase and improve service.

BETA Group - 6. Career education shall be provided in the field of communications.

This is a plausible sounding recommendation. We would suggest that a research effort be funded to determine what areas within the field of communications should be given priority for establishing this type of training program.

3. Microwave System:

GAMMA Group - 5(a). Improved UHF/VHF microwave systems.

BETA Group - 8. VHF and microwave systems shall be developed as a supplement to satellite communications.

The thoughts behind these recommendations are not clearly understood. The referenced UHF/VHF/Microwave systems could be those operated by common carriers providing service in the State or those operated by the State itself.

In general, telephone service is provided via terrestrial radio systems where those systems were in place prior to the availability of satellites, or where distance from a community to telephone network access points makes a terrestrial tie-in an economical alternative to a satellite link. Where service through terrestrial systems is demonstrably inadequate to meet user needs, the State should pursue what means available to ensure that the carrier takes the steps necessary to bring service to an acceptable level.

The State (DOT/PF Division of Communications) currently operates microwave systems in the Southcentral and Fairbanks areas with long-range plans to extend microwave links along the Interior highway system. These microwave circuits are primarily for communications with Public Safety and Highway agency units, but could be expanded to provide administrative telephone and data circuits for other State agencies.

4. Improved Telephone Service:

GAMMA Group - 5(b). Improved telephone communications.

DELTA Group - 10. Legislature should mandate that the top priority of

the telecommunications system to the installation of emergency and medical telephone in every village in Alaska.

The one hundred small earth stations now in place throughout the State have resulted in achievement of the goal to provide telephone service to every community of 25 or more persons. The reliability of the small earth stations has been a problem, but equipment and operating improvements has resulted in a steady increase in reliability. A limiting factor, however, has been the reliability of local power in many communities. Power failures have resulted in loss of telephone service for periods of a few hours to several weeks. The problem of adequate local power is one which must be solved in many communities before telecommunications services can be expanded or improved.

The original one hundred small earth stations were each equipped to provide one telephone and one emergency telephone circuit. However, the 87% increase in interstate tariffs which was implemented by Alascom in 1978, resulted in the Alaska Area Native Health Service canceling installation orders for 35 communities. There are currently 57 communities with access to the emergency medical system.

A first step in planning for the implementation of a statewide emergency and/or medical telecommunications system should be discussions with appropriate representatives of the Alaska Area Native Health Service to determine if a cost and service sharing arrangements can be worked out to take advantage of the equipment which is now available.

5. Regional Uplink Capability:

DELTA Group - 9. Regionalize the telecommunications system so that regional centers can broadcast via an uplink system regional news, entertainment, public affairs and educational television.

GAMMA Group - 5(c). Improved uplink systems from regional centers on satellite systems.

The capability of uplinking video through Alascom earth stations exists in Anchorage, Barrow, Fairbanks, Nome, Kodiak, Bethel, Kotzebue, and Juneau. However, permanent originating facilities and links to uplink earth stations are available only in Anchorage, Fairbanks, and Juneau.

A possible problem with regional program origination lies in the fact that if, as at present, only one transponder on a satellite is available for State television service, only one regional center will be able to uplink at any given time to rural viewers. It should be noted that uplinking would pre-empt existing television service to rural communities.

6. State Funding:

EPSILON Group - page 52. The State should participate in funding both the existing and newly developed systems of communications, so that those expenses are not part of the consumer service charges for improved

communications networks, including the utilization of advanced and expanded telecommunications technology.

For two years, the State has been participating in proceedings of the Federal-State joint board on the matter of Alaska and Hawaii separations procedures. It is hoped that through these efforts, a separations policy which will equalize telephone costs in Alaska with those in the rest of the country will be realized.

DOT/PF is preparing a report to the Legislature on alternatives to State subsidization of television (as directed by the 1979 Legislature in the appropriations bill, FCCSSB 53). There is a possible contradiction in between EPSILON Group's recommendation and the intent of the Legislature as expressed in FCCSSB 53.

H. Public Facilities and Energy:

EPSILON Group made the following recomendations on energy issues (pages 47-49):

1. "The State should invest funds for the development of appropriate energy source(s)." (Page 47, Line 8). Agree. The Fairbanks research section is involved with several energy projects which relate to energy sources such as the lighting of remote airfields. However this statement is probably intended to apply to commercial or community scale energy source. Our perception is that the need for community energy systems which are more "appropriate" than diesel fuel is the greatest energy requirement at this time, and is not being addressed adequately at this time be legislation, policy or funding. We advocate immediate funding of the development of appropriate energy sources particularly as they may be appropriate to remote areas. We propose the investigation of the production of hydrogen in the short term from gasification of ore and/or heat and in the long term from solar and wind power.

2. The second proposal, that "the State should look into grants or subsidies for the development of alternative energy sources for marine transportation" (Page 47, Line 10), also should address the potential of hydrogen. State ferries which currently use electric motor drives could be retrofitted with hydrogen fuel cells without the development of any new technology. The State should investigate the economic feasibility of creating its own hydrogen by electrolysis using excess Snettisham power.

3. The third proposal is for cash prizes for "Energy efficient" structures (Page 47, Line 13). There is conflict between this incentive and the legal mandates of energy efficiency suggested elsewhere. An obstacle to implementing this idea is a definition of "energy efficient." I would suggest that if the State were to legislate energy requirements for residences that they require new dwelling units to make available the estimated annual energy use expressed

in equivalent gallons of fuel oil. Such a rating would be similar to the EPA mileage rating for autos.

Also relevant to this proposal is the promulgation of national energy performance standards for all new construction currently underway at the Department of Energy. These standards would require public and private structures to comply with what appear at this time to be rather rigorous "energy budgets" thus making cash prizes superflous.

4. The proposal to "upgrade existing State buildings" is currently planned for by a six-year capital improvement request for over 200 million dollars. This request will provide for technical energy audits of facilities and for capital expenditures for those items which the audits show will have the greatest return to the State.

5. A proposal is made that future State facilities be designed in accordance with ASHRE 90-75A by 1985. State facilities are currently being designed to meet or exceed this standard.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM January 8, 1980

SUBJECT: Future Frontiers Proposals

TO: Senator George H. Hohman, Jr.
ATTN: Eric Eckholm

FROM: Kenneth E. Vassar
Legislative Counsel

The following are my rough notes taken while considering the proposals presented by the groups of the Future Frontiers Conference. My consideration of the proposals was for the purpose of determining the possibility of their use as bases for legislative drafting. My notes follow in the order in which the proposals were presented in the booklet "Legislative Council, State of Alaska: Conference on Alaska's Future Frontiers."

ALPHA GROUP

Education

1. Alaska has several scholarship, loan and grant provisions for education. Perhaps the most widely used is at AS 14.40.751 - 14.40.806. I do not see anything in this suggestion that differs significantly from that act or that offers any specific ideas on how to improve the act.

2. This could be prepared as an amendment to the Public School Foundation Program (AS 14.17); however, we need more information. How much money should go to each district? What, if any, formula should be used if ADM is not used?

Child Care

1. This does not appear to be a request for legislation.

2. This is probably taken care of in AS 47.10.230 - 47.10.260.

Transportation

1. This could be accomplished either by amendment to AS 19.-60.010 or by temporary law. We would need some guidance on which communities in particular should be connected up to the system. Has DOTPF done any study on this?

2. There are requirements already in existence for statewide highway construction planning in AS 19.10.140 and 19.10.150. In addition, AS 44.42.050 requires a "comprehensive, intermodal, long-range transportation plan for the state." where is it?

3. AS 02.15.160 allows the DOTPF to construct, maintain and operate rural airstrips adequate to meet rural needs with or without financial contribution by local interests. Possible additional legislation could be prepared to require the department to do more; but it is difficult to know what the group means by "relatively equivalent to present regional airport facilities." This may involve an appropriation or substantive law.

4. The department could be directed to accomplish this by temporary law. Are we talking only about state-owned transportation facilities or private as well?

5. This could best be accomplished by appropriation with reference to the specific roads to be upgraded and expanded.

6. This could be accomplished by requiring public hearings in those communities where roads would be built followed by a vote in those communities. Amendment would probably be to AS 44.42.

7. See 5. Check with DOTPF.

Communication

1. Insofar as teleconferencing for legislative purposes, the legislature has taken substantial steps to accommodate this request already. As for education purposes, this could tie in with #2 under "Education" above or as a mandate to the University of Alaska.

2. This might be accomplished by an instruction to the APUC somewhere in AS 42.05 (maybe AS 42.05.381).

3. Insufficient data.

Law and Justice

1. a. and c. These could perhaps be accomplished through the budget bill by working in conjunction with the judicial branch.

1. b. This would appear to be a matter exclusively within the control of the courts through the Administrative Rules.

2. The state offers aid to cities and boroughs for police protection under AS 43.18.010(a). This could be increased by amendment. I am not sure what CETA has to do with it.

Financing

1. This is accomplished through various loan programs in the state. In addition, there is a permanent fund bill which would provide funding.

2. This is accomplished by AIDA, ASDC, and the Small Business Development Corporation.

3. See 1 above.

Oil and Gas

Needs more direction. Possibly form a committee to study the issue further?

Fisheries

1 - 4. Need more specific information.

Timber

Need more specific information.

Alternate Energy

The powers and purposes of the Alaska Power Authority could be amended (AS 44.56.070 and 080) to accommodate this suggestion.

Future Frontiers

This could be accomplished by temporary law or appropriation.

BETA GROUP

Future Frontiers

See same subject under "Alpha Group."

Government Services

1. Need more specific information.

2. Revenue sharing could be increased by an amendment to AS 43.18, but we need more information as to what is meant by "no strings attached."

3. Need more specific information.

5. The history of durational residency requirements in the courts is not a good one; I do not think it can be done.

6. This is a matter subject to constitutional standards. Little can be done about it.

7. This is established in AS 14.11.010 (Chapter 86, SLA 1979).

Communications

1. Would require amendment or repeal of AS 44.19.080 - 110. Might be able to put it in Public Broadcasting Commission (AS 14.58.010 - 14.58.090). Need more information. What kind of control? What kind of broadcasting? What kind of activities? Any standards? What is the purpose?

2. Need more specific information. Expansion or improvement by whom? Evaluation by whom?

3. Is there any indication that it does interfere now? What is the point of this request?

4. How do we implement this?

5. Isn't this a matter of budgeting?

6. This needs to be answered by the University of Alaska, I would assume.

7. This appears to be a matter for budgeting unless you want to go by way of special appropriation, in which case we need to know how much you have in mind.

8. Developed by whom? Is this a subject for industry to consider or government?

Justice

1. How? Note AS 43.18.010(a).

2. See Article IV, sec. 10, state constitution.

3. The public defender agency is established in AS 18.80. It could be beefed up through the budget or through appropriation.

4. This could be done through creation of a committee similar to the Minority Sentencing Committee (Chapter 42, SLA 1979).

5. This would hopefully be the case without legislation; if not, will legislation change it?

6. See #5.

7. How?

Finance

This idea for the use of permanent fund income has been reflected already in one or more of the permanent fund bills introduced in the legislature.

Education

Policy. 1. This has been done. See AS 14.40.751 - 14.40.806.

2. Autonomy from the University? I think there have been bills introduced in the past for this purpose.

3. How?

Program. 1. More specific directions needed. Special education program at the University of Alaska?

2. and 3. Same as #1. More specific information needed.

Funding. 1. Can be accomplished by amendment to AS 14.17 accompanied by appropriation.

2. See Article VII, sec. 1, state constitution.

3 and 4. See #1.

Amendments. 1. Assuming request relates to income of the permanent fund. Could be incorporated in permanent fund bills. What are "long-term educational needs"?

2. High school level? University level? Both? Who is responsible for "employment prediction needs" and "improved job development and placement"?

3. See AS 14.40.751 - 14.40.806.

4. Is the assurance of housing a prerequisite to the implementation of the program?

Health

Availability of Services in Rural Areas. This has been testified to by Health and Social Services with regard to mental facilities. I would suggest discussing the matter with them. They designate facilities. It may simply be a matter of money.

Expansion of Professional Role of Paramedics. This seems to be a matter for the private sector.

School System Curricula. See AS 14.30.360 and 370. Schools are encouraged to develop such programs. Programs are evaluated by the Department of Education.

Water and Sewer. Needs more specificity.

Catastrophic Health Care. See AS 47.08. How does this need to be improved?

Media. Preparation by the state for distribution to the media? Anything beyond that?

Energy

Conversion to Renewable Resources. As a general goal this has been recognized in some legislation. I am not sure how this would translate into a bill standing on its own though. Note AS 45.88.010 - 040 (Alternate Energy Revolving Loan Fund).

Tax Incentives: There exist federal and state programs for this.

1. Property tax is levied by municipalities under the authority and guidelines of AS 29.53.010 - 29.53.180 and 29.53.400 - 29.53.410. An amendment to these sections could accomplish the proposal.

2. This could be done as a mandate to DOTPF or another department. The councils would be purely fact-finding with no regulatory or quasi-judicial authority I assume.

3. By whom?

Assistance to Rural Alaska to Pay for Diesel Fuel. We need more information.

Transportation

Regional Councils. These could be established under DOTPF. What are the regions? How are councils established? What are their powers and duties?

1. See AS 44.42.050 -- Long-range plan requiring consultation with local officials. This language could be included in the statute.

2. Same as #1.

3. Same as #1.

4. Amendment to Title 24 and to the Executive Budget Act.

5. What incentives?

6. Loan funds? Revenue sharing? Grants?

7. Amend duties of DNR.

8. Temporary law or appropriation bill.

9. Does this mean checking to find out why they do not link and trying to link them or creating new modes which do not link?

GAMMA GROUP

Political/Justice

1. Cannot be done constitutionally.

2.a. Revenue sharing provides funds for this. For areas ineligible for revenue sharing, it would be helpful to talk with Public Safety to determine how law enforcement is provided and what can be done to improve it.

2.b. More money?

2.c. Public Defender and Alaska Legal Services.

2.d. AS 39.25.150 -- competitive examinations; Article XII, sec. 6, state constitution.

2.e. Too vague.

2.f. Too vague.

2.g. Too vague. (Note existence of Minority Sentencing Committee).

2.h. Too vague. How is the state failing to do this now?

Lifestyle

1 - 3. Not really a legislative suggestion.

Transportation and Communication

1. Too vague -- not really a legislative suggestion.

2. Regional councils? Votes? Override? What if the plan is statewide? Can one region knock it out?

3. See #1 "Transportation" Beta Group.

4. This is a matter for budgeting, appropriation or a bond issue. In any event, more detail would be needed to implement the suggestion. In what way does this group envision "improved and expanded" marine transportation?

5. "Improved" how? See #4.

Development

1. Isn't this the current situation?

2. Too vague.

3. See Beta Group "Energy," "Conversion to Renewable Resources."

4. Too vague.

5. "Justifiable" has no meaning standing on its own in this case. What would be "justifiable"? See Article VIII, sec. 12, state constitution, for question of requiring approval of coastal resource service areas. Unlawful delegation of authority?

Human Resources

1 - 3. Too vague.

4.a. See Beta Group "Health" "School System Curricula".

4.b. How much? Where in particular? Bonding? Revenue sharing?

Education

1.a. What languages? Could be mandate to Department of Education.

1.b. Too vague.

1.c. Mandate to Department of Education. More details needed.

1.d. Mandate to Department of Education.

2.a. AS 14.20.020. What kind of cultural knowledge? Should the University of Alaska be required to establish such a program for teachers? Could it be implemented on a continuing education basis?

2.b. See Beta Group "Health" "School System Curricula".

3. Too vague.

4. Hopefully this is being done. There is nothing here to suggest how to improve the state's efforts.

5. Continuing education is being provided.

6. I do not know if it is 100 percent now, but the state does provide money through the school foundation program in AS 14.17.

Governmental Structure

1 - 2. See Article X, state constitution.

Economy

1. Does not contain any concrete recommendation on how to do this. See, SBA, AIDA, ASDC, loan programs.

Community Development

1. No concrete suggestions. Leases and exchanges are under AS 38.50. Sales are under AS 38.05.

2. See revenue sharing program. As for mass transit, perhaps a mandate to DOTPF or an amendment to revenue sharing or giving money to communities in other ways.

3. This appears to relate to the authority of the Alaska State Housing Authority in AS 18.55 or of the Regional Native Housing Authorities created in AS 18.55.996 or of the Alaska Housing Finance Corporation in AS 18.56. Perhaps these criteria could be included in their duties.

DELTA GROUP

1. How? By investment of surplus funds? What specific requirements? Investment of surplus funds is provided for in AS 37.10.070, some of which would go to local banks. However, I think this suggestion would call for new legislation and an appropriation.

2. See AS 18.55.390 and 18.56.090(1). What else should be done?

3. Veterans' loans are in AS 26.15. As to survivors' benefits, they are already eligible under AS 26.15.130(a)(2) and AS 26.15.160(2). As to "reinstate and fund", this looks like an appropriation. How much? If not by appropriation, how?

4. Note AS 43.58.200 providing for payment of $500,000,000. Repeal this section and appropriate the rest?

5. No notes.

6. I think this means do not change anything.

7. How?

8. The law, at this point, requires a bond election for all bondable costs. Introduce another bond issuance as in 1978? Appropriate to the CSPC? How much?

9. How? Who is responsible for doing this? What do they need in terms of money, gear, equipment and personnel? What regions? State or private program?

10. What telecommunications system? RCA? State?

11. See Alpha Group "Communications" #2.

12. Which rural airports? Whose job is this? Is there a state department responsible?

13. How? Which rural commercial center airports are "key"?

14. Is there an attempt in existence?

15. See Alpha Group "Law and Justice" #1a and c.

16. Increased budget? Better talk to DOTPF about this.

Agriculture

17. Does this mean not to change any existing law or program?

18. This has been introduced as a bill -- HB 274.

19. How?

20. Agriculture Loan Act is in AS 03.10. How much?

21. What kind of incentives? Credit? Deduction? Capital gains/losses? How much? For what?

Fisheries

22.a. In existence as to fishermen (AS 16.10.310 and AS 44.54). Processors could be included in either of these or in a separate program. What may loans be used for? How much may be lent to each processor? What interest and repayment provisions?

22.b. What ports? What harbors? How much?

22.c. "Promoting"? Does this mean creating a state agency to do this? What kind of membership and powers would such an agency have?

23. What quality standards should apply? Who will enforce them?

24. There is an enormous difficulty involved in just finding out what the level of foreign ownership is. The Department of Commerce and Economic Development apparently has not been able to keep satisfactory records of this. I think there is very little the state can do, at any rate, to constitutionally limit foreign ownership.

25. Joint Resolution. What is the purpose?

Education

Opening Remarks. Free tuition could be accomplished through amendments to AS 14.40.

26. Does this require any action now?

27. How?

28. How much? To whom?

29. Who runs the program? Who may participate? What does the state have responsibility for?

30. Community schools are in AS 14.36. What change is needed there?

31. By the public school foundation program? By appropriation to school districts?

32. What is "adequate"? What are "basic literacy projects"?

33. By direction to Department of Education? Appropriation to school districts?

Health and Social Services

34. See Beta Group "Health" "School System Curricula". This kind of program could be carried out of the schools into public programs conducted by the Department of Health and Social Services using analogous language to the school program. See AS 47.30.470(3) and (5).

35. These could be specifically included under the program laid out in #34.

36. Does this mean health care paid for exclusively by the state without federal aid? What programs meet this description?

37. Which programs?

38. To a certain extent, this is already provided in AS 43.-18.010(h). What change is needed?

39. This might best be accomplished through creation of a special legislative committee.

40. See AS 47.08. How does this need to be improved?

41. What does this mean?

42. This should be checked out with Health and Social Services to see if any such programs exist. There may be models from other states, such as California.

43. This could be included in #34.

44. No notes.

45. Talk to Health and Social Services about this. See AS 47.30.350 and 47.30.340(3) and (4). Why hasn't the department already made such designations? See also AS 47.-30.520.

46. See AS 47.25.320. To determine the financial impact of increasing these benefits, we would need to know how much they would be increased. Looks like something for Health and Social Services to prepare and report on.

47. See 46.

48. This perhaps calls for a resolution. What are the specific policies of FOMB which offend? Why should they be changed?

49. Is there an office on aging in the governor's office. Maybe a resolution to the governor requesting that he direct

the office on aging or Health and Social Services to conduct this research?

50. Need a copy of the plan and designation of those parts "deemed to be acceptable".

51. What are these programs? How can legislation help them?

52. Which services?

53. Purchase of services is in AS 47.40. AS 47.40.040(b) excludes certain costs. Does this suggestion go toward these exclusions?

54. This looks like one for the budget. Perhaps an amendment to the Executive Budget Act.

55. See AS 47.21 and AS 14.30.500.

56. Does this call for action or inaction?

Oil and Gas - Energy

57. Exploration by whom?

58. See AS 44.37.040 and AS 41.35.070.

59. How?

60. What other considerations?

61. This will require a fairly extensive consideration by the Resources Committees or other legislative committees. It is not the kind of request that can be drafted until this reasearch has been done.

62. See 61.

63. Can they be "inventoried"? I suppose the known resources could be. What "capital projects development plan"? Include the inventory in the plan? With what purpose?

64. What is "renewable energy"? Solar? Hydro? Geothermal?

65. What incentives?

66. "Excellence"? What are the matters that pertain to the resources of the northern latitudes?

67. Encourage how?

Timber

68. See AS 41.20.395.

69. See AS 41.17.010.

70. How? By allowing each resident a quota? By opening certain areas to public use? By direction to DNR?

71. Create a committee?

72. "Quantitative"? Who produces the report?

EPSILON GROUP

Natural Resources

1. How shall it consider regional interests? The CZM plan is being put together. How much longer will it take?

Fisheries

Increasing our jurisdiction to 200 miles is not a matter of state control.

State Lands

1. Does any disposal program preclude agricultural use? Does this refer to oil, timber and mining leases? What does it mean? Does it mean that when the state sells land it should not limit title to prevent agricultural use? Or does it mean the state must sell a quota of agricultural land with each sale of other land?

2. How? Like a King Crab Quality and Control Board? Some of this is going on in the private sector isn't it? Is the main concern the local cost? Look at transportation rates? Looks more like a resolution than a bill.

3. How? Augment Agricultural Loan Program? Set up new loan categories? Appropriation? Standards for facilities to produce these things? Should it be done by law or administrative action?

4. This is being done now in the private sector. Tesoro in Kenai. What is the problem? There should be plenty of fertilizer here.

5. There is a program where we allow municipalities to assess farm land cheaper. See AS 29.48. Does this need improvement?

Tourism

Local Employment. This would create grave constitutional problems.

Local and Regional Input. See AS 44.33.230.

Expo 84. See "Local and Regional Input" above. What specific changes are needed?

Energy

Investment of Funds. What funds? How much? Through what vehicle?

Grants. See AS 44.19.181 (Council on Science and Technology). Expansion of its powers and duties?

Energy-efficient Structure. See "Grants" above.

In-state Processing. How?

Maritime Museums. Amend state museum act.

1. No notes.

2. Perhaps an amendment to AS 38.05.

3. See #2.

4. This could be incorporated in the duties of DOTPF.

Land

1. No notes.

2 - 3. Isn't this done under AS 38.05?

4. How?

5. I do not know what "the joint consideration process" is.

Government

1. A five-year program for what?

2. Geographical considerations may not be taken.

Health and Social Services

1. Who, what is covered? How is it operated?

2. How?

3. How?

Transportation

1. We need specific areas for upgrading in specific ways with specific dollar amounts.

2. Which harbors and ports? Expand how?

3. Direction to DOTPF?

4. Unconstitutional except as provided in Article X, sec. 5, state constitution.

5. Direction to DOTPF?

6. By establishing a state-owned transportation system? Airlines? Motor vehicles?

Education

These comments have all been addressed under earlier groups.

Law and Justice

1. I believe this is already being done.

2. This has been addressed in a previous comment.

3. Such a program could be created.

Communications

What "newly developed systems of communications"?

KEV:jdn

SCOMM

#30:24

Legislative Council
State of Alaska

Presents

A Conference on Alaska's



Future Frontiers

Sheraton Anchorage Hotel
December 6,7,8 1979

Senator George H. Hohman, Jr.
Representative Russ Meekins
Co-Chairmen

This conference, FUTURE FRONTIERS, is a continuation of a process begun ten years ago with the convening of the Legislative Council/Brookings Institution Conference on the Future of Alaska. Then, as now, Alaskans were asked to determine their State's most pressing needs and to provide guidance to the Legislature regarding allocation of North Slope oil revenues.

Many problems identified by the 1969 conferees have been addressed and substantially corrected by legislative action since that time, but there is still much to be done.

The issue of how to utilize the Permanent Fund monies, the development of efficient transportation systems and the economics of the fisheries industry are obviously linked. Similarly, the educational needs of the State and a modern, high speed, low-cost communications network are closely tied together. And, among the many issues to be deliberated here, most relate directly to petroleum production monies and State fiscal policy to be developed over the next few years.

Obviously, our work is cut out for us, but we believe that Alaskans, working together with their elected representatives and the technical experts assembled here, can chart courses and order priorities for the next decade. As Alaska's FUTURE FRONTIERS expand through trade and cultural exchange with the neighboring states of the Pacific and Polar rims, we stand to share an exciting and productive future!

Our most sincere WELCOME!

Senator George Hohman
Representative Russ Meekins

This conference is dedicated to Gene Guess

Alaska State Legislature

A Conference on Alaska's

Future Frontiers

Planning for the next 10 years

WEDNESDAY, Dec. 5th

12:00 noon	Registration of Delegates	Yukon Rm.
thru 4 p.m.	Material Distribution	Yukon Rm.
	Delegate Room Assignment	Yukon Rm.
	Alpha Group	Room 311
	Beta Group	Kuskokwim East
	Gamma Group	Kuskokwim West
	Delta Group	Yukon Rm.
	Epsilon Group	To Be Anncd.

THURSDAY, Dec. 6th

8:30 a.m.	Delegate Breakfast Convocation & Welcome Remarks by Senator Hohman Representative Meekins & Ed Merdes	Howard Rock Ballroom
10:00 a.m.	Assignment of Group Leaders and Editors	Kuskokwim Rm.
10:30 a.m.	Work Groups:	
	Alpha Group	Room 311
	Beta Group	Kuskokwim East
	Gamma Group	Kuskokwim West
	Delta Group	Yukon Rm.
	Epsilon Group	To be anncd.
11:30 a.m.	Public Press Conference	2nd Floor Foyer
1:00 p.m.	Lunch	
2:00 p.m.	Continue Work Group Discussion & Comment Solicitation	
	Alpha Group	Room 311
	Beta Group	Kuskokwim East
	Gamma Group	Kuskokwim West
	Delta Group	Yukon Rm.
	Epsilon Group	To be anncd.
6:00 p.m.	Adjournment	
7:00 p.m.	No Host Cocktails	Howard Rock Ballroom
8:00 p.m.	Banquet	Howard Rock Ballroom
	Keynote Speaker: R. Buckminister Fuller	

FRIDAY, Dec. 7th

9:00 a.m.	Continuation of Work Groups	
	Alpha Group	Room 311
	Beta Group	Kuskokwim East
	Gamma Group	Kuskokwim West
	Delta Group	Yukon Rm.
	Epsilon Group	To be anncd.
12:00 Noon	Lunch	

	[illegible]	
	Alpha Group	Room 311
	Beta Group	Kuskokwim East
	Gamma Group	Kuskokwim West
	Delta Group	Yukon Rm.
	Epsilon Group	To be annod.
6:00 p.m.	Recess	
8:00 p.m.	Resume Work Group Organization of Comments	
	Alpha Group	Room 311
	Beta Group	Kuskokwim East
	Gamma Group	Kuskokwim West
	Delta Group	Yukon Rm.
	Epsilon Group	To be annod.

SATURDAY, Dec. 8th

9:00 a.m.	Summary of Delegate work reports	Howard Rock Ballroom
12:00 noon	Press Conference on Findings	Howard Rock Ballroom
1:00 p.m.	Conference Conclusion	

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The Legislative Council of the State of Alaska

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A CONFERENCE ON THE FUTURE OF ALASKA

[1969]

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A CONFERENCE ON THE FUTURE OF ALASKA

SEMINAR ONE

"THE FINANCIAL FOUNDATIONS FOR FUTURE ALASKA"

Reports of Policy Planning Sections

Alpha

Beta

Gamma

Delta

While complete agreement has not yet been reached, most members of Discussion Group Alpha concur that monies from both the principal fund of $900 million and its interest should be used to solve urgent social and economic needs of the state.

Though few priorities were attached to these needs, many definite areas for concern were cited. Prominent among those was expansion and upgrading of educational facilities throughout the state. Of special concern were the following items: there are practically no vocational training provisions; no kindergarten and an inadequate secondary school system for rural Alaska; urban enrollment outpaces existing physical plants, and only a low percentage of natives are college graduates.

Additionally, many would like to see well-funded research institutes which would develop marine, forestry, and polar scientific applications and which would set the pace for development in the north.

A second important consideration covers the area of health and welfare needs. Discussing the first, we hear that medical services in rural areas are deficient. Problems of safe water supplies and inadequate waste disposal methods compound the situation. Additional problems center around mental health needs, alcoholic rehabilitation, drug misuses, and shortcomings in preventive medicine practices. Expanded hospital or clinic services were also discussed. The answer for rural Alaska, some felt, might be in mobile medical and dental teams.

In the matter of general welfare, the concept of a minimum living standard was explored. Roughly, this would mean adequate housing, food, power, and communications for all families. Disagreement exists regarding the establishment of

such standards, however. The idea of regional, local, or individual option may be an alternative. Another course would see FHA loans and matching funds utilized for community improvement projects or regional programs.

Other general welfare programs might provide for facilities for unwed mothers and problem children. Better programs for child care and economic relief to the elderly were considered.

Currently, many of these programs are supported by private institutions which are struggling under increased financial burdens.

An enlarged and improved transportation network is one more priority consideration. More and better roads seem to be generally desired. Appropriate evaluation should be made for increased ferry systems and drydock service. A similar evaluation of air transportation facilities might be in order.

Rehabilitation of the fishing industry combining research and special development procedures is needed. Also, protection of the state's fish resources by extension of the coastal plains (territorial limits) is required.

The subject of industry encouragement brought cautions from some members. Most felt that unless monitored, heavy industrialization might create an unfavorable impact on the state. There was a question as to whether industrial growth and the "Alaskan way of life" could ever be compatible. (The "Alaskan way of life" is defined as "a style that affords the conveniences of technological innovation combined with the opportunity and values of living as close to nature as possible.") Most agreed that well-enforced, proper regulations could achieve that compatibility.

A minority urged industry incentive programs, although no priority was attached here. Some feel that industrial activity will improve the unemployment picture while others feel it will not.

More attention should be given to the management of renewable natural resources. Perhaps certain developmental programs are in order.

Special needs in the conservation area appear to be a wide concern. Now that Alaska is no longer a poor state, it was felt that the state should utilize its land selection program to choose land with the long-range aims of creating a state park system, adequate recreation areas, and other goals while continuing to select land for its commercial value.

A call for full-time, paid, legislators was made. Indications are that more and more time is demanded of current part-time legislators who find it difficult to handle both legislative duties and personal careers. Lack of staff assistance, committee inputs, and travel funds are further complications. Most discussants agreed that funds for staff work, travel and communications should be appropriated soon. However, some felt that part-time legislators are more responsive.

One discussion member presented the idea of conducting legislative sessions in different parts of the state.

The concept of a trust fund using a large part of the monies received some discussion. Primarily, the trust would be designed for the benefit of future generations. One objection indicated that the state's constitution forbids assignment of special funds in perpetuity. Further comments suggested advisory boards be created to assist in use of the funds. Several asserted that advisory boards are not as responsive as legislators.

A segment of the group disapproved of any use of the $900 million principal, fearing this would lead to ultimate dissipation of the amount.

Bonus monies should be utilized to maximumize returns to the state and the people as a whole. In this regard, it was agreed that the state ought not to enter into the banking business--that existing private system be relied upon.

Also, existing collateral regulations should be altered so as to make it possible for banks to receive state funds in a manner which would make long term loans available. At issue, also, was the question of bank profits from such loans. Some agreed that banks should be given the opportunity to follow traditional methods to the end that existing interest levels would be reduced. If this does not occur, then suggested guidelines might be set forth and appropriate controls established.

General consensus was reached on the matter of taxation. This was as follows: that a cautious approach should be assumed toward reduction of taxes. Possible elimination of small nuisance taxes and a "retrogressive gross business tax" may be positive steps. And revenue sharing with political subdivisions might help to reduce the tax burdens on individual citizens.

Members of the editorial team and policy planning chairmen agreed that delineation of any policies at this point may be premature.

* * *

Editor: Jan Erickson

Continuing the Alaska life-styles was the ideal goal of participants in Seminar Beta. Most felt that careful and schooled-use of the oil resource wealth would excite this life-style, adding a new dimension of opportunity. And it is this opportunity that gives Alaskans a unique choice: they can now, without doubt, build the mold for the future shape of the state.

There were two human elements apparent in the conference: (1) The initial first day reactions to the subject matter, to the other people in the conference, to the way the workshop was being conducted, and (2) the second reaction when the process of the conference itself began to boggle our minds.

Just the idea of defining the Alaska life-styles through the limited view of our own frames of reference was at first appalling. But slowly, almost as if there were some outside power at work, the thinking began to take a new shape and Seminar Beta went to work.

What is it that we want Alaska to be like? Mostly, members of the workshop want Alaska to remain much the way she is today. They wish to preserve their own life-styles, recognizing that the quality of life in Alaska is unique. They wish to set up safeguards or programs that will maintain this quality and enhance its value. But Alaska can be defined in thousands of different ways, depending upon the background of the speaker and his home region. Even languages differ among the native groups, adding further difficulties to the massive problems of communications.

Seminar Beta members attempted--within the hovering circle of the conference--to establish policy that would effect the future use of oil wealth, and in so doing begin to shape the pattern for life-styles in the future, 1980 and beyond.

But even the impact of millions of dollars in spendable revenues, readily available, will not in itself overcome Alaska's problems. The program, if it is to surface with any success, must be daring and it must be willing to take new looks at old paths.

For instance the group felt that the settlement of native land claims will not write the end to poverty among native people. Rather it will be a beginning that will take many years to have a total effect.

But the objectives of the seminar, "Financial Foundations for Future Alaska" can be achieved by proper utilization of our oil revenue in a balanced investment in both our social capital and economic development.

(An assumption of isolating the bonus money allowed the following discussion and deliberation.) The $900 million bonus "windfall" and subsequent revenues was aimed at three major investment areas.

A--Investment to bring the greatest monetary return to the state.

B--Investment in the development of the natural resources.

C--Investment in human resources.

Plan A was favored by those who felt that non-recurring bonus receipts are a trust and it is their yield that can be used to fund other investment areas.

Plan B looks ahead to the day when oil revenues decline and other new resources will be needed to maintain a viable economy.

And, although Plan C cannot easily be translated into financial terms, perhaps it offers the greatest net return to the state.

Still working in broad strokes, the seminar members urged (1) a research-survey program and (2) offered the following breakdown of ingredients.

1. Regional Surveys
   a. Health, education, welfare
   b. Land classification
   c. Communication
   d. Economics
   e. Cultural
2. Statewide surveys, planned to coordinate regional surveys
3. Establish continuing seminar programs for considering priority items.
4. Estimate date of receipt and amounts of oil royalties, taxes and other expected state income and determine priority.

And finally the workshop members expressed a faith in the "continuing conversation" of the conference entity. However, it was suggested that this was the first session of a four-session conference and even the ideas expressed here may change as participants react to the continuing stimulation of the conference process. Although the ideas are not categorized in neat stacks, the members of this workshop have experienced a new searching, a reaching out--often painful--in the effort to begin to begin.

(The group reviewed many pockets of concern and felt conclusions premature during this aspect of the conference. However, for the purpose of record areas discussed are listed in raw form in the attached appendix.)

* * *

Editor: Herb Adams

Appendix:

--A flexible land classification or resource zoning program designed to grow with the needs of people.

--Environmental controls, including safeguards against air, water and noise pollution.

--The seminar took a cautious approach to a program of investment in selected industry. The state's fishing industry was described as an area of important needs.

--To upgrade the value of Alaska's educational system and broaden its influence, particularly in rural areas.

--A program whereby the state could help build community facilities such as water, power, sewer systems, etc.

--Upgrade living conditions in rural areas.

--Minimize unemployment.

--Encourage industrialization peculiar to Alaska.

--Provide more technical services to native villages.

--Deal with unmet social needs such as in mental health and alcoholism.

--Provide developmental loan funds.

--Development of native crafts industry.

--State support of local bonds.

--Direct revenue sharing with local governments.

--Statewide communications and transportation.

--Elimination of business license tax and school tax.

--Consider a state sales tax in lieu of local sales taxes.

--Review necessity of further issuances of state general obligation bonds.

--Perpetuate the corpus of the $900 million bonus receipts and subsequent revenue.

--Dedicate all revenues from non-renewable resources.

STATEMENT OF GAMMA GROUP

Great Aims Move Mighty Alaska is slogan of reporting committee.

Matters brought up at this group's first session proved to be the basis of subsequent discussions. Succeeding discussions were an intensification of these basics with the only really new material surfacing in the latter portion of Tuesday afternoon's talks.

Certain attitudes were notable and could be observed throughout. All talks were characterized by unselfishness--that is, no one used the occasion to more than introduce a pet project nor did anyone beat a loud regional drum. Speakers concerned themselves with many broad aspects of the state and confidence in Alaska and Alaskans' ability to find their way was prevalent.

The hard dollar and cent values were not the only consideration of the group in investment matters as they recognized values not measureable in the usual quantitave manner. "Satisfactions of life are not always in terms of how many dollars income," was one statement. There was strong feeling, voiced many times, that whatever happened, the method should preserve individuality and freedom of choice as much as possible. There should be personal ownership but with responsibility to the whole.

Other overall attitudes which emerged included the belief that whatever program was adopted, it should meet short and long-range needs and be flexible to respond to changing conditions. It was also obvious that no one in the group expected Alaska should have a "free ride"--that is, they felt they (and by implication, others) should pay their way. Specifics of this were not pinned down although there were allusions to innovative programs other than usual job-pay system. Also, that present Alaskans are trustees of the benefits visited upon us and have responsibility to follow through on methods and projects for wise use.

The group recognized certain values now present as important and often were explicit on this subject.

Primary among these values was a regard for the environment and protecting it as well as keeping a certain quality of life in Alaska which all present found vital. A brainstorming session gave these qualities of what was meant: scenic beauty, unspoiled wilderness, limited population inflow, freedom, no crowding, right to participate, independence, ability to escape bonds of poverty, grandeur, serenity, vigorous work, good place to raise kids, show place for the world.

In reverse, by the same method, the group indicated these things are not wanted: cluttered highways, traffic congestion, pollution of any kind, poor schools, too many people, poverty, over-exploitation of natural resources, stateside exploitation, colonialism, restrictions on individual, high cost of living, racial problems, slums and urban sprawl.

The group was aware of the contradictions and said that even without oil, the goals and desires would be the same. The new wealth would make it possible to enhance the values and do it faster.

Another strongly-voiced belief was that benefits from the money--bonus sale and future royalties--should be for all Alaskans, present and future. There was also general agreement that the Now problems should be addressed as well as long-range ones and that "investing" in solutions to present problems would aid future conditions. The group took no position about use of capital versus interest only, but approach to "now need" suggested that what was required should be used in best interests of state.

Speakers were aware of many of Alaska's unique characteristics and felt they should be both considered and used to advantage where applicable. Regional differences should be recognized in any investment plans as well as the social

aspects of the various parts of the state. The potential in "our own people" should be encouraged. Creative approaches in many areas were urged, not necessarily standard ones, and generalization should be avoided. But uncertainty was expressed in approaching need without putting "work" in the picture. The cultural values should be treasured and stimulation of other culture should be part of the future planning.

An area of need mentioned most often--indeed, it seemed to underlie most other discussions, was for education. Many kinds, and offered in various ways, were mentioned--vocational, adult, fisheries and oceanography and with special emphasis on rural schools.

It was reiterated that schools near natives' homes were important, at least through high school when family relationships are important. It was suggested that such schools would also foster leadership for villages and assist them to realize their potentials.

One speaker stated it thus: "An adequate opportunity for education for all individual Alaskan residents without undue interruption of family life, and within the desires of the local community and/or local government entity responsible for education."

Almost co-important, and often intertwined with education, the group said, were communication and transportation networks. This trio, it was felt, would assist in generating economic activity in remote places not now able to join in the swim. Airports were also mentioned in needs, as well as housing.

Other needs, tied in with investment opportunities, were in encouraging replenishment of renewable resources (possibly from non-renewable resource income) particularly the fisheries. Persons expert in this field said Alaska's fisheries had greatest potential for growth if certain structural changes were used to put them in competition with fisheries of other Pacific nations.

Investment opportunities in other present Alaskan business include the red meat industry (reindeer, possibly other) and grazing lands to grow other meats for this.

Subsidies were considered and not discarded. The thoughtful remarks give reason to think it warrants further discussion. There was no big push for industrialization as such, but interest in industry was not lacking.

There were several worries or fears among the group. These included concern over pressures to hit state both through increasing population and by interests wanting special treatment not in the state's best interest. Economic development of some kind seemed desirable, but the type of economy ("it would be idiocy for Alaska to go industrialization route," said one) and locale of industry were matters the group would want to consider carefully. There was belief in natural resource management and wariness of protectionism policies. They worried about Alaskans' not getting benefits from resource exploitation and wanted expert advice about inflation dangers in an investment program.

Queried: Will investment in Alaska's environment be competitive on the national level in Tussing terms? the group chorused "yes, yes" and spoke of both direct and indirect returns.

Revenue sharing by the state with local communities seemed favored by all, with the formula providing for the most possible local control of how money used. This need for people to choose own goals, way of life, amount of education, was repeated in many ways. Yet, population management--apparently, people from Outside, was not cast out completely.

No one opted for outright divvying of the money. "If we do that, do we give anything more than a chance to spend it?" was asked.

In matters of structure and process, the group seemed mostly to feel that available tools--the state's government structure--were adequate for the most

part to handle money's use, but would require considerable fleshing out and strengthening. Advice from expert specialists should be sought.

The group was reluctant to add another bureaucracy--as it viewed a trust--to the government structure and felt the check and balance of government departments was important. They were willing to risk the change in direction of changing administrations for the opportunity to keep more direct control of the spending agents.

Closer rapport between the people and the government was felt to be a must--even without the additional money problems. A strong and active information program was urged between the people and the government--including legislature--to keep it responsive to the people. It was felt the seminar was a good indication of legislative concern.

In the structure discussion, it was suggested without arousing an uproar that we should look into changing some aspects of our government structure toward certain socialistic methods. Some felt the state was not competent to develop a program for jobs--that Outside expertise would be needed. In other areas, however, it was urged that local experts be given attention and that accumulated knowledge of long-timers should be tapped.

A participant summarized the sessions thus: "There are plenty of details, but the basic point is, 'We're going to invest in Alaska--its people and its physical aspects. In people, through education, health and well-being opportunities,' and in the physical through esthetics and their preservation and natural resources, using the non-renewable in the best interests of the state, both economically and environmentally."

* * *

The reporters wished to place this statement at the conclusion of their report: The members of Gamma Planning Section wish to commend discussion leader Professor Warren Ziegler for his enthusiasm, attitude of caring about what we did and outstanding leadership. The editorship of Mrs. Betzi Woodman was also an outstanding contribution to our study.

STATEMENT OF DELTA GROUP

It is premature to set up trusts to handle state monies. Such trusts are probably not needed. Whether or not a trust (or trusts) is established for the control of the bonus monies, we must recognize that this generation is the present trustee for the future of Alaska. Expenditures should be made only in accordance with comprehensive, long-range planning.

The state must have an adequately financed and professionally staffed, non-partisan organization for the continuing function of basic planning. This planning should include finances, social needs, land and resources, conservation and economic development and other elements of the total structure of Alaska. The function will provide the legislature with an uninterrupted flow of data and conclusions as a basis for implementation of orderly, well-balanced programs to serve the well-being of all Alaskans.

Planning should take into account striking regional differences, with particular reference (attention) to maximum local participation.

This section recommends an upgrading of the educational program at all levels. It is also recommended that a program of comprehensive health planning be undertaken.

This section also recommends that it is necessary to build strong elements into Alaska's resource economy to replace its exhaustible resources. To do this, it is essential that significant portions of the revenues derived from these extractive resources be utilized to develop renewable resources.

The Legislative Council of the State of Alaska

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A CONFERENCE ON THE FUTURE OF ALASKA

SEMINAR TWO

"Use of Human Resources in Future Alaska"

Reports of Policy Planning Sections

Alpha

Beta

Gamma

Delta

Alpha Committee recommends that the state legislature pursue these directions:

I. The Rural Economy:

1. We believe Alaskans should be afforded the opportunity to pursue a life-style to their choosing, i.e., in a rural or urban environment. It is a given right for each Alaskan to choose the environment in which he chooses to live.

We believe that today such a choice is denied Alaskans in certain rural areas. Through economic circumstances and against their desire, many are forced to move from rural environments of their liking to urban environments. Economics alone should not determine the happiness of a significant portion of the Alaska population.

We believe that one method to alleviate this condition, also termed the natural economic urbanization of Alaska, would be to create economies in certain rural areas that would support a given population in a manner to their liking. The State should be instrumental, through intelligent and realistic use of recent revenues from the September Arctic lease sale, in creating viable economies in certain rural areas.

We believe that only when pressures of poverty are removed from rural Alaska that residents can make a true choice as to continuing their life in the villages or emigrating to urban centers.

We urge the state legislature to pursue an aggressive policy of regional economic development, a policy tempered by realism and reasonableness. Implementation of such a policy should be left to the legislature, but we suggest two avenues of approach:

a---Increased local determination in rural areas. Something should be done with the unorganized borough so that the machinery for local determination will become available.

b---Simultaneously with rural borough development, the state should encourage natural resource industry development in rural areas, particularly in fisheries.

2. Alaska's fishing industry is a labor-intensive industry employing great numbers of Alaskans and benefitting far more Alaskans, it is likely, than any other industry through economic spill-off and the multiplier effect of the fishing dollar in coastal communities.

We therefore urge that the state legislature act to plow revenues generated by non-renewable resources into the further development of renewable resources, particularly in fisheries. Increased funding should be directed into management, protection and research activities concerning commercial fisheries and recreational fisheries.

The committee sees this action as one way that benefits from Alaska's Arctic lease sale revenues can reach rural Alaskans, since fishing is a natural activity for the Alaska Native and one with which a cash income can be generated. Alpha Committee wishes to officially commend Mr. Jack Cotant for a detailed statement on Alaska's fisheries, submitted to support this proposal.

3. That the State of Alaska seek to develop a catalog of undeveloped natural resources in Alaska, broken down by area and with as much supporting information as is possible, so that entrepreneurs may seek to develop these resources. Much information is already available, in pieces, from various state and federal agencies. We urge that this data be gathered into one book or directory.

Beyond these recommendations, in which there is a general committee consensus, there are recommendations for a minimum standard-of-living determination for Alaskans. (See Appendix A-1)

II. Education:

1. Alpha group concurs with the conclusions on education policy for rural Alaska reached by Dr. William J. Loyens. We feel the need for restructuring rural education in Alaska of paramount importance, so that Native Alaskans as well as non-natives may be equipped to choose the life-style of their seeking. At present they are not so equipped.

Education policy should be two-fold: (1) so that students are equipped to become competent members of the dominant culture society, if it is to their choosing, and (2) that Native students should be able to retain a sense of identity, pride and dignity in their own ethnic group.

We recommend the following directions be pursued in developing an education policy for rural Alaska:

—Regional schools with boarding facilities so that Native children will not be sent outside of Alaska for schooling

—The use of bilingual teaching aides to instruct, assist the teacher and teach in Native culture courses

—The support in both urban and rural schools, preschool training such as Head Start and Kindergarten

—Curriculum material relevant to the culture, such as in textbooks and visual aids

—Specific courses to help students meet the identity crises on leaving home and traveling into an alien cultural environment

—Courses in Alaska Native history and culture, in both urban and rural schools for Native and non-native alike. This will create pride among Native children and respect for another culture among white children

—A teacher cultural-orientation program for new teachers arriving in Alaska. Orientation for teachers assigned to rural areas should be in the culture of the area to which they are assigned. Urban teachers should be given a general Alaska orientation. Rural culture orientation should stress cultural problems, and not the mechanics of running the schoolhouse

—An expansion of adult-education programs. Also Upward Bound at Alaska learning institutions

—An increased stress on vocational training, particularly in fisheries along coastal communities. The University of Alaska's existing fisheries extension program should be expanded

—Increased emphasis on special education problem centers, particularly for rural Alaskans

—Encouragement for Alaskan Natives into the teaching professions

Aside from the above, one discussion member raised an important point in the regional high school concept; the opportunity for rural children to attend urban schools in Alaska such as is now possible through the state's Foster Home Program.

The Foster Home Program should not be entirely abandoned in favor of regional schools. Urban education, with its opportunity for competition within a large student body of an alien culture, offers advantages to bright Native students that possibly cannot be found in regional schools. Perhaps the state can operate regional schools and continue a limited foster home program in cities, combining the best of both systems.

Another discussion member submitted a paper proposing an organized and state-supported winter sports curriculum for rural schools, so that Alaska Native children can develop regional and cultural pride through organized physical sports. (This proposal is Appendix A-3)

2. Various speakers who have addressed these seminars have stressed the capital-intensive, highly complex profession-oriented economic future of the State of Alaska and the developed countries in general, and resolved:

—That the legislature of the State of Alaska be urged to re-examine the educational program of the elementary, secondary and higher institutions of learning within the state, including existing research and graduate school facilities and programs, to ascertain that these educational organizations are adequately equipped to contribute to the education and training of the students for this highly technical world of tomorrow, and

—That the legislature be encouraged to explore all possible means of aiding Alaskan young people to secure the advanced training they require to participate in all aspects of academic and practical studies to so equip them. We would question the advisability of creating such graduate schools as Law and Medicine in the state in the near future, but would contemplate making generous student loan funding available to enable Alaskan students to attend such institutions Outside, or to work out cooperative study programs between such schools and available facilities within the state.

III. Manpower:

Recognizing that industrialization will bring new employment opportunities for Alaska in areas before unfamiliar to many residents seeking employment; and recognizing that increasing sophistication in industry demands the efficiency of skilled workers; and recognizing that there is a serious lack of jobs available that allow a man with presently limited skills to enter the work-force; it shall be a policy of the State of Alaska:

--To determine the scope and nature of persons needing new and upgraded employment throughout the state, to determine the extent and reason for Alaska unemployment, and to encourage State Department of Labor efforts that are presently being made in this direction

--To require Alaska industry to classify employment policies to include:

a) Aptitude tests, if given, not be discriminatory

b) Encouragement from the state, in some form, for industry to initiate training programs in the pre-entry level category

c) To devise inducement measures, but not tax-incentives, for industry to develop pre-entry level training, local hire, on-the-job advancement programs and special handling of cultural-adaptation problems encountered on the job

d) For the state to set an example for industry by reorganizing the state personnel structure to include conditions stated in Item c), with special emphasis on Alaska-hires for state positions

IV. Welfare:

1. There was consensus in Alpha Committee that the state act early and quickly in developing a program to care for the aged. In this program, these conditions should be present:

--That the elderly can receive a minimum of $250 per month living assistance

--That more homes for the aged be brought into being, and that the state use oil-revenue monies to match federal funds available for building homes for the aged

--That property-tax relief be granted, with a $500 limit, for the elderly

--That residency requirements for present state homes for the aged be dropped so that more federal funds can become available for matching

--That the state act to insure the functioning of federal programs to care for the elderly in rural Alaska. If federal programs fail to meet the needs, the state should act itself to care for the aged in the villages

2. We urge the state to act in forming an Alaska housing policy, recognizing that a decent, safe, sanitary house in a suitable environment is basic to all other aspects of human life, including health and education; and, recognizing that federal programs are designed, authorized and funded, but at limits too low for practical use in Alaska, we recommend that the policy of the state of Alaska be to establish a procedure for supplementing the funding limits of federal programs (especially in housing) in a massive approach to solve the housing problem throughout Alaska.

V. General:

It is the consensus of Alpha Committee that state industrial tax incentives be dropped entirely. Tax incentives have proved of little effect in encouraging industries to locate in Alaska. They have also created inequities between taxes on new industries moving in and already functioning industries.

Alpha section wishes to officially commend the discussion leader Mr. Eugene Johnson for his patience, skill and diplomacy in helping the committee reach these conclusions.

Editor: Tim Bradner

Attachments:

Appendix A-1 - A Minimum Standard of Living

Appendix A-2 - Policy, Unorganized Boroughs

Appendix A-3 - Winter Sports Curriculum, Rural Schools

It shall be the policy of the State of Alaska to guarantee and provide for all its citizens a base level or minimum standard of living - with particular attention to rural areas - in the fields of: health, sanitation, housing, education, employment assistance, entrepreneurial assistance, senior citizens, mental health, alcoholism, crippled children care, juvenile delinquency, family planning, day care (children of working mothers), legal assistance. (These categories are not intended to be complete; many are already in being, partially.) (See papers by Mrs. Chance and Mr. Mallott.)

This policy and program - to be developed in detail by qualified persons from public and private agencies - is predicated on the belief that, while competitive private enterprise remains a keystone of the Alaskan (as well as American) way of life, the satisfaction of fundamental human needs in the areas cited should not, in this late-Twentieth Century, have to depend on competitive advantage.

It is basic to this policy and program that a citizen of the great state of Alaska has earned these minimum considerations because he is a human being and that he is entitled thereby to at least the opportunity to develop the talents within him - the many talents which each of us possesses.

It is our conviction, moreover, that provision of fundamental human needs in the manner to be worked out under this policy will enhance both the quality and consequences of the competition for achievement that will continue and is to be encouraged in the many realms of human endeavor.

Thus, the ultimate benefit of this policy is to be seen not only in terms of closing the "gaps" in the satisfaction of human needs. Rather, that all men should be relieved of the terrible burden of the perverse psychic satisfaction (arising within themselves) from the sight and the knowledge of suffering by their fellow human beings. This psychic energy can perhaps be freed under such a policy and program, as here proposed, and then be channeled to useful, creative endeavors.

In the end, these considerations but reflect the basic truth that a competitive socio-economic system is without ultimate justification or meaning - and doomed to eventual failure - if it is not conducted within and restrained by the larger framework of concern and cooperation.

Hence we affirm the validity and necessity of a policy and program to provide a minimum standard of living for all the citizens of the state of Alaska.

POLICY, UNORGANIZED BOROUGHS
ALPHA APPENDIX A-2

WHEREAS the Legislature has asked for guidance on policy to be put into effect to secure the future of Alaska, and

WHEREAS it is felt that two primary objectives of planning for Alaska's future are to develop the personal security of each citizen and equality of program application, opportunities generated and stance among men, and

WHEREAS the question of what to do with the UNORGANIZED BOROUGH sum up the scope of problems facing Rural Alaska, and

WHEREAS the State Constitution requires the Legislature to exercise responsibility pertaining to the Unorganized Borough and provide for its needs,

IT IS RECOMMENDED that one of the major policies adopted by the State Legislature in allocating funds received as revenues from the oil and other mineral industries be established as a positive program and administration of the present Unorganized Borough. Specific recommendations are as follows:

(1) Establish a bona fide school board for the Unorganized Borough

(2) Establish an administrator for the Unorganized Borough to provide a channel of legal existence, planning and organizing of needs, establish priorities and become a channel for receipt and relay of federal and state financial assistance

(3) Establish a system of local village based consultants knowledgeable in community development approaches to work fulltime with a village to bring out its full potential in practical economic development and cultural development (meaning within the concepts and boundaries of its own cultural rules)

IT IS FURTHER RECOMMENDED that one specific aim of education in the State be to foster the following objectives of higher education:

(1) Teachers who are interested in carrying out their professional careers within their own geographical cultural areas

(2) Foster the arts of literature, music, arts and crafts as full-fledged professional endeavors that have dignity - especially those skills for which a particular village is noted

(3) Develop a firm legally-enforceable means of providing a village with a means of identifying its products as originating from that community (a form of copyright)

(4) Go beyond the regional high school concept and establish high schools in sub-regional centers where natural groupings of villages will justify a small high school program.

WINTER SPORTS CURRICULUM, RURAL SCHOOLS
ALPHA APPENDIX A-3

One of the major needs which has been brought out in the first seminar sessions is the raising of the level of education of natives in the villages, and the need to give these youngsters a greater incentive to achieve in the educational field, as well as in the larger arena of jobs and community life. Particularly it was noted that they often fail in competitive situations, and that this affects their desire and ability to stay in school, and to complete high school or college training.

I would like to advocate one educational policy and program which has been developed in the Canadian North Country to upgrade the individual self-respect and achievements of Canadian Eskimo and Indian youngsters. It is known as T.E.S.T. (Territorial Experimental Ski Training) program. It has been developed for the most part in two native villages - Old Crow and Inuvik. I'd like to quote from the description of the Program Objectives:

(1) To investigate if Indian and Eskimo youth in the Yukon and Northwest Territories can be motivated to higher general achievements as students and citizens through participation in competitive athletics.

(2) To develop a cross country skiing program for northern youth that will provide meaningful athletic motivation and involve maximum personal effort.

(3) To investigate the potential of northern youth for making the best of their environment and excelling in competitive cross country ski racing at the national and international level.

The fruits of the T.E.S.T. program, after only a few years of operation, are impressive. In 1969, two years after the start of the program, Inuvik, N.W.T., has nine teams with 170 young people skiing, and Old Crow, Y. T., has three teams and 25 members participating. At the National Convention of the Canadian Amateur Ski Association held in Winnipeg last May, 16 skiers from Yukon and Northwest Territories placed on national ski teams.

Of more importance personally to these young people is the accolade of their ski coach, Bjorger Petterson, one-time Norwegian Olympic cross-country champion:

"I am indescribably proud of the team and the victories we have won, but even more, I am impressed with the changes occurring in the team members. They have changed from timid youngsters to self-confident young adults. Through cross-country racing and training they have learned sportsmanship - that one cannot always win and that life is full of defeats. They learn that defeat means only another chance to try harder. They learn, as in real life, work input equals work output. Most important of all, from this program they learn to work with determination for the things they want to procure in life."

State sponsorship of a physical education program stressing cross country skiing which would reach into all of our Alaskan native villages could turn our long winters and snow into a major asset for physical and character development of our native Alaskan young people.

* * *

Discussion Group Beta singled out better education for all as one of the most important objectives in the development of Alaska's human resources. Participants gave a high rating to a much broader, more comprehensive educational policy for all grade levels in addition to greatly improved facilities, curriculum, and teacher training.

In formulating these educational programs, Beta urged maximum local participation coupled with responsive and innovative methods.

Noting special needs of rural Alaska, the group adopted a policy statement which aims "to enhance the social, economic and cultural opportunities and circumstances of all Alaskan citizens; to recognize the current disparity of opportunity afforded Alaskan natives and encourage their full participation in the growth of the society, generally, and the growth of disadvantaged individuals, particularly.

"We must provide a positive means for the native population to become a part of the dominant culture. We must also provide adequate economic maintenance to provide for those who cannot or should not be a part of this integration."

Among other things, the statement calls for "systematizing and setting standards for the education program of the state, emphasizing the elevation of basic education standards to a superior level; integration of local opinion processes with statewide expertise; complete state financial support of primary and secondary education (where necessary) to meet these basic standards."

The group urged "transfer of all Bureau of Indian Affairs schools to the state as soon as is feasible and stipulated that any subsequent program offered by the state must be at least equal to the former BIA program. This might include the serving of daily hot lunches, use of classroom village aides, freer utilization of school facilities by the village, a curriculum focus on the native heritage plus a more intensive preparation for higher education.

Further suggestions include extension of Upward Bound program, implementation of educational television, Head Start programs emphasizing English language training,

extra-curricular, year-round programs for both adults and children, special rural teacher training measures as well as recruitment on native teachers. A series of emergency programs should be instituted soon to meet specific urgent needs. Also, courses in Alaskan history should be introduced at the secondary level in all schools.

The regional high school concept received wide support. To facilitate this plan, many felt that the state ought to expand on the use of small boarding homes rather than large dormitory accommodations. Perhaps loans could be extended to villages for operation of these homes near the regional high schools.

Secondary education, particularly for native Alaskans, should be responsive to their needs; should be presented for easy assimilation; and should be adaptable to technological demands.

The possibility of a tuition and fee-free university with a low-cost food and board plan was discussed. Many thought all Alaskans should have a chance to achieve at least two years of college education regardless of their personal financial resources. Others felt native Alaskans in particular ought to have this opportunity, but pointed out that present achievement levels often prevent success in college level work.

Beta Group left an open end to the question of broad university course offering versus specialization in certain areas (i.e. marine biology, geophysics, forestry, etc.). Some suggested a state-funded scholarship plan whereby residents could secure their degrees from schools outside the state.

But the group did urge high priority in legislative funding with full support of the community college and extension programs.

They also concurred in state support of local school operations. "We urge the legislature to increase substantially its financial aid to school districts, specifically considering the relief of local government from its present school construction debt and cost of new school construction on a basis which is equitable between local governments."

It was agreed that general improvement of educational opportunities would have multiple fringe benefits in other areas such as reduction of social services, reduced unemployment and so forth. But discussants felt certain social service programs required some attention.

A policy statement adopted recommends "that a well-funded, broad, in-depth study of the existing state welfare programs be undertaken. Emphasis of this study should be an improvement of the existing programs and with a view to considerable organizational changes that will be essential to adequately care for the tremendous increase in welfare problems projected for the near future."

"The results of this study should be used to recommend:

1) A program to care for emergency needs

2) A crash program for bringing welfare programs up to a minimum level in all regions

3) An overall program of welfare that will more effectively handle an ever-increasing work load, provide for more adequate staffing, increase funding, place an emphasis on rehabilitation of individuals and erase existing inequities which tend to break down healthy family unity, promote juvenile delinquency, and keep welfare recipients prisoners of the system itself."

In addition, Beta Group supported the state policy of purchasing services from private social agencies. Group members underlined the need for "appropriate, continuous and adequate funding of programs administering to the needs of exceptional* children and adults stressing the hiring of the best qualified personnel through competitive salaries."

The group also urged studies to explore the possibility of a universal health insurance to be carried by the state.

*"Exceptional" includes alcoholics, orphans, unwed mothers, mentally ill, juvenile delinquents, physically handicapped, mentally retarded, emotionally disturbed and rural natives moving to cities.

In order to strengthen the medical profession in Alaska and to provide high levels of medical care, the state should provide financial incentives including federal, local and endowment contributions, to develop and encourage a medical intern program at all appropriate medical facilities within the state, whether public or private."

Moving on, Beta Group considered the implications of economic development with special attention to urbanization trends. Seasonality of major industries within the state was singled out. A policy statement was accepted which follows:

"Stability of employment and income at productive levels is essential to meet human needs; accordingly the state should pursue as a matter of active policy the following:

1) Development of urban and rural community infra-structural requirements

2) Development of new industrial opportunities, particularly those that level out seasonal employment opportunity, develop second generation industries and service industries

3) Development of job training programs specifically needed for industrial demand within the state

4) Development of extractive resource industry opportunities

5) State development and support through low interest rates, long-term loans (either as a guarantor or a direct loaner) small business opportunities which lead to or support the economic vitality of particularly discernable industries or growth areas of the state

6) The state should favor an industrial incentive program which adds to the maximum value of products within Alaska, to the extent that it is appropriate to the market and provide needed support to our labor force, especially in those areas of low employment.

Closing discussion agreed that "adequate, low income housing utilizing full federal funding with supplemental state support was another important objective."

Finally, Beta Group proposed that the "functions of the present Human Rights Commission of the State of Alaska be broadened to include policy review and development in the fields of human health, welfare, education and manpower utilization. The commission should be strengthened by the development of a staff representing the spectrum of professions and knowledge involved to study and advise on human resources policy, and by adequate funding to contract for special supportive studies, through the University of Alaska or other institutions."

The size of the state's oil wealth grew smaller as Gamma group began to understand the traumatic impact technological change will have on Alaska. As a result of this kind of thinking, the group searched for new, more imaginative ways of maintaining the Alaska life-style and coping with the dynamic realities of an industrial future.

Consensus in each of the following policy statements was reached by the group:

That the state provide a tuition and fee-free opportunity for each resident of Alaska to attend pre-school, elementary and secondary schools - including vocational and technical training - as well as institutions of higher learning through the B. A. degree. This also includes funding for transportation and subsistence where necessary.

Some urged that students seeking a university education be required to pay part of the costs. At least two persons suggested that the state pay tuition only. The feeling (and it was a minority one) was this would provide an incentive and thus add value to the importance of a college experience. The transportation and subsistence funding was aimed at the rural areas.

That the state provide a two-way communications channel between the executive and legislative arms of the state and the citizens thereof to establish viable local governments and maximize local involvement in accomplishing common objectives.

Although broadly stated, the thinking was that Alaska make every effort to prepare for its move into a technological society. In a sense the group admitted the state is approaching a critical industrializing period, and recognized the disparity (and clash) between the industrialized urban center and the loosely-knit frontier concept. Implicit in group thinking was the idea of people-to-people communications.

The state legislature should broaden the authority or responsibility of an existing state agency or agencies and provide adequate funding to secure competent personnel who can analyze problems involved in providing modern communication facilities to remote areas. Further that practical solutions applying use of known methods and equipment be analyzed, costed and presented to the state executive and legislative branches.

There is a need to deal with communication devices such as educational television, telephones, radio, teletypes and other computer-oriented apparatus. At the start of the conference someone - after being asked how he would spend the $900 million - said, "let's start by installing a telephone in every village."

The sale of the Alaska Communications System to private enterprise is expected to upgrade this kind of communication network. However, the group, mindful of the speed of technological change, felt the state should become seriously and effectively involved in the process.

The state should require the preparation of an annual social report that assesses the condition of social services in the state and establishes annual social objectives with each report, beginning with the second, reporting on degree of accomplishment of objectives established for the reporting year.

There was a built-in disbelief in the report system. Reports tend to perpetuate irrelevance and to extend the dynastic aspects of bureaucracy. And they are often means of burying the bad with more bad. Yet positive assessments, put together by a disinterested team of experts under contract to the state, could be of tremendous value. Such a team might be found at the University of Alaska, Alaska Methodist University or other like institutions.

Upgrade the state's system of higher education by funding the academic and vocational areas so that it becomes more relevant and adaptable to present and future economic and cultural changes.

Education should be more aware of the needs and beliefs of those it seeks to instruct. The irrelevance of the "Dick and Jane" reading approach exists throughout the whole system and is not limited to rural areas.

The state should protect and develop human resources by full commitment to the health and social well-being of individual citizens, emphasizing the broad spectrum of social services that include physical health, mental health, family integrity and continuing education processes.

The following health and social matters were included in the above policy statement as important areas of need:

1. Housing
2. Sanitation
3. Water supply
4. Nutrition (including infant and school child feeding)
5. Rural health care
6. Development and expansion of hospitals, field health stations and allied health facilities
7. Development of facilities for coping with problems created by abuse of alcohol and drugs
8. Encourage the development of good quality, low-cost day care and child development centers
9. Health, accident and social service insurance
10. Comprehensive social centers, offering a variety of child and family services within one area
11. Implement with public information and increased funding a significant rehabilitation system that will help Alaska's juvenile offenders become responsible young people
12. And when the state purchases services for persons for whom it is responsible, from a private (or quasi-private) organization, it should pay that organization the full cost of the service

Make productive use of the innate expertise that Alaskans already possess to solve Alaska's problems.

This was a direct effort to utilize the brains, techniques, talents and special knowledge that already exists in Alaska. One example might be the use of Alaskan experts in Arctic ecology and North Slope planning.

Finally, although not adopted as a policy statement, the group supported HB 282 that would provide a pension plan for all Alaskans, based on longevity. But there was some feeling the bill might be discriminatory.

Editor: Herb Adams

Delta group presents seven policy statements, six of which were approved unanimously by the group. Our underlying and ultimate goal is the wellbeing of people, and to this end, the primary motive in the utilization of our resources shall be development of our human resources. Policies shall be those that will contribute directly or indirectly to progress toward this goal.

I--Delta section reiterates the unanimous position of the members that the state must have a competent planning function on which all concerned can rely for expert information and evaluation from which to make decisions that will most effectively lead to the achievement of basic goals. The section intends to treat this subject more definitively at the next seminar.

II--Regarding tax reduction:

Any direct tax reduction should be of lower priority than programs for meeting needs. Revenue sharing is encouraged to increase levels of local services but not to reduce existing levels of taxation.

III--The group recommends the repeal of the Industrial Incentive Act.

IV--Education:

A--Education, be it measured in earning ability, social responsibility or purposeful living, is of paramount priority in enhancing and developing human resources. This applies equally to all levels of education. The policy of the State of Alaska, therefore, should be to achieve excellence at all levels of education, with equal opportunity for all.

Early Childhood Development--Developmental education of the highest quality should be available during the early years of all Alaskan children, using state funds where or when necessary.

Elementary and Secondary Education--The State should immediately assume responsibility for setting uniform minimal educational standards and assume full responsibility for the attainment of those standards. Public school systems should be administered under local direction, thereby maintaining a culturally relevant curriculum in keeping with regional differences and needs and to the special needs of newcomers to urban centers.

Higher Education--Both publicly-controlled and privately-controlled higher education are essential for Alaska's future. To assure the freedom of choice inherent in a dual system, it is recommended that the State of Alaska assure qualitative growth of both sectors through the following procedures:

1. Free schooling through two years of post-high school education within Alaska

2. A liberal availability of subsidies for those students who have demonstrated competence to continue purposeful education at higher levels

3. Adequately funded research for development and full utilization of human and natural resources

Continuing Education—To take advantage of, and cope with, changing conditions of life and the accumulation of knowledge, the State should adopt a vigorous policy of continuing adult education in a broad spectrum of fields which encompass academic and non-academic interests.

General Recommendation—Executive and Legislative Branch review the legal and regulatory limitations if such exist as related to the provision of a quality and equally-accessible educational system for the entire state.

B—Arts Statement: Alaskans can now enjoy a life style less circumscribed than heretofore. This must entail all facets of living, which in turn must include a wide range of choice of cultural and enriching experiences to each individual.

Of overriding importance to the well-being of the people and the utmost enhancement of human resources, the State of Alaska should develop a vigorous policy to establish broad programs for such cultural enrichment through Performing Arts, Creative Arts, and the Humanities. The overall educational value of such programs cannot be overestimated. They should not, however, be restricted to the formal educational framework. They should be carried to all the people who wish to participate. They should be structured with due consideration for all age groups, art forms and the full variety of media. They should embrace all ethnic cultures and avoid restrictive provincialism of origin.

Substantial public expenditure - both capital investment and continuing support - should be made at state and local levels in the development and maintenance of such activities.

Policy Recommendation—The State of Alaska should encourage and support to the maximum extent appreciation, participation and development of the Fine, Creative and Performing Arts and the Humanities for the entire population of Alaska. Emphasis should be placed upon making the full range of the human heritage in the Arts and Humanities equally accessible to everyone in Alaska and upon fostering an overall climate within the state which encourages the development of creativity among the people who reside within Alaska.

C—Delta section appends the Arctic Slope Region Statement titled "Setting Priority on Education" (submitted by Joseph Upicksoun and his committee) to this report.

V—Health:

Good health is indispensable to develop our Human Resources. Planning in this area must involve the following:

Higher standards of health for all Alaskans, including, but not limited to, the following areas:

1. Improved living conditions—i.e., housing, sanitation, nutrition, health education

2. Vastly improved health services and delivery thereof

3. Training and licensing of paramedical personnel to fill the need in both urban and rural areas for medical services at sub-professional levels

The state must find the method within our free enterprise system to provide adequate medical and dental services within financial reach of all Alaskans.

VI--Human Affairs:

Recognizing that the process of urbanization is upon Alaska and will intensify greatly in the future, that this process in the rest of the nation and the world has generated mass insecurity, loss of identity, despair, and violent resentment of the people involved, and that Alaska has the opportunity at this time to avoid these consequences, we believe the State should establish a cabinet-level Human Affairs Agency to oversee the urbanization process in Alaska in human terms, with responsibility to innovate and encourage local mechanisms and institutions to assist in the transition of people into urban society in a manner to preserve personal identity, cultural fulfillment, individuality, a sense of participation, and a real voice in community affairs, and to stimulate sensitivity on the part of the community to human values and needs. The real challenge of this agency will be to transform the urbanization process from a negative factor to a positive one from a human resources point of view.

VII--Relative to Financial assistance to encourage entrepreneurship--In order to facilitate the use of Alaskan human resources through Alaskan manpower usage, the State of Alaska should make available funds to cover guaranteed loans to Alaskans by Alaskan financial institutions for creating Alaskan business. These guarantees to be made only when normal access to loans from formal financial institutions are not available. The loan guarantees are to be granted under the following criteria:

community need
economic feasibility
ability to manage

It is suggested that due to the non-risk of a guaranteed loan, a somewhat lower rate of interest be experienced. The plans should endeavor to keep this program out of political influence.

NOTE: Although this was approved by a majority of Delta members, there was a strong minority voice. It was generally appreciated by the group that there appeared to be some discrimination in loan making to persons who could not meet short-term payment plans and that funds for their needs were not easily available. How to solve this problem, however, met with differing responses.

Delta group recognizes fully that funding all of Alaska's needs and desires would cost more than the resources available. Therefore, out of the seminar program must come recommendation as to priorities. (NOTE: The order of presentation is not related to priorities.)

Editor: Betzi Woodman

Attached: Appendix of Subjects Discussed

The following subjects received attention in discussion, either by themselves or in conjunction with a matter being resolved into a policy statement:

Freedom of choice -

The individual counts -

Control of development patterns with implications -

Coordination of planning efforts -

Development should not conflict with what we want to save -

Life style may be a fetish; some life style not so good--poverty, etc.

Needs cited: transportation, rural and urban; day care centers for youth and elderly -

Welfare state not necessarily a happy one -

Polarization of opinion on land claims is divisive -

Although claims may be Federal problem, we have stake in it -

Social conditions in Alaska are reality of today -

Research and studies often too compartmented, need coordination of information

We are moving into a dynamic situation; we could produce skilled (people) to fit what we want to attract -

Possibility of moving some rural communities together -

If we don't create jobs in marginal situations, outsiders will, with various unpleasant consequences -

Let's not take out what won't be replaced -

Building humans is good; would be shame if we efficient with industry but not with people -

Goals would be same even if we did not have money -

Job holding or some type of earning rewards seemed desirable -

Recognize need to develop managerial skills -

Need to create some outside income--cannot feed on selves -

Unorganized areas should get government -

Cross-cultural means sending some kids from Anchorage to Barrow as well as the other way around

Can't stress planning too much -

Should consider how to avoid problems of Outside urban areas as ours grow -

Social progress should go ahead, election notwithstanding -

When considering urban problems, should include rural emigrants for ideas -

Recognition of potential human resource development in agriculture and red meat industry -

Problems of mental health need great attention -

* * *

The Legislative Council of the State of Alaska
in association with
The Brookings Institution

A CONFERENCE ON THE FUTURE OF ALASKA

SEMINAR THREE

"The Quality of the Natural Environment in Future Alaska"

REPORTS OF POLICY PLANNING SECTIONS

Alpha

Beta

Gamma

Delta

If anything like the present life-style is to continue in Alaska, man's environment - a fragile shell at best - must be guarded against all forms of man-made pollution. With this principle as a broad but demanding goal, Alpha group created an office of ecology, adopted an environmental bill of rights, a land-use policy, an office of science and technology, and suggested a means of continuing the life-giving dialogue on environment.

Policy: (An Environmental Bill of Rights) It is recognized by the state of Alaska that every citizen has an inherent need for an inseparable interest in a livable environment and that his right to satisfy that need and to protect that interest is inalienable.

It is also recognized that:

...because Alaska, on the threshhold of major economic development, is the final opportunity for Americans to "civilize" a great region without too deeply upsetting its ecological balance and without succumbing to the technological process;

...because Alaska incorporates the last great wilderness of size in the United States of America;

...and because, if there is something distinctive about the American, it is because he has had the opportunity to renew himself in the "wild."

That because of these considerations the government and the people of Alaska have an additional and special responsibility to all Americans to safe-guard the Alaskan environment.

In acknowledgment of this special responsibility and in affirmation of the environmental right of every citizen, the government and people of the state of Alaska declare their belief and conviction that the material development necessary to the well-being of human society can be harmonized with the protection of the natural environment which makes that development possible.

It shall, therefore, be the policy of the State of Alaska to conserve and protect its natural resources and wildlife, its scenic beauty and the ecological quality of its air, water and land while fostering the material development essential to the welfare of its people.

This means that resource extraction and business-industrial developments, with their attendant transportation and communication systems and their population needs, shall be planned and conducted in maximum feasible conformity to the above considerations.

Background: This recognizes, in a very alarming way, that man is capable of destroying himself simply by doing nothing about his environment. There were objections from those who felt the policy tended to "lock up" wilderness, completely eliminating its materialistic usefulness. But the idea behind the policy - the one agreed to by the whole group - is to develop a "livable environment," one that is people-oriented but also allows the use of undisturbed wilderness areas for scientific purposes.

Policy: Formation of a special office of ecology within the office of the governor concerned for the total environment.

Background: One way of improving the strong, executive-type government that Alaska has is to provide added resource information for the governor. And a chief function of this new office would be to provide this kind of new knowledge.

It would provide an "overview" of the public and private sectors. This new perspective, coupled with research and some imagination and daring, could aid the governor (and the legislature) in developing an environmental program. If the office seems to conflict (or duplicate) what is already being done by some other departments, that is its purpose. No other agency has the severe burden of this grave responsibility.

The group also suggested that the legislature beef up its own resources by utilizing the best scientific minds. Some felt the legislature should hire staff scientists for this purpose.

Policy: (Transportation) To develop an integrated (all modes) transportation system to meet the needs of all Alaskans and provide communication between all areas and the economic centers of the state.

It shall be planned so as to provide systematic location of facilities and corridors necessary to meet, most economically, the above needs as well as the handling of backhaul as a contribution to the reduction of transportation costs in all areas served by the system.

Systems planning and development shall include recognition and planned use of the latest equipment designed and available for use by all transportation modes to the extent they appear practical and adaptable for use in Alaska. And it shall be the policy of the state to continue regulation of the transportation industry in a manner designed to assure the performance of efficient service by the industry plus reasonable rates to the citizens of the state.

Background: A systems-approach to transportation is one way for the state to take a serious look at transportation, and perhaps to see beyond the accepted ideas of roads, airports, harbors and railroads.

Policy: To encourage poeple to visit Alaska. Tourism as an industry represents the least threat and the greatest compatibility with one optimum goal for protection of Alaska's natural environment.

Background: A few thought the state should get out of the tourist business entirely, stating that the state's advertising program unfairly distorts Alaska by creating a "fairyland" of goldpanners and igloo-dwellers. And wouldn't just as many people come to see us (the state) as we really are? However, most appeared to favor the state's involvement.

Policy: It is recommended that top priority be given to state supplementation of federal programs for development of rural community facilities with particular emphasis on

water, sewer, garbage disposal, drainage, roads, trail marking, recreational facilities and mosquito control.

Although included in a general policy statement during Seminar Two, some felt the need so great it deserved more direct attention.

Policy: (Land-use Planning) That a comprehensive statewide land-use plan be adopted at the earliest possible time.

Background: Land-use planning is a fundamental means of carrying out social, economic and environmental policies of government. It shapes patterns of settlement, determines rates and directions of economic and social development and molds the environmental matrix of our lives. Developing goals for land use and classification shall be a matter of high priority for the state of Alaska and the state shall channel significant resources to this effort immediately.

It shall be the intent and policy of the State of Alaska to elevate the stature of land planning and classification within its governmental system to a position consistent with this crucial role. This shall be done by significantly increasing professional and support staffs, by developing rapid but thorough review processes with other state agencies and by formalizing and strengthening joint planning with native corporations, local governments and federal agencies. (The group agreed to the above with the provision that a careful survey of all land resources be made before use is designated.)

Policy: (State Parks) That the state recognize the need for state-operated parks and recreational areas and the relevance of this program to the general land-use policy, and that park designation be made before the land is selected.

Policy: (Limited Time Land Use) To provide a means of using land on a temporary basis, or until a decision has been made concerning its use. It includes the issuance of temporary permits for building cabins and other facilities. And includes all open lands except dedicated wilderness areas.

Background: Some exciting areas of the state such as Lake Clark and others will eventually be part of park systems. The group felt such areas should

be utilized on a temporary basis until the final designation is made. Some areas would be opened to temporary cabins and some not.

Policy: Place the concept of an Urban Systems Administration in the State Division of Local Affairs.

Policy: Create the Office of Science and Technology within the Department of Economic Development.

Background: The group strongly supported the idea of such an office, but split over where it should be placed within the state government. A vote of nine to five decided in favor of placing it within the Department of Economic Development. Others felt it should be placed within the Department of Commerce.

Policy: The development of a continuing dialogue on the environment between executive, legislature and all citizens, administered by the Legislative Council and developed through periodic public hearings.

Policy: And that the state develop and institute a plan for conservation and environmental education for integration into the school curriculum at all levels.

Background: There is a great educational benefit in a continuing conversation about the environment. It would amount to a continuing Alaska Environmental Conference in which all Alaskans are participating members.

In considering its policy for the future, Alpha also discussed the following innovations likely to be applied in Alaska during the next thirty years. (Source: Daedalus, Journal of the American Academy of Arts and Sciences, summer 1967)

1. Long-range weather forecasting and weather control.
2. New airborne vehicles (ground effect machines, VTOL and STOL, superhelicopters, giant supersonic jets)
3. Extensive and intensive worldwide use of high altitude cameras for mapping, prospecting, census, land use and geological investigations.
4. New sources of power for ground transportation (storage-battery, fuel-cell propulsion or support by electromagnetic fields, jet engine, turbine)

5. New methods of water transportation (large submarines, flexible and special purpose "container ships," more extensive use of large automated single-purpose bulk cargo ships)

6. New techniques for preserving or improving the environment.

7. New techniques in adult education.

8. New, improved plants and animals.

9. More sophisticated architectural engineering.

10. Improved use of the oceans.

11. Use of nuclear reactors for power.

12. Use of nuclear explosives for excavation and mining.

And because of its belief in the long-range and far-reaching values of the conference unit, Alpha group recommended that all four seminars consider the wisdom of an additional conference, made up of the same membership, following the close of the legislative session. The purpose would be to evaluate and analyze legislative response to the recommendations of the present conference session.

Editor: Herb Adams

Alaskans prize the present quality of the natural scene but realize that progressive deterioration of the environment is occurring and is largely uncontrolled. Beta Group struggled with the problems of how to preserve, restore or improve the quality of life and environment. The group expressed strong dissatisfaction with the State's approach and performance on environmental protection.

To face these problems, Beta Group adopted four fundamental policy proposals:

I. Beta Group recognizes two distinct government organizational needs relative to environmental considerations. These requirements are:

1. Broad scientific inquiry and public-private sector cooperation,

2. Strengthening of state functions to prevent environmental pollution and degradation.

Therefore, Beta Group recommends:

A.) The creation of an adequately-funded state agency or commission for environmental quality, with expertise in environmental sciences and technologies whose functions shall be to:

--assemble basic data and conduct research necessary for making informed decisions;

--review and develop policies and programs for environmental protection or improvement;

--provide mechanisms for coordination of state programs;

--provide for dissemination to the public of information on environmental matters.

B.) That present state mechanisms for control of degradation of land, water and air by solid wastes, pesticides, thermal discharges, noise, light and other pollutants be greatly strengthened by increasing manpower and funds for surveillance and enforcement.

Consideration should also be given to reconstituting these functions within a new Alaska pollution authority.

II. Beta Group recommends that the State of Alaska take immediate steps to work actively with the federal government toward a national policy for the Arctic. This policy shall encompass joint goals and objectives for economic, social, scientific, cultural, natural resources and environmental considerations.

III. In order to better understand the environmental influences of the North and to devise better approaches for the enhancement of life quality in Alaska, Beta Group recommends that the State support with substantial funds the orderly growth of research and development institutions and systems in Alaska.

IV. In order to promote the growth of the State of Alaska, to encourage enlightened management of the resources and environment of the State and to avoid unnecessary state-federal policy conflict, Beta Group recommends that the State should undertake in cooperation with federal agencies the classification and/or zoning of state and federal lands, waters and natural resources for appropriate primary beneficial uses such as community expansion, industrial location, transportation systems, parks, recreation and wilderness areas and wildlife habitat management for commercial, subsistence and recreational utilization.

It should be the intent and policy of the State of Alaska to elevate the stature of public land planning and classification to a position consistent with this crucial role. This would be accomplished through increasing professional and support staffs, by developing rapid but thorough review processes with other state agencies, and by formalizing and strengthening joint planning with local governments and with federal agencies.

Several related topics on environmental considerations were brought before the group and recognized to be important. But time did not permit enough discussion to bring group consensus. These include:

--transportation and communication

--possible investment of non-renewable resource revenues in development of renewable resources

--an environmental Bill of Rights

--needs and values of an Office of Technology and Research

--programs for parks, recreation areas, tourist accommodations, anti-litter activity, encouraging attractive public architecture, acquisition of art for state buildings and preservation of artifacts

The group's editor observed that discussants became aware of implications of proposals and would reword a statement several times to find the intent of the

group. The editorial committee noted that although the seminar was exhorted to think of a future due any day which differed much with today's situation, Beta members were also aware of present problems and needs and seemed obliged to address themselves to that as well as the future.

In keeping with a trend of speakers' using quotations from literature, Beta feels the following from Shakespeare is an appropriate conclusion:

> *There is a tide in the affairs of men*
> *Which, taken at the flood, lead on to fortune.*
> *Omitted, and all the voyages of their lives*
> *Are bound in shallows and in miseries.*

Editor: Betzi Woodman

Discussion Group Gamma adopted the following policy statement:

The Legislature of the State of Alaska should enact legislation to establish a Board on Environmental Quality and provide adequate funds for the Board's operation. The proposed act should include the provisions described in the following paragraphs.

It should be the continuing policy of the government of Alaska to employ every effort, consistent with other essential considerations of State policy, to improve and coordinate State plans, programs and resources to:

1. Fulfill the responsibilities of each generation as trustee of environment for succeeding generations;

2. Assure for all Alaskans safe, healthful, productive and esthetically and culturally pleasing surroundings;

3. Attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;

4. Preserve important historic, cultural and natural aspects of our national heritage, and maintain, wherever possible, an environment which supports diversity and variety of individual choice;

5. Achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities; and

6. Enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.

It is respectively submitted that implementation of this policy should include the provisions contained in the following paragraphs:

1. Utilize to the fullest extent possible a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on man's environment;

2. Identify and develop methods and procedures which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decisionmaking along with economic and technical considerations;

3. Include in every recommendation or report on proposals for legislation and other major State actions significantly affecting the quality of the human environment, a finding by the responsible official that--

   a. The environmental impact of the proposed action has been studied and considered;

b. Any adverse environmental effects which cannot be avoided by following reasonable alternatives are justified by other stated considerations of state policy;

c. Local short-term uses of man's environment are consistent with maintaining and enhancing long-term productivity; and that

d. Any irreversible and irretrievable commitments of resources are warranted.

4. Study, develop and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of land, water or air.

To carry out the purposes of the Act, all applicable agencies of State government should be authorized to:

1. Conduct investigations, studies, surveys, research and analyses relating to ecological systems and environmental quality;

2. Document and define changes in the natural environment, including the plant and animal systems, and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

3. Evaluate and disseminate information of an ecological nature to public and private agencies or organizations or individuals in the form of reports, publications, atlases and maps;

4. Make available to local units of government, institutions and individuals advice and information useful in restoring, maintaining and enhancing the quality of the environment;

5. Initiate and utilize ecological information in the planning and development of resource-oriented projects.

The Board on Environmental Quality should be established in the Executive Office of the Governor. The Board should be composed of three citizens of Alaska who shall be appointed by the Governor to serve at his pleasure. Each member shall, as a result of training, experience or knowledge of Alaska, be qualified to analyze and interpret environmental trends of all kinds and descriptions and shall be conscious of and responsive to the scientific, economic, social and cultural needs and interests of the state. The Governor shall designate one member as Chairman of the Board.

The primary function of the Board shall be to:

1. Report at least once each year to the Governor on the state and condition of the environment;

2. Provide advice, assistance and staff support to the Governor on the formulation of policies to foster and promote the improvement of environmental quality;

3. Obtain information using existing sources, to the greatest extent practicable, concerning the quality of the environment, and make such information available to the public.

4. Provide for cooperative planning between federal and state agencies.

The Board shall periodically review and appraise state programs, projects, activities and policies which affect the quality of the environment and make recommendations thereon to the Governor, including recommendations on legislation required, and desirable changes in rules and regulations.

It shall be the duty and function of the Board to assist and advise the Governor in the preparation of an annual environmental quality report.

The Governor shall transmit to the Legislature an annual environmental quality report which shall set forth:

1. The status and condition of the major natural, manmade or altered environmental classes of the State; and

2. Current and foreseeable trends in quality, management and utilization of such environments and the effects of those trends on the social, economic and other requirements of the state.

A note of explanation here should indicate discussion members believed that because of the all-encompassing nature of environmental quality, such a governmental body should be above the department level and in the governor's office.

Also, the group underlined a specific program of conservation education should be included in all public school curriculum.

In support of the general proposal, several existing problems were described: dangerous siltation of salmon streams near seismic trails; frequent oil spills in an inlet; sewage pollution of various waterways and depletion of fish and wildlife in some locale. An immediate need was seen for establishment of specific guidelines for both industry and private group operations which affect the quality of the environment. It was hoped that the Board on Environmental Quality could help prepare those guidelines and assist in their enforcement.

Special attention was given to renewable resources in this statement:

"The legislature of the State of Alaska should provide adequate funds to insure the protection, utilization, management and development of natural renewable resources to end the possibility of inadequate funding and to insure the perpetuity of our renewable resources such as fish, forests and wildlife."

Regarding land use, it was observed that current land laws do provide for procurement and classification but that an overall land-use policy remains to be developed. Gamma therefore passed on the following:

"The state should prepare a master plan for land use and provide funds necessary to accelerate implementation of policies in Article VIII of the state constitution with appropriate emphasis on the multiple-use concept and on the preservation and perpetuation of Alaska's flora and fauna."

Some members filed a minority opinion that the term "multiple-use concept" is not appropriate. Instead, they preferred the term "primary beneficial use" - wherein recognition of environmental advantages or restraints for or upon a particular use will guide establishment of the best primary situation.

Part of the land-use policy should include withdrawal of large blocks of land as wildlife refuges and scenic preserves, some said. Many called for an increase in recreation areas with easy access and designed for a variety of outdoor activities.

Where a question of the best use of an area remained, members agreed that the esthetic values should receive first priority.

Turning their attention to urban problems, Gamma members decried a lack of planning for recreational purposes within the cities and boroughs and criticized "overdevelopment."

Accordingly, Gamma stated "There are extremely important options to be faced now regarding the future quality of the physical and social environment of urban and urbanizing areas of Alaska. Growth is inevitable and must be accommodated; uncontrolled growth may be destructive."

Gamma proposes that a Center for Northern Community and Regional Development Studies be established at the University of Alaska and that it be funded.

"In response to the uniqueness and the growing complexity of problems associated with urban and rural development in Alaska and the North, and the need for an inter-disciplinary approach to these many-sided problems, a "Center for Northern Community and Regional Development Studies" should be established at the University of Alaska. A primary effort of research programs would be to discover

the principles which could provide a basis for developing optimal living conditions in northern communities.

"The community portion would be concerned primarily with the design of the urban and village environment, the social and economic forces that affect it, and the process of plan-making and administration.

"The regional portions would be concerned with economic and resource regions, the forces that generate economic growth, and the ways in which resources can best be used in area development. Informational and advisory services would be provided to the state administration and local government bodies.

"The center would have at its disposal at the University such essential resources as a wide range of academic expertise, libraries, data banks and computer services. Additional funding would be solicited from private and governmental sources which would encourage the exchange of information between other northern areas."

Because participants felt that an improved transportation network is part of a quality environment, this policy statement was included:

"It shall be the policy of the State to direct and participate in the development of a "state-wide" integrated (all modes and methods) transportation system. Such system shall meet the transportation needs of all Alaskans and shall provide communication between all areas and economic centers of the state. It shall be planned so as to provide systematic location of docks, harbors, roads, airports, railroads and corridors necessary to meet, most economically, the above needs, as well as handling of backhaul as a contribution to the reduction of transportation costs in all areas served by the system.

"System planning and development shall include recognition and planned use of the latest equipment designed and available for use by all transportation modes to the extent that they appear practicable and adaptable for use in Alaska.

"System and type planning shall be consistent with the existing and projected needs of the areas with priority to those areas indicating economic feasibility or other potential substantial benefits.

"Full consideration to utilization of transportation corridors (road, rail, pipeline) to provide practical access with minimum damage to Alaska's ecology shall be given in areas where nature's damage recovery is slowed by climate extremes or other factors.

"Finally, it shall be the policy of the State to continue fair and equitable regulation of the transportation industry in a manner designed to assure the performance of efficient service by the industry consistent with reasonable rates to the citizens of the state."

Citing a high cost of transportation in rural Alaska, one discussant proposed an air system to be state operated through contracts with private carriers.

One member would like to see financial aid to rural areas based on population so they could build pioneer access roads.

Another complained about a lack of regulation in the transportation industry and urged better regulation to the extent of lowering rates and providing better service. This brought a prompt objection to any sort of regulation.

Editor: Jan Erickson

I. Basic Environmental Policy:

Delta section urges that the State of Alaska develop major environmental-protection policies. Alaska cannot exist or function without feeling the pressure of human industrial and commercial activity within Alaska or out, and the state should be aware that development and manipulation of the Alaska ecology could have adverse effects.

Alaska today has a unique opportunity to shape its future, including the future of Alaska's physical environment. To insure that economic development can proceed in an orderly manner, without disruptive effects on ecology and environment, we urge the state to pursue these goals:

a. To foster and maintain a wholesome environment. We recognize the value and inevitability of economic growth and measures of urbanization. Policies should not discourage development, but accept the cost of environmental protection as part of the development process.

b. The state must expend substantial sums to staff and direct a vigorous, knowledgeable and competent environmental management function with these tasks:

1. Evaluating the long and short-term implications of development that could have major effects on the environment.

2. Plan the means to minimize destructive effects of certain development.

3. Set environmental standards.

4. Encourage effective environmental and ecological management by regional and local governments.

5. Develop techniques to improve the environment.

6. Develop regulatory powers to control development activities with harmful environmental side effects.

c. The state should encourage development of concern for quality in the environment at the earliest levels of education. Secondary schools shall provide courses on these subjects. The state must also project awareness and respect for environmental quality to all Alaskans, through appropriate educational programs and media.

II. Recommendations for a Land-use Policy:

Recognizing that intelligent land use and disposal policies by government in Alaska can encourage orderly development and deter harmful environmental side effects, Delta urges that these four points be embodied in a comprehensive state land-use policy:

a. On the matter of state land acquisition, selection and disposition of lands by the State should be coordinated with the overall planning agency of the state to insure balanced selection and disposition. Public needs for recreational, cultural, environmental and community-planning uses (including a tool to prevent harmful land speculation) should be considered in land selectioning, as well as the consideration of economic progress (i.e. lands rich in natural resources).

b. On the matter of land use, we recommend:

1. That the state pursue a land-use policy geared to primary public benefit, with other multiple uses authorized only to the extent that they do not interfere with primary public benefit.

2. That the state devise strategies to discourage harmful speculation in state lands.

3. That the state pursue a vigorous policy of developing parks and recreation areas. The state should insure that by reservation, acquisition, selection or purchase - where necessary - there will be ample recreational lands to meet requirements for the long term. Areas strategic in recreational and scenic qualities, particularly seashore and inland waters, should be preserved. In this pursuit, the state should coordinate actions with those of federal, regional, local and private park and recreation agencies.

c. Pertaining to federal land:

1. The state should sharply increase land-use classification, planning and management functions within the State Division of Lands, and associated with improved state land programs should be improved working relationships with appropriate federal agencies for the purpose of coordinating lands development.

2. The state should press for federal legislation to revise the archaic and antiquated federal Homestead Act to provide modern, regionally relevant methods of making federal lands available to private ownership.

d. Miscellaneous land recommendations:

1. That the state and local governments plan and implement controlled settlement patterns not conflicting with homestead traditions, but discouraging the indiscriminate growth of unplanned communities with substandard construction and poor human living conditions.

2. That the state pursue a vigorous program to locate and protect scientific and historical sites in Alaska, through updating and strengthening of the Antiquities Act.

3. To provide local governments with the tool to stimulate orderly development of vacant lands, the adoption of legislation permitting cities and boroughs to designate classes of property subject to ad valorem taxes, and to establish different levels of taxation for different classes of property.

4. The state should limit borough land selection to borough public purposes. Revenue loss from land sales conducted to generate revenue should be made up in state revenue-sharing programs.

5. That the state periodically review the justification for military, federal and state land withdrawals, particularly those near or in communities. If the need for such withdrawal can no longer be demonstrated, the state should press for return of the land to public domain.

III. Renewable Resource Recommendations:

Delta group urges the state to adopt planning policies to include budgeted allowances for increased research and development in the field of renewable resources.

Alaska commercial fisheries and timber industries rank numbers one and two in direct private payroll contribution in the state, and numbers two and three in product value. The third vital renewable resource in the state, though lower in employment and direct product value, is agriculture - with potential that will be eventually realized in achieving full use of public lands.

To realize the full benefit of Alaska's renewable natural assets, increased research and development is required. Expansion of the variety of consumer products available from these resources being harvested at present, decreased waste and better overall resource management are a few prime objectives.

IV. Research; A Proposal for an Alaska Academy of Science and Technology:

A body of qualified Alaskans shall be recognized by statute and supported by annual state appropriation under the title, "Alaska Academy of Science and Technology." Its constitution and operation will be analogous to that of the National Academy of Science - National Research Council, so providing representation from all disciplines.

As at the federal level, the academy will be available for fact finding, review or advice in those matters involving science and technology which may be referred to it by the executive or legislative branch.

The findings and recommendations of the academy will be public record. In addition to advisory roles to state government, the academy will fulfill these additional objectives:

a. Assemble in one body the finest expertise in Alaska on science and engineering;

b. Promote scientific standards within Alaska;

c. Provide continuity in scientific and technological planning;

d. Disseminate scientific knowledge;

e. Coordinate scientific activity between all Alaskan agencies involved in research and higher education.

V. On the Matter of Long-term State Planning Policy:

Delta affirms the significance and importance of an imaginative planning function within state government, but Delta will defer a final statement on the mechanics and structure of the planning organization until the concluding Brookings Seminar.

VI. On Nuclear Pollution:

Delta advocates the creation by the state of an independent and scientifically qualified panel to advise and inform Alaskans on the nature and risks of nuclear pollution.

VII. On General Research:

Delta recognizes that as actors in Alaskan life we tend to be preoccupied with past problems and present deficiencies in the quality of Alaskan life. While these are problems of great concern deserving immediate attention, this perspective tends to obscure our view of the long-term future.

The bridge to that future is in research. A policy establishing the shape and priority of the research function is an important job still to be done by this section.

The Alaskan tradition is steeped in the geography and fellowship of its people. A research policy for Alaska should recognize the origins and values of the Alaskan tradition.

The first layer of research should be identification of those subjects within the Alaskan tradition worthy of further research. Alaska is a maritime as well as oil province, and a logical subject among the natural sciences studied by researchers should be the sea and production from the sea. Another area, no less important, would be research in educational innovation.

Alaska is a laboratory to the nation and world, and the Alaskan proprietors will find a future as scientists in it.

Delta will amplify on the role of research in the final seminar.

Editor: Tim Bradner

The Legislative Council of the State of Alaska

in association with

The Brookings Institution

A CONFERENCE ON THE FUTURE OF ALASKA

SEMINAR FOUR

"ALTERNATIVE FUTURES FOR THE STATE OF ALASKA"

Reports of Policy Planning Sections

Alpha

Beta

Gamma

Delta

Alpha Group envisions a FUTURE FOR ALASKA as:

One which maintains, as we have agreed on, a harmony between man and the natural environment, with strict controls on pollution and environmental degradation...

One where the emphasis is on living, not just making a living...

One which places technology and material development in the service of man, not vice versa...

One where ethnic, racial and cultural diversity is a proud and cherished accomplishment...where discrimination has been eliminated or minimized and where all men are truly brothers...where the individual is freed from the terrible psychic burden of feeling "superior" to his fellowman for reasons of race, creed, wealth or position...

One where good health is assumed as a right and men are not expected to compete to achieve it...

One where the arts, the contemplative life and other cultural pursuits receive equal attention with material activity...

One where the political process achieves a deserved respect through participation of an alert, active citizenry.

In preparing policies and listing priorities, Alpha Group recognized that many areas overlap or inter-relate. Discussants separated policy statements into two general categories - programatic or investment items and those related to strategy-process-institutions. In the former category, the group chose five areas of special concern and has listed them in order of priority for legislative attention. Within each of the five, specific priorities have also been designated.

PRIORITY I - EDUCATION

Educational programs of all institutions of learning in the state, including research and graduate school facilities, should be equipped in material and staff so that they contribute to the education and training of students for tomorrow's world.

Ways should be found to assist Alaskan youth in obtaining advanced training so that they may participate in all aspects of academic and practical studies, including assistance to attend specialized schools (i.e. law and medicine) not likely to be established in the state.

The state should fund a major portion of education costs through revenue-sharing, while leaving school control in local hands.

Rural education should be restructured in order that Native Alaskans as well as non-Natives may be equipped to choose the life-style of their seeking, a situation which does not now exist.

Matters within the Education Priority, in the order of importance, are:

A--there should be regional schools with boarding facilities so that Native children (and others in remote areas) need not be sent outside the state for schooling. Opportunity should remain for rural children to attend urban schools through a program like the present Foster Home arrangements.

B--A cultural orientation program for new teachers to the state is a significant need. Teachers assigned to rural areas should receive orientation in the culture of the area in which they will teach (not just instruction on how to run the school plant). Urban teachers should receive orientation relevant to the Native culture.

C--There should be preschool training in all urban and rural schools.

D--Special kinds of education should be supported, such as expanded adult education, Upward Bound, vocational training (with special reference to Alaskan industries), special education problem centers (particularly for rural Alaskans), and encouragement to Alaskan Natives to enter the teaching profession.

E--Other areas of importance include use of teaching tools such as satellite educational television (and to help bind the state together) bilingual teaching aides to instruct and assist teachers in Native culture courses, courses designed to help students meet the identity crisis when leaving home and entering a new environment; and courses in Alaska Native history and culture for all students.

PRIORITY II - HEALTH

Good health is indispensable to the development of our human resources. Planning in this area must involve provisions for higher standards of health for Alaskans, including but not limited to the following areas:

A--Improved living conditions such as housing, sanitation and safe water supply, nutrition and health education.

B--Vastly improved health services and the delivery thereof with special emphasis on mental health needs.

C--Training and licensing of paramedical personnel to fill the need, in both urban and rural areas, for medical services at subprofessional levels.

PRIORITY III - ENVIRONMENT

A--Man's environment, threatened now by numerous forces, must be safeguarded if Alaskans are to continue living in anything like the present life-style. Basic to this need is an ENVIRONMENTAL BILL OF RIGHTS which recognizes that every citizen has an inherent need for and an inseparable interest in a "livable" environment and that his right to satisfy that need and to protect that interest is inalienable.

B--A special Office of Ecology should be created within the office of the governor. Such an office would be concerned with the total environment, would provide environmental overview of programs in the public and private sectors, would

develop information through research and other special studies and would, with "imagination and daring," aid the state in developing a thorough ongoing environmental protection program.

C--Because land-use planning is a fundamental means of carrying out social, economic and environmental policies of government; because it shapes patterns of settlement, determines rates and directions of economic and social development and molds the environmental matrix of our lives, developing goals for land-use and land classification shall be a matter of high priority for the state of Alaska. The state shall immediately channel significant resources toward adopting a comprehensive statewide land-use plan.

(1) It shall be the intent and policy of the State of Alaska to elevate the stature of land planning and classification within its governmental system to a position consistent with this crucial role. This shall be done by significantly increasing professional and support staffs, by developing rapid but thorough review processes with other state agencies and by formalizing and strengthening joint planning with Native corporations, local governments and federal agencies. A proviso is that a careful survey of all land resources be made before use is designated.

(2) The state shall recognize the need for state operated parks and recreational areas and the relationship of this program to the general land-use policy. The state shall also designate land for parks before the land is selected.

(3) A means shall be provided to use land on a temporary basis, or until a decision has been made concerning its ultimate use. This would include issuance of temporary permits for building cabins and other facilities and includes all open lands except those dedicated as "wilderness areas."

(4) The state shall develop and institute a plan for conservation and environmental education for the school curriculum at all levels.

PRIORITY IV - WELFARE

The well-being of all Alaskans is essential to the future of our state. Recommendations for special attention include:

A--Because a decent, safe, sanitary house in a suitable environment is basic to all other aspects of human life, Alpha group recommends that the State establish a procedure to supplement the funding limits of federal programs (especially in housing) in a massive approach to solve the housing problem throughout the state.

B--Needed is an overall system of welfare which will handle more effectively the ever-increasing work load, provide for more adequate staffing, increase funding, emphasize rehabilitation of individuals and erase existing inequities which tend to break down health, family unity, promote juvenile delinquency and keep welfare recipients prisoners of the system itself.

C--The state should develop a program for the aged in the near future to meet the following conditions:

(1) Living assistance of $250 minimum monthly for the elderly

(2) More homes for the aged to be built with oil-revenue monies used to match federal funds for this purpose

(3) Property tax relief to a $500 limit to be granted the elderly

(4) Drop residency requirements for present state homes for the aged so more federal matching funds can be used

(5) Act to insure functioning of federal programs for the elderly in rural areas, and if such programs fail to meet needs, assume the responsibility.

PRIORITY V - RENEWABLE RESOURCES

A--To realize full benefit from Alaska's renewable natural assets, increased research and development is required. A sufficient proportion of revenues generated by non-renewable resources development should be used to increase and further develop the renewable resources to insure their perpetuity. This would include special emphasis on protection and research activities to increase commercial and recreational fisheries. Other areas of concern include forests, wildlife and recreational areas.

LAND CLAIMS

Alpha recognizes that settlement of the Land Claims will have a significant bearing on many of the priority programs listed. As in previous sessions, varying views were expressed as to procedures for effecting an expeditious settlement.

Some other policy decisions were made by the group in matters which fit generally in this category also, but priorities were not assigned to them. To help indicate the rationale behind final policy wording, Alpha group adopted the method of prefacing each policy with a statement reflecting the reasons for its proposal.

TRANSPORTATION

We propose establishment of a Transportation Systems Planning Agency within the state government. Its function would be to design transportation systems and networks which reflect the social and economic goals of the state and the requirements of natural resource management.

To achieve desired goals, the agency would contain experts in a broad range of pertinent fields, including urban problems, resource management, rural development and economics but would review and submit proposals to other state agencies such as Natural Resources, Health and Welfare, Fish and Game, Office of Ecology, etc., for review and refinement.

Plans for surface transportation would be sent to land classification agencies which would develop a specific land-use for adjacent land areas of the route. It would be mandatory for an approved land classification plan to precede the start of construction.

STRENGTHENING REGULATORY AGENCIES AND CONSUMER INTERESTS PROPOSAL

Because regulations have little value unless they are monitored, and because enforcement is a major method of making such regulations effective, we propose that state regulatory agencies be strengthened through more appropriate definition, greater scope in their missions, adequate resources to carry on their functions, and direct representation of the consumer in their organizations.

We further propose that consumer interests beyond those assigned to the regulatory agencies be placed in an "Office of Consumer Affairs" in the office of the governor.

TAX STUDY

In view of the major change in state revenue sources occasioned by petroleum development; in view of both the disparate and inadequate methods and rates under which local governments use their tax authorities; and in view of statutory tax restrictions imposed upon them, we propose that the legislature provide for an authoritative tax study looking toward establishment of an equitable, correlated state and local system of taxation, taking into consideration all existing and potential sources of tax revenue such as royalties, severance, property, sales and income.

REPEAL OF INCENTIVE ACT

The group reiterates its previously agreed-upon position that the Industrial Incentive Act should be repealed.

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Other matters which need legislative attention and which fall under the second category indicated at the start of this report include:

ASSISTANCE FOR LEGISLATORS

To assist legislators to carry out their duties which are becoming more and more demanding, Alpha again recommends that sufficient funds for staff assistance, travel and communications should be appropriated.

AVOIDING UNDUE INFLUENCES OF SPECIAL INTERESTS

It has been the experience in other states that when a significant proportion of a state's economy is derived from a few special sources, representatives from these sources often come to exercise undue political influence in the state.

It should therefore be the policy of the state of Alaska to maintain an "arms-length" relationship with such groups to the end that the dangers of undue political influence, direct or indirect, be eliminated as far as possible.

To this end it is recommended that the legislature develop some continuing institutional means for maintaining a high level of awareness and sensitivity in this regard and that this institution be open to public participation and to the public record at all times.

The ever-increasing role of state governments means increasing temptation for private interests to attempt to obtain influence with legislators through excessive gifts or hospitality; through making available lucrative economic opportunities and through overt bribery. These and other ethical problems must be dealt with if both the reality and the

appearance of high ethical standards by state legislators, the judiciary, the administration and other policy makers is to be maintained.

We recommend that the Alaska legislature study the Washington State Code of Ethics statutes of 1965 and 1967 and also the joint permanent rule that was enacted in 1969 under those statutes, with the view of adapting them to provide a Code of Ethics for Alaska legislators (and other officials) by statute, rule or otherwise.

We suggest particular emphasis should be placed on Washington State's provisions for disclosure of sources of incomes and ownership of real estate by members of the legislature, the judiciary, the administrative and other policy-makers, and especially on the definition of a "conflict of interest" composition of the Board of Legislative Ethics, its procedures and provisions for penalties.

INTERMEDIATE FORMS OF GOVERNMENT

Whereas a significant proportion of Alaska's people live on the public domain and face the need for establishment or improvement of local government; and whereas present law contains unrealistic premises for basic financing and operation of local government in rural settings, it is recommended that the legislature modify existing law to provide broader intermediate forms of government and increased revenues and sources of financing to communities located in the Unorganized Borough, so that practical assumption of local responsibilities can be achieved.

EXTERNAL AFFAIRS

With its growing vigor as a state, an increasing ability to handle its affairs, and with recognition of its vital position relative to the Pacific Rim and the Arctic, Alaska should now take the lead in developing relations with Japan, the USSR and the circumpolar countries.

To accomplish these goals, Alaska should pursue efforts in the following fields:

(1) Urge the federal government to include Alaskan representation on State Department negotiating teams, and work toward improvement of relations with the Pacific powers, especially in the areas of fisheries, trade and travel.

(2) Actively support exchanges with other Arctic nations in fields of mutual interest.

(3) Consider state offices in key cities of Europe and Asia when feasible to promote travel and trade.

(4) Assert Alaskan sovereignty over continental shelf fish stocks.

(5) Encourage the federal government to negotiate with the USSR for limited air tourist transportation between Northwest Alaska cities and similar isolated coastal towns in Siberia, thus to help improve international relations and to provide a new base for tourism.

ROUND LOG EXPORT

In order to establish a viable economy in the rural areas of the Yukon-Kuskokwim drainage systems and to allow for the intelligent harvest and marketing of forest products of this area, the state of Alaska should rescind the ban on export of round logs from this area.

CONTINUING EVALUATION

Whereas the Legislative Council has chosen the Brookings Institution Seminars as the present method for determining the Future of Alaska; and

Whereas the Seminar participants have conscientiously attempted to determine legislative priorities:

It is recommended that a fifth seminar be scheduled after the close of the 1970 Legislative Session to evaluate the effect of the Brookings Institution Seminars on the Legislative Session.

APPRECIATION

Whereas we the participants in this series of conferences commend the Legislative Council for seeking guidance in planning for Alaska's future:

It is RESOLVED that our appreciation be extended to the

Alaska Legislative Council.

Editor: Betzi Woodman

ALPHA APPENDIX

Subjects recognized as meriting much discussion but for which time did not allow adequate treatment:

Urbanization - needs of urban Natives

Fiscal matters relative to the lease revenues: inflationery problems; "money is means to ends;" "treat it like renewable rescurce."

Rural Economy

Communications

Manpower

Need for new institutions and some governmental changes

FINAL REPORT OF BETA GROUP

Alaskans love life. They work hard and they play hard. They take great pride in themselves as individuals and as creative persons. And in general - with many variations - this is the Alaskan "life-style."

But to maintain this kind of life-style requires responsible leadership at all levels of society - the highest quality of natural and cultural environment, balanced and long-term productivity of natural resources, responsible fiscal and economic development and sensitivity and understanding in human affairs.

It is to these ends that Beta Group has developed a series of priority policies on environment, human resources, natural resources, economic development and fiscal arrangements.

Most of these policies focus inward on Alaskan programs. Awareness of Alaska's extraordinary social, material and scientific trade with the rest of the nation and the world, however, has stimulated a discussion of Alaska's external affairs as well.

HUMAN RESOURCES DEVELOPMENT

Education: To develop the concept of the Regional high school through expanded use of small boarding homes, rather than large dormitory accommodations.

Transfer all Bureau of Indian Affairs schools to the state as soon as feasible and Beta group insists that any such program offered by the state be equal to that previously administered by the BIA - it may include daily hot lunches, use of classroom village aides, full utilization of school facilities by the village, curriculum focus on heritage and a more intensive preparation for higher education.

Extension of the Upward Bound program, implementation of educational television, Head Start programs emphasizing English language training, extra-curricular, year-round programs for adults and children, recruitment of native teachers and special rural teacher training measures.

A course in Alaskan history should be introduced at the secondary level in all schools.

Secondary education, particularly for native Alaskans, should be responsive to their needs, easy to assimilate and adaptable to technological demands.

Financial aid to school districts, specifically relief of local governments from present and new school construction debts, should increase substantially but equitably.

The state community college complex and extension program was given a high priority for legislative funding.

We recommend the concept of a park/school recreation complex to provide both intensive use and natural environment areas. This concept envisions the development of a basic core of parks in areas adjacent to a community's elementary, junior high and senior high schools - an approach that not only offers economies of development and maintenance but may also provide for more balanced use of recreation areas over the period of a week, as facilities used for education during the weekday are converted to family and other resident use in the evenings and on weekends.

Health & Welfare: Because of the expected increase of welfare problems, it is recommended that the state undertake a well-funded, and in-depth study of the existing state welfare programs. One prime study goal should be to improve present methods, including organizational methods, so that the state will be in a better position to handle the increased load.

The results of this study should be used to recommend (1) a program to care for emergency needs, (2) a crash program for bringing welfare programs up to a minimum level in all regions, and (3) an overall program of welfare that will more effectively handle an ever-increasing workload, provide for more adequate staffing, increase funding, place an emphasis on rehabilitation of individuals and erase existing inequities which tend to break down family unity, promote juvenile delinquency and keep welfare recipients prisoners of the system.

We must provide a positive means for the native population to become an integral part of the dominant culture. And we must also furnish adequate economic maintenance for those who cannot or should not be a part of this integration.

The state should initiate an investigation, to include utilization of existing channels, into the physical and psychological effects of hallucinogenic drugs. The results of this investigation should be used to re-evaluate the state drug control laws and regulations.

A need for continued and adequate funding of programs administering to the needs of exceptional children and adults was emphasized. And the group stressed hiring of the best qualified personnel through competitive salaries. ("Exceptional children and adults" includes alcoholics, orphans, unwed mothers, mentally ill, juvenile delinquents, physically handicapped, mentally retarded, emotionally disturbed and rural natives moving to urban centers.)

When the state purchases services for persons for whom it is responsible from a private (or quasi-private) organization, it should pay that organization the full cost of the service.

Explore the possibility of a universal health insurance to be carried by the state.

To strengthen the medical profession in Alaska and to provide high levels of medical care, the state should provide financial incentives, including federal, local and endowment contributions, to develop and encourage a medical intern program at all appropriate medical facilities within the state whether public or private.

NATURAL RESOURCES & ENVIRONMENTAL MANAGEMENT

It is recognized by the state of Alaska that every citizen has an inherent need for an inseparable interest in a livable environment and that his right to satisfy that need and to protect that interest is inalienable.

To help make this inherent right meaningful, Beta group adopted four policy proposals:

1. Broad scientific inquiry and full cooperation between the public and private sector.

2. Strengthening the mechanics of state functions to prevent environmental pollution and degradation.

3. The creation of an adequately-funded state agency or commission for environmental sciences and technologies. Its function shall be to (1) assemble basic data and conduct research necessary for making informed decisions; (2) review and develop policies and programs for environmental protection or improvement; (3) provide mechanisms for coordination of state programs and (4) provide for dissemination to the public of information on environmental matters.

4. That present state mechanisms for control of degradation of land, water and air by solid wastes, pesticides, thermal discharges, noises, light and other pollutants be greatly strengthened by increasing manpower and funds for surveillance and enforcement. Consideration should also be given to reconstituting these functions within a new Alaska pollution authority.

In cooperation with federal agencies the state should undertake the classification and/or zoning of state and federal lands, waters and natural resources for appropriate beneficial uses.

The stature of public land planning and classification should be elevated to a position consistent with the critical need to complete this crucial task.

Recognizing the importance of open space and natural areas to urban centers, the state should actively support local governments, including boroughs and municipalities, in acquiring and developing such areas from remaining public and private lands, including financial assistance.

That programs for the restoration and enhancement of fishery habitats and populations through such projects as stream rehabilitation, stockings, etc. shall be accelerated and strengthened.

To enhance tourism and recreation the state should restock lakes that are accessible from highways to develop year-round sport fishing. Presently, Alaska's winter fishing is poor compared to other states.

ECONOMIC DEVELOPMENT

Since stability of employment and income at productive levels is essential to meet human needs, the state should pursue the following as a matter of active policy:

1. Development of urban and rural community infrastructural requirements.

2. Development of new industrial opportunities, particularly those that level out seasonal employment opportunity, develop second generation industries and service industries.

3. Development of job training programs specifically needed for industrial demand within the state.

4. Creation of extractive resource industry opportunities.

5. Foster low-interest, long-term loans (as either guarantor or loaner) to aid small businesses that support the economic vitality of particularly discernable industries or growth areas of the state.

6. Favor an industrial incentive program that adds to the maximum value of products within Alaska, to the extent that it is appropriate to the market and provide needed support to our labor force, especially in areas of low employment.

Develop programs relating to transportation systems that would:

1. Insure that alternate modes of transportation (air, land and marine) are studied to find out which ones provide the highest and most economic level of needed service.

2. Broaden the range of knowledge brought to bear on trnasportation development problems, especially in the fields of urban transportation, natural resource management, resource economics and rural affairs.

3. Provide for early review of transportation systems proposals, before authorization of funds, by the state Departments of Natural Resources, Fish and Game, Health and Welfare, Council on Environmental Quality, etc.

4. A land use plan should be developed for lands adjacent to a proposed highway or railroad prior to final project approval.

FISCAL AND INSTITUTIONAL ARRANGEMENTS

Because of the expansive demands that will be made on the use of all revenues, Beta group emphasizes strict money control and urges the money be used to develop the state as outlined in our main policy statements. In any case the state will have large sums to invest for a considerable period of time. This money should be invested to enrich Alaska as a first consideration and secondly to produce a good yield. And, to the extent possible, these funds should be used to alleviate the effects of the national "tight money" situation on the state. The goal should be to minimize inflationary pressures.

That all utility systems of a public nature including the municipally-owned, for the protection of the public convenience and necessity, be subject to regulation by a statewide public service commission.

Our goals are (1) to establish an efficient statewide, integrated communication network, thereby eliminating unnecessary and costly duplication of facilities and (2) to facilitate the development of adequate public utilities and services throughout the state.

It should be the policy of the state to create a council on the future to propose ways to meet and mold the future.

A priority institutional arrangement for the state is the development of a staff capacity for the legislative branch. To this end the legislature should enact a plan that will provide for continuing and fulltime expertise in all of the primary areas of concern within its purview.

The legislature should evaluate the effectiveness of the Brookings Conference on the Future of Alaska and consider continuing programs of similar types. Evaluation should be made available to the participants in the first conference.

Find new or improved ways to finance the building or expansion of hospitals, nursing homes and houses for ill or orphaned children. Grants or long-term loans at favorable interest rates should be considered. Increased state participation in the Hill-Harris program for hospital construction should also be looked into.

In view of the need for the improvement of many statewide services and the unknown costs entailed, Beta group recommends that no reduction of the state income tax be enacted during the 1970 legislative session.

Because of the tendency for the present policy to tax land improvements rather than land. Beta group recommends that the state study a system of taxing land progressively and relatively heavier than improvements, with the thought that this process may be more equitable and would reduce slum construction. The study should examine recreation easements, open space easements and similar techniques that encourage landowners to maintain "green space" within and adjacent to urban areas.

That the functions of the present state Human Rights Commission be broadened to include policy review and development in the fields of human health, welfare, education and manpower utilization. The commission should be strengthened by the development of a staff representing the spectrum of professions and knowledge involved to study and advise on human resources policy and by adequate funding to contract for special supportive studies through the University of Alaska or other institutions.

EXTERNAL AFFAIRS

Take immediate steps to work actively with the federal government toward a national policy for the Arctic.

Because of Alaska's natural ties with the countries of the Pacific rim - always recognizing the Constitutional sovereignty of the United States in foreign affairs - Alaska should pursue an aggressive policy of enlightened self-interest in its relationship with the federal and state governments and with its foreign neighbors.

BEGINNING . . .

At first glance this report may appear to be no more than a collection of policy statements, all of which are products of the disciplined conference arena. Perhaps this is so but more important, the policies expressed here were fashioned after great thought and they should be considered in that light.

Beyond that the report says we have been intensely concerned with the future of Alaska. And although our policy choices may not appear adventurous or as daring as they might, they are a beginning - one that provides positive energy and direction for further exploration of tomorrow's Alaska.

Editor: Herb Adams

Our declaration for the future of Alaska has been stated in reports of Seminars I, II and III. We have applied experience, focused our knowledge of existing ills and desires and proposed some dreams.

Therefore we reiterate and incorporate by reference the goals and policies expressed in previous reports and would refer to our prior statements as an amplified, if not definitive, preliminary plan for the future of Alaska.

ITEM: A FEDERAL POLICY FOR FUTURE ALASKA

The group felt there couldn't be one overall policy Alaska will ever be able to take in its relationship with the federal government. Each problem area, each issue over which we differ with the federal government must be considered separately and in each case we must decide what our policy will be. We identified the following as problem areas between Alaska and the federal government:

A. Jones Act
B. The Alaska Highway
C. BIA
D. Native Land Claims
E. Fisheries
F. Federal Land Policy

Gamma Group made the following policy recommendations: First a broad statement:

POLICY: The executive branch of our state government shall instigate and maintain a continuing close working relationship with appropriate departments of the executive branch of our federal government such as the Bureau of Land Management.

In contacts with other states and our federal government Alaska shall clearly indicate willingness to fully discharge responsibilities as an equal member of the sisterhood of states. However, Alaska should insist that historic federal government responsibilities are not and cannot be abrogated upon the premise that natural resource development enables Alaska to assume federal responsibilities.

SPECIFIC POLICY: A. Jones Act - We advocate adequate waivers to the so-called Jones Act to accommodate the fishing and shipping problems peculiar to Alaska.

SPECIFIC POLICY: B. The Alaska Highway - We advocate that our federal government work out details with the Canadian provinces to reconstruct and pave the Canadian portion of the Alaska Highway. The State of Alaska should determine if its participation would assist in accomplishing the project.

Consideration of this project should be undertaken by the federal government as a matter of equity, Alaska having been taxed for but excluded from the Interstate Highway Program.

The federal policy statement passed with one member dissenting. This member felt the policy relieved the state from any state responsibility involving the Native Land Claims.

ITEM: A FOREIGN POLICY FOR FUTURE ALASKA

POLICY: Alaskans and most particularly the state administration and congressional delegation should seek national foreign policy positions which will:

1. Extend jurisdiction and title insofar as practicable to all marine resources including those on and under the continental slope and pelagic fishes which appertain to the state of Alaska.

2. Develop extensive trade between Alaska and the countries of Asia, not excepting the Soviet Union and mainland China, including such things as expanded customs facilities, etc.

3. Exploit Alaska's geographic position and emphasize Alaska's role as the bridge to Asia and promote intercultural relationships with Asian countries.

4. To accomplish the foregoing points might require a revision of international law; that it should be seen as a dynamic rather than a static situation and further accomplishment of the objectives may require review and possible revision of the present American policy in the Pacific.

5. The purpose of the foregoing is to improve the economy and welfare of the people of Alaska rather than to allow Alaska's resources to be used as a pawn by outside interests.

ITEM: A FISCAL POLICY FOR FUTURE ALASKA

Alaska has gone through intensive development and exploitation of its gold, copper and fishery resources. The non-recurring gold and copper deposits are largely exhausted and the fisheries recovering slowly from depletion. Lasting benefits to Alaska have been minimal.

We have now received $900,000,000 from the sale of our North Slope oil leases. Oil is also a non-recurring resource and it is our duty and obligation to profit from past experience and to extend the benefits of the North Slope lease sale to include coming generations.

POLICY: Now, therefore, be it resolved that the State Government administer the proceeds of the North Slope oil lease sale in a manner so that the principal is maintained intact until such a time as comprehensive statewide programs have been developed and coordinated. Income from the sale monies should be used for the present accumulated critical needs and desires.

Monies realized from income from these non-renewable resources should be converted to continuing resources. This can best be done by the legislature acting to use these funds as principal to generate income during the coming years, whether through trust fund(s) or other interest or income-generating arrangements.

It is reasonable to project that expenditure of all or major portions of the 900 million dollars (plus interest to date) cannot be made at this time with intelligence and efficiency to warrant such expenditure.

Any major expenditure should be considered in the light of possible accelerated inflation but also with due consideration of social benefits.

Priority consideration should be given to allocating a portion of bonus monies for meeting the demand for investment capital in Alaska.

Additional comments:

The recommended fiscal policy took the longest to come up with.

One side contended that inflation will be the state's biggest immediate problem therefore we should not release any of this one time bonus money or the interest and that we must do our allover planning first.

This fear of inflation was expressed time and time again. Only one member of Gamma group suggested tying up all the new revenue, the interest and the principal.

A middle group said that we would probably have enough cash from investment earnings on the bonus money to adequately fund existing needs in programs that have long been planned but not carried out for lack of money. The welfare situation was cited.

A third group said that first we should decide which programs we want and that it is academic whether we spend the principal or only the interest. A majority agreed that there was nothing sacred about the 900 million, that we shouldn't lock it up forever.

Everyone expressed the hope that the lot of the individual Alaskan be improved. That a fisherman, for instance, would now have a place to go for a loan.

Some said we shouldn't expend the principal in piecemeal fashion without seeing how each expenditure fit into general policies.

ITEM: URBANIZATION FOR FUTURE ALASKA

General Discussion: We don't need many people in Alaska for resources development but we will probably get them anyway and they will create overpopulation in places here as in the lower 48.

The new influx of people will probably cluster in new or existing urban areas.

If people are here what are they going to work at. It is conceivable that our employment situation could become worse than it is now. Economist George Rogers predicts our population will double in the next ten years.

The people will not live where the resources are. Our resources do not require people in great numbers. The influx will be in the cities.

Should we further develop cities we have now. Developing the infrastructure is economic growth but it is not very healthy, there being no economic base. What will the state's role be in accommodating the population growth?

Should we develop a community where there are economic possibilities. For instance should we develop Unalaska in order to entice a fisheries industry there?

POLICY STATEMENT: The State of Alaska should recognize continuing community growth and shall furnish maximum assistance to provide a safe and esthetic human environment. Toward this goal the state must assure:

1. Maximum revenue sharing to fund necessary social and community growth.

2. Establishment of boroughs throughout Alaska. In unorganized boroughs consideration should be given to legislative delegation of assembly responsibility to assure maximum citizen participation.

3. Encourage continuing adaptation of local governmental institutions to the changing needs of an urbanizing state.

4. Provision for legal and financial means to encourage an esthetically satisfactory urban environment.

5. The responsibility for properly located and well planned urban settlements.

6. Major investment in urban science and technology through establishment of a center for northern community and regional development studies.

7. Provision of financial assistance to assure adequate urban community services for legally organized communities.

8. Provision of funds and technological assistance to assure extensive and continuing citizen involvement and participation in community planning and development.

9. Presentation of land for future planned urban development with adequate provision through incentives for public spaces and where necessary guarantee acquisition of private land and encourage local governments to follow similar policies.

10. To assure an adequate program for assisting individuals to develop an understanding of the requirements of urban life.

The urbanization policy passed with two dissents. One went on record as saying the policy was full of loopholes and was redundant.

Gamma Group decided it would be impossible to rank priorities due to deadline pressures.

The group was in agreement that seminars of this type be held again to get grass roots opinions. The Legislative Council and Brookings Institution are to be thanked.

Editor: Evey Ruskin

Introduction

Long-term goals and aspirations are contained in a number of the statements developed by the section during the four seminars. Lack of time and data prevented making specific proposals of amounts, from the available revenue, for the various purposes and programs. This does not detract from the usefulness of this report as an indication of what a representative group of citizens believes to be important to the future development of the state of Alaska.

The section recommended that planning have first priority. Planning will provide the information from which the legislature can make the decisions necessary to rank those priorities and to achieve the desired goals.

This report is in two parts. Part 1 include principally statements from reports produced in Seminars One, Two and Three and Part II contains new recommendations from Seminar Four and a summary of work on planning which went on throughout the conference.

PART I

FISCAL MATTERS

Bonus money: Expenditures from the 1969 lease bonus principal should be made only in accordance with comprehensive long-range plans. (See policy on planning in Part II.)

Taxation: Any direct tax reduction should be of lower priority than programs for meeting needs. Revenue sharing is encouraged to increase the levels of local services but not to reduce existing levels of taxation.

Repeal of the Industrial Incentive Act is recommended.

Inflation: The danger of inflationary effects on the economy which may accompany investment and appropriation was recognized as a potential problem which should be subject to a formal means of continuing fiscal control. Through such formal means the State is encouraged to meet inflationary and deflationary pressures through the regulation of policy on state deposits and collateral requirements for state funds.

Financial Assistance: The State of Alaska should make funds available to cover guaranteed loans to Alaskans by Alaskan financial institutions for creating Alaskan business. These guarantees are to be made only when normal access to loans from formal financial institutions is not available. The loan guarantees are to be granted under such criteria as community need, economic feasibility and the recipient's demonstrated business management abilities.

It is suggested that due to non-risk of a guaranteed loan, a somewhat lower rate of interest be experienced. The plans should endeavor to keep this program out of political influence. (This was not a unanimous recommendation.)

Government Management: In light of the vast impact of the development of Alaska on the public sector, steps should be taken to improve public management, including elective systems, to achieve greater responsiveness to the public interest rather than economic pressures.

Recognizing that the rapidly rising cost of achieving public office may lend itself to undue influence upon public management from vested interests, we recommend that the legislature investigate possible alternate methods of election financing.

Renewable Resources: It is urged that planning activities include allowances for increased research and development in the field of renewable resources.

Alaska commercial fisheries and timber industries rank numbers one and two in direct private payroll contribution in the state, and numbers two and three in product value. The third vital renewable resource in the state, though lower in employment and direct product value, is agriculture - with potential that will be eventually realized in the course of achieving full use of public lands.

To realize the full benefit of Alaska's renewable natural assets, increased research and development is required. Expansion of the variety of consumer products available from these resources being harvested at present, decreased waste and better overall resource management are a few prime objectives.

Research: A body of qualified Alaskans shall be recognized by statute and supported by annual state appropriation under the title "Alaska Academy of Science and Technology." Its constitution and operation will be analogous to that of the National Academy of Science - National Research Council, so providing representation from all disciplines.

As at the federal level, the academy will be available for fact finding, review or advice in those matters involving science and technology which may be referred to it by the executive or legislative branch.

The findings and recommendations of the academy will be public record. In addition to advisory roles to state government, the academy will fulfill these additional objectives:

a. Assemble in one body the finest expertise in Alaska on science and engineering;

b. Promote scientific standards within Alaska;

c. Provide continuity in scientific and technological planning;

d. Disseminate scientific knowledge;

e. Coordinate scientific activity between all Alaskan agencies involved in research and higher education.

General Research: The section recognizes that as actors in Alaskan life we tend to be preoccupied with past problems and present deficiencies in the quality of Alaskan life. While these are problems of great concern deserving immediate attention, this perspective tends to obscure our view of the long-term future.

The bridge to that future is research. A policy establishing the shape and priority of the research function is an important job for the State.

The Alaskan tradition is steeped in the geography and fellowship of its people. A research policy for Alaska should recognize the origins and values of the Alaskan tradition.

The first layer of research should be identification of those subjects within the Alaskan tradition worthy of further research. Alaska is a maritime as well as oil province, and a logical subject among the natural sciences studied by researchers should be the sea and production from the sea. Another area, no less important, would be research in educational innovation. Alaska is a laboratory to the nation and world, and the Alaskan proprietors will find a future as scientists in it.

Education: Be it measured in earning ability, social responsibility or purposeful living, education is of paramount priority in enhancing and developing human resources. This applies equally to all levels. The policy of the State of Alaska, therefore, should be to achieve excellence at all levels of education, with equal opportunity for all, including -

A. Early Childhood Development - Developmental education of the highest quality should be available during the early years of all Alaskan children, using state funds where or when necessary.

B. Elementary and Secondary Education - The State should immediately assume responsibility for setting uniform minimal educational standards and assume full responsibility for the attainment of those standards. Public school systems should be administered under local direction, thereby maintaining a culturally relevant curriculum in keeping with regional differences and needs and to the special needs of newcomers to urban centers.

C. Higher Education - Both publicly-controlled and privately-controlled higher education are essential for Alaska's future. To assure the freedom of choice inherent in a dual system, it is recommended that the State of Alaska assure qualitative growth of both sectors through the following procedures.

1. Free schooling through two years of post-high school education within Alaska

2. A liberal availability of subsidies for those students who have demonstrated competence to continue purposeful education at higher levels

3. Adequately funded research for development and full utilization of human and natural resources

4. A broad, energetic recruitment for new talent in the Alaskan public and social services and industrial management occupations be generated through an intern and fellowship program.

D. Continuing Education - to take advantage of, and cope with, changing conditions of life and the accumulation of knowledge, the state should adopt a vigorous policy of continuing adult education in a broad spectrum of fields which encompass academic and non-academic interests, including development of basic living skills and preparation for parenthood.

E. General Recommendation - Executive and legislative branch review such legal and regulatory limitations as exist, as related to the provision of a quality, and equally accessible, educational system for the entire state.

Arctic Slope Region Statement: A statement titled "Setting Priority on Education" (submitted by Joe Upicksoun and his committee) is incorporated in this report by reference for information.

Performing, Creative and Fine Arts: Alaskans can now enjoy a life style less circumscribed than heretofore. This must entail all facets of living, which in turn must include a wide range of choice of cultural and enriching experiences for each individual.

Of overriding importance to the well-being of the people and the utmost enhancement of human resources, the state of Alaska should develop a vigorous policy to establish broad programs for such cultural enrichment through performing arts, creative arts and the humanities. The overall educational value of such programs annot be over-estimated. They should not, however, be restricted to the formal educational framework. They should be carried to all the people who wish to participate. They should be structured with due consideration for all age groups, art forms and the full variety of educational methods. They should embrace all ethnic cultures and avoid restrictive provincialism of origin.

Substantial public expenditure - both capital investment and continuing support - should be made at state and local levels in the development and maintenance of such activities.

Human Affairs: Recognizing that the process of urbanization is upon Alaska and will intensify greatly in the future; that this process in the rest of the nation and the world has generated mass insecurity, loss of identity, despair and violent resentment among the prople involved, and that Alaska has the opportunity (at this time) to avoid these consequences, we believe the state should establish a cabinet-level Human Affairs Agency to oversee the urbanization process in Alaska in human terms, with responsibility to innovate and encourage local mechanisms and institutions to assist in the transition of people into urban society in a manner to preserve personal identity, cultural fulfillment, individuality, a sense of participation, and a real voice in community affairs, and to stimulate sensitivity on the part of the community to human values and needs. The real challenge of this agency will be to transform the urbanization process from a negative factor to a positive one from a human resources point of view.

Native Land Claims: This section strongly recommends an appropriation from the State General Fund to be used for developing a positive position on the timely settlement and implementation of the Alaska Native Land Claims, directed toward a just and equitable result for all Alaskans.

Health: Good health is indispensable to develop our human resources. Planning in this area must involve higher standards of health for all Alaskans, including, but not limited to: (1) improved living conditions--i.e., housing, sanitation, nutrition, health education, (2) vastly improved health services and delivery thereof,, and (3) Training and licensing of paramedical personnel to fill the need in urban and rural areas for medical services at sub-professional levels.

The state must find the method within our free enterprise system to provide adequate medical and dental services within financial reach of all Alaskans.

Environment: The section urges that the State of Alaska develop major environmental-protection policies. Alaska cannot exist or function without feeling the pressure of human, industrial and commercial activity within Alaska or out, and the state should be aware that development and manipulation of the Alaska ecology could have adverse effects.

Alaska today has a unique opportunity to shape its future, including the future of Alaska's physical environment. To insure that economic development can proceed in an orderly manner, without disruptive effects on ecology and environment, we urge the state to pursue these goals:

A. To foster and maintain a wholesome environment. We recognize the value and inevitability of economic growth and urbanization. Policies should encourage development, but the cost of environmental protection should be accepted as part of the development process.

B. The state must expend substantial sums to staff and direct a vigorous, knowledgeable and competent environmental management function with these tasks:

1. Evaluating the long and short-term implications of development that could have major effects on the environment.

2. Plan the means to minimize destructive effects of certain development.

3. Set environmental standards.

4. Encourage effective environmental and ecological management by regional and local governments.

5. Develop techniques to improve the environment.

6. Develop regulatory powers to control development activities with harmful environmental side effects.

C. The state should encourage development of concern for quality in the environment at the earliest levels of education. Secondary schools should provide courses on these subjects. The state must also project awareness and respect for environmental quality to all Alaskans, through appropriate educational programs.

D. It is also recommended that the state create an independent and scientifically qualified panel to advise and inform Alaskans on the nature and risks of nuclear pollution.

Land Use: Recognizing that intelligent land use and disposal policies by government in Alaska can encourage orderly development and deter harmful environmental side effects, it is urged that these points be embodied in a comprehensive state land-use policy:

A. On the matter of state land acquisition, selection and disposition of lands by the State should be coordinated with the overall state planning to insure balanced selection and disposition. Public needs for recreational, cultural, environmental and other public uses should be considered in land selection, as well as the consideration of economic progress (i.e. lands rich in natural resources).

B. On the matter of land use, we recommend:

1. That the state pursue a land-use policy geared to primary beneficial use with multiple uses authorized only to the extent that they do not interfere with primary beneficial use.

2. That the state devise strategies to discourage harmful speculation in state lands.

3. That the state pursue a vigorous policy of developing parks and recreation areas. The state should insure that by reservation, acquisition, selection or purchase - where necessary, there will be ample recreational lands to meet requirements for the long term. Areas strategic in recreational and scenic qualities, particularly seashore and inland waters, should be preserved. In this pursuit, the state should coordinate actions with those of federal, regional, local and private park and recreation agencies.

4. Through its planning agency, the state should reserve those lands needed for future public roads as well as to provide for advance acquisition of rights-of-way.

C. Pertaining to federal land:

1. The state should sharply increase land-use classification, planning and management functions within the State Division of Lands, and associated with improved state land programs should be improved working relationships with appropriate federal agencies for the purpose of coordinating lands development.

2. The state should press for federal legislation to revise the archaic and antiquated federal Homestead Act to provide modern, regionally relevant methods of making federal lands available to private ownership.

D. Miscellaneous land recommendations:

1. That the state and local governments plan and implement controlled settlement patterns, but discouraging the indiscriminate growth of unplanned communities with substandard construction and poor human living conditions.

2. That the state pursue a vigorous program to locate and protect scientific and historical sites in Alaska, through updating and strengthening of the Antiquities Act.

3. To provide local governments with the tool to stimulate orderly development of vacant lands, the adoption of legislation permitting cities and boroughs to designate classes of real property subject to ad valorem taxes, and to establish different levels of taxation for land and improvements.

4. The state should limit borough land selection to borough public purposes. Revenue loss from land sales conducted to generate revenue should be made up in state revenue-sharing programs. (This was not a unanimous recommendation).

5. That the state periodically review the justification for military federal land withdrawals, particularly those near or in communities. If the need for such withdrawal can no longer be demonstrated, the state should press for return of the land to public domain.

6. State lands classified for special purposes be reviewed and determination of their placement among the state's assets be made clear.

PART II

PLANNING

No group of Americans in recent times has had such opportunity freely to plan its future. An oil bonanza has enriched the treasury of a state previously penurious and underdeveloped. This new condition gives today's Alaskan an unparalleled opportunity to move from federal wordship to fully-realized sovereignty.

The Brookings Conference has framed the broad goals for Alaska, but an overriding concern of the conference - a concern still unresolved - is how these goals are to be achieved. What mechanism can best provide the answer?

The past presented a simpler problem which was met by a planning function in the office of the governor. Presumably this function will be expanded and the governor will submit requests for funds and authority to meet his enlarged responsibilities. However, we do not believe this will fully meet the needs of the future.

The legislature, to discharge its constitutional role, must have at its command an expertise which it can only acquire through strengthening its resources for analysis and policy formation.

To give the legislature, through its bipartisan administrative arm, the tools it needs in this critical period, we propose the establishment of a small, highly trained professional staff attached to the legislative council. Under the direction of the council, the planning staff can organize research, prepare and review policy recommendations and design programs to meet the long-term needs of Alaska.

The planning director and his staff should not only be responsible directly to the council but responsive to the diverse needs of the Alaskan people.

The legislative council has initiated a successful experiment in public involvement in the policymaking process through the broadly based Brookings Conference. The experiment should continue through a second call of the conference at the conclusion of the 1970 legislative session.

The results of the work of the planning staff, the hearings conducted by the council and the consensus gathered from each citizens' conference should be disseminated to the public in an annual report.

The planning of the future is a political function in the truest sense. All levels of Alaskan society have demonstrated their deep concern and their demand for an adequate voice. To give full expression to this total involvement of the people of Alaska is the crucial objective of the planning process.

We believe the proposal outlined here meets that test.

Pacific Rim Program

It is urged that the legislature develop policies and programs which take into account Alaska's geographic position on the Pacific Rim, with particular attention given to the enhancement of commercial and cultural relations with the nations of the Orient.

Communications System

This section proposes an integrated communications system for all of Alaska - state-supported, if necessary - utilizing communications satellite technology and including provision for utilization of the system in the education process.

A paper entitled "Anatomy of Alaska's Telecommunications Requirements" is incorporated herein by reference and a paper "Development of a Statement of Policy on Telecommunications for the State of Alaska" is attached. Study of these papers in connection with the foregoing policy statement is recommended.

Public Service Commission

It is imperative that the Public Service Commission have jurisdiction over all utilities serving the public. The commission should be a true quasi-judicial, independent agency within out constitutional framework.

The commission should be composed of fulltime public officials with salary, tenure and emoluments of office at least equal to that of a superior court judge.

Commissioners and staff must have a high competence equivalent to that of the top management of a large corporate organization being regulated in the public interest. (There was an exception to this recommendation).

Consumer Representation

There shall be established an office of consumer representation, adequately funded, with authority to appear before all state regulatory bodies to represent the interests of the consuming public.

Editor: Jan Erickson

A Commendation . . .

The group wishes to compliment the Legislative Council on its wisdom and foresight in initiating and arranging for citizen participation in policy planning for the future of Alaska. This conference has been of immeasurable educational value for those who participated. It is hoped that the results will be of assistance to the Legislature as it develops policies to guide future development. It is urged that the Legislature look with favor on the suggestion that similar policy planning conferences be repeated from time to time as the state proceeds.

ATTACHMENT TO DELTA SECTION REPORT:

DEVELOPMENT OF A STATEMENT OF POLICY ON TELECOMMUNICATIONS FOR THE STATE OF ALASKA

PREMISE:

For compelling reasons, merely identified herewith, but either having been presented earlier or which are capable of being expanded in any amount of detail, it is more than appropriate that we establish and recommend a policy or set of policies on the development, control, and utilization of Alaska's first commercial, long-distance telecommunications public utility. The reasons are:

- There is an urgent need for fully adequate telecommunications services of all kinds.

- The seminars have eloquently revealed the central role of telecommunications in all phases of Alaskan development - economic, social, and cultural.

- Alaska is at the communications crossroads with an unparalleled opportunity to shape the future.

- The state is actively seeking to identify and establish the policies and the objectives which will lead it into the most desirable future.

- No other state or country of the developed world has had the opportunity to proceed to the crest of economic and social explosion using a telecommunications system whose great cost did not have to be amortized before a new stage of development could be initiated.

RECOMMENDATIONS:

For reasons indicated above, we believe that the State of Alaska should:

Formally declare its intentions to grant and protect an exclusive franchise to its chosen telecommunications common carrier. In the

initial establishment of the franchise, and in monitorship of the exercise of that franchise, the state should create a beneficial monopoly which will promote the success and prosperity of the carrier and bring to the people of the state, the modern technical benefits and the attendant economies of a viable long-distance communications industry. At the same time, the state must circumscribe operations within the franchise to insure that it does not encroach upon the functional rights and responsibilities of the local telephone operating companies which provide terminal service to customers in prescribed areas. The franchise must also be limited to insure that it does not preclude operation in the state of a "carrier's carrier" such as the yet-to-be-determined operator of the U.S. domestic satellite communications system, and thereby deny Alaska the benefits of great new economies and technical developments. The state should also forever reserve the right to review the performance of the chosen carrier in satisfying the telecommunications needs of the people of the state and, for due cause, to withdraw the franchise.

ESTABLISH THE LEGISLATIVE, REGULATORY AND ADMINISTRATIVE APPARATUS TO:

articulate and implement the fundamental policies of the state, through the Public Service Commission including adequate resources in funds, personnel, and authority to carry out its mission;

observe, evaluate, and react to the adequacy of telecommunications service to the public and to the fairness of tariffs, rates, and charges;

enable the state to manage the tariff structure in the interests of the state as a whole - to require the extension of required telecommunications services into the sparsely populated and economically limited remote areas of the state - to foster the development and

continuation of desirable enterprises in remote areas, such as tourism, recreation, and resource exploitation - and to permit the extension, at moderate cost, of essential state and federal services such as disaster warning, public safety, civil defense, public health, public service programming, and educational radio and television, to all the citizens of the state;

control the capital development of the long-distance telecommunications industry to insure that investment decisions are aimed at long term cost effectiveness and lowest possible rate base for the services provided - require that proposals and options for plant development be presented to the state for policy review and approval before engineering, procurement, or other financial commitments are made, and before formal proceedings are initiated with the Public Service Commission;

foster the exploitation of the most modern technology in the satisfaction of Alaska's great and urgent need for telecommunications services.

The state must see that neither the telecommunications industry, for rate base or other reasons, nor the Department of Defense, for whatever reason, is allowed to gather the 1950 technology DOD communications plant operating in Alaska today, into the system of Alaska's future. Every effort must be made to see that the opportunity is not lost to direct all major capital investments into a system of the seventies rather than a system of the fifties.

Prepared for Seminar Four by A.G. Hiebert.

ATTENTION ALASKANS!!!!

YOUR LEGISLATURE IS ISSUING A CALL FOR PAPERS

On December 6th, 7th and 8th , 1979 a group of your fellow Alaskans will be meeting in Anchorage to discuss issues of concern to us all. This meeting, "FUTURE FRONTIERS", is sponsored by the State Legislature (Co-Chairmen: Senator George Hohman and Representative Russ Meekins) for the specific purpose of soliciting opinions from the people of the Great Land.

If you wish to be heard, you are encouraged to submit a paper (not to exceed ten pages) on any issue you feel needs to be addressed. Some examples might be: oil and gas policy; the permanent fund; bottomfish economics; transportation; education; etc.

Your paper should include a brief historical sketch of the issue, a summary of its present status, and your recommendations for the future.

Papers should be sent to: FUTURE FRONTIERS
308 G Street Suite 301
Anchorage, Alaska 99501
(907) 277-3153

NO LATER THAN DECEMBER 1st, 1979

9 November 1979
Anchorage Times


ALASKA'S FUTURE FRONTIERS
THE PROMISE OF THE 21st CENTURY

CO-CHAIRMEN
SENATOR GEORGE HOHMAN
REPRESENTATIVE RUSS MEEKINS

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3880
(907) 465-4849

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

N-E-W-S-L-E-T-T-E-R

February 8, 1980

Dear Delegate:

This newsletter is the first of several you will receive in the up-coming months of this legislative session. The purpose of this newsletter is to keep you informed about the impact of the Future Frontiers proposals and let you know what action is being taken by the legislature and other state agencies. Enclosed you will find a booklet which we have published and circulated to all legislators, executive departments and delegates. You will be pleased to know that the ideas which were generated at the conference have received a great deal of attention. To date 12 bills have been introduced in response to the conference with many more being researched and drafted. Our goal is to address every proposal which was adopted by the conference, either by specific legislation or by incorporating the proposal into existing state programs. Many proposals will be acted upon this year, and we are confident that many more will be acted upon in the future.

If you are interested in any specific information on any of the particular items contained in this newsletter, or wish other information, please write or call. Send letters to: Legislative Affairs Agency, Room 307 Assembly Building, Pouch V, Juneau, Alaska 99811, ATTENTION: Future Frontiers; or telephone 465-3891. The following is a summary of work done to date on many of the proposals.

I. Education

1. A bill has been introduced which will increase state aid to school districts to 100% of basic need under the public school foundation program.

2. A bill has been introduced to amend the public school foundation program, to provide state support for pre-school and post-secondary education programs.

3. A bill has been introduced to direct the Department of Education to operate a student exchange program emphasizing the need for exchange of students between rural school districts and regional education attendance areas and urban school districts and regional education attendance areas.

I. Education (Cont'd.)

4. A bill has been introduced to establish the Alaska Community College system as a separate entity apart from the existing University of Alaska system.

In addition to the above mentioned bills, other bills are being contemplated which will include an expansion of Vocational Technical Education programs in the state, and continued funding of loan programs for all levels of education. The Alaska Student Loan program will continue to be funded at current or increased levels. The overall effect of this will be the continued availability of at least $3,000 per year per student for post-secondary education.

Many delegates expressed a need for increased teleconferencing and tele-video in the area of vocational education in rural areas of the state. At present, we are planning a demonstration project in Juneau on the 17th of March, at which time several companies which are presently in the business of marketing these types of programs will make a presentation to the legislature. We are also inviting a delegate from each of the groups who participated in the Future Frontiers Conference. This program is designed to inform the legislature of the latest technology in this area in order to adapt a program which will be suitable for rural Alaska.

II. Transportation

As was pointed out in the conference, a need for a comprehensive transportation plan for the State of Alaska is long overdue. The Department of Transportation and Public Facilities is presently undertaking a regional transportation plan targeted for completion sometime in 1981. This plan is designed to inventory existing transportation facilities and identify those areas of transportation needs on a short and long range basis. In addition to D.O.T.'s comprehensive plan, the legislature funded two rural airport transportation studies. This plan identified the critical need for airport improvements, runway lighting and aids to navigation, (nav-aids). At present, Representative Russ Meekins is preparing a Comprehensive Transportation Bill which will address these problems. Additionally, a supplemental bill is being prepared to address some emergency airport transportation needs which have been identified in the two studies. These emergency needs will be funded for the summer 1980 construction season.

At a recent meeting, many members of the Bush Caucus discussed the need for a comprehensive airport improvement plan. It is contemplated that by the end of this session, the legislature will fund a plan which will provide substantial airport improvements throughout the state. This plan will have numerous objectives of which the primary emphasis will be safety. The plan will require the up-grading of existing airports, increased cargo facilities, increased communications between rural areas to avoid reservation foul-ups and consistent dependable scheduling.

II. Transportation (Cont'd.)

It is also contemplated that monies will be made available for air taxi operators to finance large aircraft, such as otters and sky-vans, to get large freight items to rural areas more efficiently.

A bill providing for municipal mass transit funds is being contemplated as well as a bill for the combination of school and public transportation systems. The final outcome of these proposals has not yet been determined.

Many groups recommended the expansion of the Alaska marine highway system to include the Aleutian Peninsula and other areas of the state. The expansion of the system is the subject of D.O.T.'s Comprehensive Plan and of great concern to the legislature. Some expansion in this area should occur this year or next.

III. Resource and Economic Development

Needless to say this subject will receive a gread deal of attention this legislative session. At present, numerous bills affecting resource and economic development are underway in the legislature for introduction in this session. It was evident from the conference that many delegates were concerned about the development of alternative energy resources as well as the conversion of non-renewable to renewable resources within the state. As a direct result of the conference, a bill is being prepared to provide money to various agencies for the development of alternative energy resources, such as wind energy, geothermal energy and others. In addition to alternative energy problems, several tax incentives are presently being contemplated. One bill has been introduced which will exempt energy efficient improvements to individual residences from property tax assessments.

Several other bills affecting renewable resources such as bottomfishing are also soon to be introduced. A follow-up on the numerous items of legislation affecting Natural Resources and Economic Development will be forthcoming in the next newsletter.

IV. Politics, Law and Government

1. There are requests in the up-coming budget to increase the number of judges around the state, particularly in the Anchorage area.

2. A bill has been introduced this session to add an appellate court systems which will reduce the number of appeals going to the supreme court in the criminal area. The end result of this is hoped to be a more efficient supreme court and less time at the appellate level.

IV. Politics, Law and Government

3. We are currently working on a proposal to increase the level of support funding for police and fire protection in rural areas. The Department of Public Safety is currently operating a public safety officer training program whereby individuals are selected and trained at the State Police Academy in Sitka. The training goes beyond the scope of law enforcement, however, and includes such things as water safety, boating and first aid. Additionally, the public safety officer is given a model of local ordinances which he would encourage the local governing body to adopt thereby allowing the public safety officer to have the tools necessary to adequately fulfill his job. It is contemplated that this public safety officer training program will be expanded and more monies will be made available to utilize this program more efficiently.

4. A bill has been introduced which will set up an organization to investigate the sentencing practices of defendants who have committed crimes against men as opposed to those who have committed crimes against women to determine whether or not there is any disparity.

5. Many delegates identified a problem of discrimination and sentencing practices against minorities in Alaska. Last year the legislature funded a study to determine if these allogations were in fact true. It has been determined there are in fact discriminating sentencing practices taking place in the state against minorities, and the legislature is currently undertaking the means to resolve this problem. The end result of this will be forthcoming in future newsletters.

V. Miscellaneous Items

Other items of legislation which have been produced in response to the conference are:

1. An act relating to payment of the Alaska Native Fund from the oil and gas reserves. This bill requires the total amount of money payable to the Alaska Native Fund to be paid out of this year's, (1980) oil and gas revenues.

2. A bill has been introduced to make a special appropriation to the Alaska Veteran's Loan Program. The amount of this request is $200,000,000 which we are told will allow the department to make 75 loans of $100,000 each.

3. A bill has been introduced which will limit the Alaska State Housing Authority to projects in the areas of the state where financing is not otherwise available.

Conclusion

We sincerely hope that this information is helpful to you in your assessment of the Legislature's response to the Conference. We are working diligently to respond to all the proposals and will send you a second newsletter sometime in March to up-date the information in this newsletter as well as inform you of legislation which has been introduced in the interim. Thanks again for your hard work and sincere concerns for Alaska's future.

Russ Meekins Jr.
Representative Russ Meekins, Jr.

George H. Hohman Jr.
Senator George H. Hohman, Jr.

#19 page 1 - Newsletter to #3 of Education - begin 2 spaces under heading

#20 page 2 Newsletter I. Education Cont'd 4 to II Transportation

#21 page 3 Newsletter II Transportation Cont'd -

[illegible] Newsletter IV [illegible] 3

6

SOUTHCENTRAL REGIONAL MEETING

COMMISSION ON THE YEAR 2000

OBJECTIVES

1. **List values**
2. **Identify concerns**
3. **Prioritize**
4. **Communicate with Legislators meaningfully**
   Note: **Follow through on part of group leaders to check the status of pending legislation resulting from statewide conference.**

WHAT PRINCIPLE, STANDARD OR QUALITY IS IT THAT KEEPS YOU LIVING IN ALASKA?

GROUP A

1. Natural beauty
   Physical environment (mountains and oceans)
2. Lack of industrial development
   No pollutants
   Choose kind of industry allowed into the state
   Stablize economy
3. It's different
   Like no other place in the Nation
4. High standard of living
   Good salary
5. Extreme diversity of people
6. Freedom unlimited
   Freedom of endeavor
   Freedom of political environment
   Freedom of going to outer areas
7. Home - Family is here (roots)
8. Cultural gap
   Don't speak the same language outside
9. Participate in a "new society"
   Retain cultural identity

10. Local political cultural gap
Regionalism

11. Lack of population density
Not living under neighbor's nose

12. High environmental quality

13. Opportunity for self-sufficiency

GROUP B

1. Feeling of power
Freedom (massive space)
Flexibility of lifestyle

2. Opportunity
Socio-economic impact control over one's destiny

3. Standard of living/quality of life

4. Climate

5. Less governmental scrutiny

SUGGESTED SUMMARY - Miles Davic

"The people of Alaska seek responsible self-control of their lives, land and water, fish and wildlife, and land and commerce."

GROUP A & B - combined categories that suggest themselves:

1. Environment
Natural beauty
Lack of heavy polluting industry
Accessiblility of wilderness/getting away from it all
Sparce population

2. Socio-Economic environment
Freedom of lifestyle - diversity of people
Impact potential on government/self

3. Economic opportunity
Higher paying jobs

4. Influence community issues
Votes count
Can be heard and noticed

5. Overlapping groups

Within small population

5. Geographic separateness
   Isolation from other 49 states

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3500
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

F.F.C. #005

Future Frontiers Conference
Commission on the Year 2000
For Immediate Release
Contact: Gary Holthaus 272-5341

Future Frontiers/ Commission on the Year 2000 has announced a regional conference to be held in Anchorage. The main objective of this conference is to provide Alaskans with an opportunity to voice their ideas and concerns for the future of Alaska regarding the next 10 to 20 years.

This regional conference is open to the public, and all interested persons are urged to attend.

The conference will take place on Saturday and Sunday, January 24th and 25th at Alaska Pacific University Student Center from 8:00 to 4:00.

The Featured speaker will be Dr. Joseph W. Meeker, ecologist, professor, author, and broadcaster. Dr. Meeker is a former Alaskan who is now the director of the Strong Center in Berkeley, California.

For additional information regarding this regional conference please contact Mr. Gary Holthaus, co- chairman at 272-5341.

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3500
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 25, 1980

To : Sharon Sturrock
Accounting

From : Carolyn Martin
Senator Hohman's Office

Subject : Travel and Per Diem Authorization

The attached list of delegates is incomplete as of this date, but I thought it might help to get the ball rolling.

Also, attached is a copy of the proposed agenda for the meeting which is to be held in Anchorage on December 1, 1980.

Please call me if you have further questions.

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3705
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 25, 1980

Below is a list of those delegates that were chosen by their respective groups to represent the group, during the course of the Conference.

Tom Dahl
310 K Street
Anchorage, Ak. 99501
276-1994

Nels Alexis
Box 591
Bethel, Alaska 99559
543-2091

Keith Stump
2603 4th Avenue
Ketchikan, Alaska 99901
225-5070

Stephen DeLisio
5102 Shorecrest Drive
Anchorage, Alaska 99502
279-9574

Diane Carpenter
Box 39
Bethel, Alaska 99559
543-2621

Art Davidson
Box 26 A, SRA
Homer, Alaska 99603

Ellen Hayes
6516 Nottinghill Drive
Anchorage, Alaska 99502
333-0416

Georgianna Lincoln
Third & Hall Street
Fairbanks, Alaska 99701
452-8251

Hayden Kaden
General Delivery
Gustabus, Alaska 99826
697-3431

Rosie Porter
Tundra Drums
Bethel, Alaska 99559
543-3500

Rich Seifert
University of Alaska, Fairbanks
Fairbanks, Alaska 99701
479-7987

Jeff Stephen
United Marketing Association
Kodiak, Alaska 99615
486-4568

Dennis Tiepelman
Box 256
Kotzebue, Alaska 99752

Emma Widmark
Box 1492
Juneau, Alaska 99802
586-1432

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3600
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 25, 1980

Legislative Council
Future Frontiers

Meeting of December 1, 1980

Purpose of meeting: To review 1979 activity, discuss recent legislative and administrative action, to establish a delegate action agenda and finally to establish a conference schedule.

Place of meeting: Sheraton Hotel, Room 305, Anchorage

Time: 8:00 a.m. to 4:00 p.m.

Agenda

Roll call and adoption of agenda	8:00 a.m.
Introduction of members	8:10
Senator Hohman's welcoming and updating speech	8:30
Review of 1979 activity	9:00
Discussion of legislative action	10:00
Break	10:45
Discussion of administrative responses	11:00
Lunch	Noon
Propose work program of delegates	1:00 p.m.
Discussion of upcoming meetings and issues	2:30
Discussion on establishing conference schedule	3:30
Set date for next meeing	3:45
Adjourn	4:00 p.m.

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3500
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 25, 1980

Sheraton Anchorage Hotel
401 E Sixth Avenue
Anchorage, Alaska 99501

Dear Sir:

This letter will confirm our telephone conversation regarding the reservation of Room #305 to accommodate 15-20 persons on December 1, 1980. Approximate cost to be $230.00.

If you have further questions regarding this matter, please contact our office at the above number.

Sincerely,

Elsa Demeksa

Elsa Demeksa
Future Frontiers Staff

ED:clm

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3880
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 24, 1980

Mr. Dennis Tippleman
P. O. Box 256
Kotzebue, Alaska 99752

Dear Mr. Tippleman:

It is the intention of the Legislative Council Chairman, Senator George Hohman, to reconvene the Future Frontiers Conference. The tentative proposal is to hold the conference in March of 1981. But before that date, we would like to meet with leaders of the five groups which participated in the Conference in 1979, to critique the 1979 activity, to discuss recent legislative and executive action and other responses, to establish a delegate action agenda and finally to establish a conference schedule.

The first meeting of group leaders is tentatively scheduled for December 1, 1980 in Anchorage. If you would be able to attend, please contact Senator Hohman's office in Juneau (465-3880) at your earliest convenience by calling collect.

Sincerely,

Elsa Demeksa
Future Frontiers Staff

ED:clm

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3880
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 24, 1980

Mr. Rich Seifert
University of Alaska, Fairbanks
Fairbanks, Alaska 99701

Dear Mr. Seifert:

It is the intention of the Legislative Council Chairman, Senator George Hohman, to reconvene the Future Frontiers Conference. The tentative proposal is to hold the conference in March of 1981. But before that date, we would like to meet with leaders of the five groups which participated in the Conference in 1979, to critique the 1979 activity, to discuss recent legislative and executive action and other responses, to establish a delegate action agenda and finally to establish a conference schedule.

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Sincerely,

Elsa Demeksa
Future Frontiers Staff

ED:clm

SENATOR GEORGE HOHMAN

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3880
(907) 465-4948

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

Planning for the next 10 years

November 24, 1980

Mr. Art Davidson
Box 26 A, SRA
Homer, Alaska 99603

Dear Mr. Davidson:

It is the intention of the Legislative Council Chairman, Senator George Hohman, to reconvene the Future Frontiers Conference. The tentative proposal is to hold the conference in March of 1981. But before that date, we would like to meet with leaders of the five groups which participated in the Conference in 1979, to critique the 1979 activity, to discuss recent legislative and executive action and other responses, to establish a delegate action agenda and finally to establish a conference schedule.

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Sincerely,

Elsa Demeksa
Future Frontiers Staff

ED:clm

Alaska Pacific University

Anchorage, Alaska 99504 907-276-8181

DATE 24 Jan 1981

REC'D FROM Southcentral Future Frontiers Conference

FOR THE A/C OF by Elsa Demiksa

STUDENT OR EMPLOYEE NO.

DESCRIPTION		
Deposit	$ 150	00
Balance to be	$	
billed	$	
	$	
	$	
	$	
	$	
TOTAL	$ 150	00

2188 REC'D BY [signature]

AGREEMENT

Alaska Pacific University and the Southcentral Regional

Future Frontiers Conference agree as follows:

AS A GUARANTEE

A. Alaska Pacific University will provide the following:

1. **Meeting space in the Alaska Pacific University Student Center; (2) days @ $250.00 per day,**
2. **Three dormitory rooms; (2) nights @ $1..50 per person per night,** 30
3. **Two luncheons; 100 people for each lunch @ $3.50 per person.** — WE Collect from you

The Southcentral Regional Future Frontiers Conference agrees as follows:

1. To pay Alaska Pacific University the sum of $150.00 on Saturday, January 24, 1981.
2. To pay the remainder due for services rendered and received, after reciept of appropriate itemized billing.

Dr. Lewis Nauman, for
Alaska Pacific University

1/24/81
/DATE

Chip Thoma
Southcentral Regional
Future Frontiers Conference

1/24/81
DATE

Chip ThomA

(*) Co-Chairman

24 Public members
7 Staff and volunteers

Delegate		Name	Address	Occupation Firm	Phone
Marie Jones	1.	Marie Jones	SRA 31 J	Univ of Alaska 263	349-4062 1827
	2	Edward Hood	SRA31 J	State of Alaska 3449704	
	3	Frank G Woods Jr	TWENTY GRAND EAGLE RIVER	CM CONSULTANTS	694 9705
(*)	4.	Gary H. Hallmans	429 D St #312 99501	AK Humanities For	272-5341
*	5	Robert Gottstein	111 W 22nd Ave 99503	Carr's Quality Centers	279-4790
*	6	Charlotte Simonds	1449 W 13 Ave. Anchor 99504	—	279-8767
*		Harold Ebenerog	4048 Wright St	GPC	272-7375
*	7	David K Frison	SRA Box 33L	Campus Minister	349-4794
*	8	[illegible]	[illegible]	[illegible]	[illegible]
(*)	9	Doug McConnell	1610 West 14th Ave Anchorage, A.K. 99501	AEIDC	279-4523
	10	Nancy Lee	1541 I St.	Alt Energy Resource Center	274-3622
	11	John Angell	SRA 145CK 99502	UofA, Just Gr	263 1810
	12	Gail Stolz	Box 1093 ~~AK PIRG~~	AK PIRG	278-3661
	13	Matt Tancey	Box 1093 Anch Ak	AK PIRG	278-3661
	14	Kathy Hollow	695 3 Wakefield Pl	NOA	264-4700
*	15	Marion A. Hylen	Box 110 Nikiski, Ak	C-W Peninsula Realty	567 3493
	16	MILES DAVIC	P.O. BOX 1292	ANC 99510	337-7910
	17	Mark Skok	PO Box 40 99510	Reporter	277 5622

Delegate		Name	Address	Occupation Firm	Phone
	18	Charles P. Meacham	3502 Wesleyan Dr. Anch.	Bk Dept. Fish&Game	344-0541
	19	Kathleen GRAVES	5902 Buckner, Anch	Comm. Fishing	337-6524
*		Beverly Iverson	943 Westbury, Anch	Public Relations Municipality of Anch.	279-5361
	20				
	21	Nancy Smith	SOB Box 2057, Anch.	Public Relations Municipality of Anch.	344-1084
*	22	Helen Fisher	1036 W. 22nd	Student	279-H375
	23	Sandy Wenzel	3961 Bryant Ridge Anch. 99504	Interested citizen	333-5008
	24	Bev Aleck	SRA Box 1362	Interested ST. AFF	344-7109
	25	Knowlton Johnson	Justice Center Univ. of Alaska, Anchorage	UAA	263-1818
	26				
	27				
	28				
	29				
	30				
	31				
	32				
	33				
	34				

	Name	Address	Occupation	Phone
1	Nancy Lee	1541 I		
2	Helen Fisher	1036 W. 22nd Ak. 99503	lawyer	279-4375
3	Helen Fisher		student	
4	Marjorie Tobey	3424 Knik	Alaska Humanities Forum	
5	Robert L. Veach	7306 MADELYNNE DRIVE	LANDLORD	333-1723
6	Nancy Gross	1714 Birchwood	consultant	277-3070
7	Theresa Pederson	Box 685, Nome 99762 929 W. 27th #407 Anchorage, AK. 99502	student	—
8	Lewis Pederson	" " "	Laborer	—
9	[illegible]	[illegible]	[illegible]	[illegible]
10	JOE BAGINSKI	PO BOX 3800	MGMT CONSULTANT	276 0872
11				
12				
13				
14				
15				
16				
17				
18				

Stephen S. DeLisio
Allen Sharp
Joseph M. Merdes
Patricia L. Zobel
Walter J. Scandlo
T. W. Patch

LAW OFFICES OF
MERDES, SCHAIBLE, STALEY & DeLISIO, Inc.
A PROFESSIONAL CORPORATION
943 West 6th Avenue — 6th & "K" Building 99501
P. O. BOX 2840
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Tel. (907) 279-9574
ANCHORAGE, ALASKA 99510
Telex No. 25-257

Edward A. Merdes
Grace Berg Schaible
Howard Staley
Dennis E. Cook
Barbara L. Schuhmann
Robert B. Groseclose
Charles D. Silvey, Jr.
Michael C. Geraghty

February 5, 1981

Mr. Allen D. Blume
Future Frontiers
Pouch "V"
Juneau, Alaska 99811

Re: Future Frontiers

Dear Mr. Blume:

By now you should have received Steve's letter dated Febru ry 2, 1981, which included a list of names of interested people wanting to serve as delegates at the upcoming Future Frontiers Conference.

The following are two more people Steve would like added to that list:

(1) Michael Tapley, P.O. Box 2407, Anchorage, Alaska 99510, 345-4343;

(2) Robert M. Vogt, 1800 Stanford Drive, Anchorage, Alaska 9954, 278-2561.

Thank you for your assistance.

Sincerely,

MERDES, SCHAIBLE, STALEY
& DeLISIO, INC.

By Jan Martin
Jan Martin, Secretary to
Stephen S. DeLisio

/jpm

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[illegible]
Stephen S. DeLisio
Alan Sherry
Joseph M. Moran
Patricia L. Zobel
Walter J. Scandlo
T. W. Patch

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Charles D. Silvey, Jr.
Michael C. Geraghty

February 2, 1981

Mr. Allen D. Blume
Future Frontiers
Pouch "V"
Juneau, Alaska 99811

Re: Future Frontiers

Dear Allen:

As you may be aware, an advertisement was run on television toward the end of last week encouraging people to participate in the coming Future Frontiers program. I received a number of responses from people who have requested that they be given an opportunity to serve as delegates from the Greater Anchorage Area, including one from Soldotna. Their names, addresses, and phone numbers are as follows:

1. Tom Shook, 3351 Lakeside Drive, Anchorage, Alaska 99502, 344-3747;

2. Gary N'Ski, 643 "O" Street, Anchorage, Alaska 99501, 272-6628;

3. Robert L. and Evelyn S. Veach, 7306 Madelynne Drive, Anchorage, Alaska 99504, 333-1723;

4. Roy and Tommy Brown, P.O. Box 762, Soldotna, Alaska 99669, 262-4233;

5. Peggy Hubbard, 3810 Patricia Lane, Anchorage, Alaska 99504, 333-0216;

6. John W. Wood, 1161 LaLande Place, Anchorage, Alaska 99504, 337-5535 (home), 272-9548;

7. Carl and Judy Whitson, 2201 "D" Street, Anchorage, Alaska 99503, 272-4152;

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8. Susan Bickman, SR Box 5422, Eagle River, Alaska 99577, 694-9694;

9. Ray Rainwater, SRA Box 1458B, Anchorage, Alaska 99502, 345-3860;

10. Eric Skidmore, Box 56, Chugiak, Alaska 99567, 688-9096;

11. Chuck Adams, 2270 Lake George Drive, Anchorage, Alaska 99504, 337-1849, 264-6676.

When Tom Shook called me, he informed me that he had been the lead computer analyst for the Mesarovic and Pestel World Modeling project for the Club of Rome until that group was disbanded. He is currently developing an Alaska model and works at least part of his time as a consultant. He would like to become involved with the Future Frontiers program, I gather, in some sort of a resource person capacity. He has some practical approaches to an analysis of the future and how to deal with it that may be of benefit to the group.

If it is at all possible for these people to be named as delegates or alternate delegates from the Southeastern Region to the March Future Frontiers Conference, I would appreciate it if you could advise them as soon as possible and send them whatever materials might be needed.

Thank you for your assistance.

Best regards,

MERDES, SCHAIBLE, STALEY
& DeLISIO, INC.

By _____
Stephen S. DeLisio

SSD/jpm
cc: Mr. Gary Holthaus

CONFIRMATION COPY

CE
02012 TDA JUNEAU AK 86 11-24 1240P AST
PMS DAVID NANALOOK
TOGIAK AK
CONGRATULATIONS. YOU HAVE BEEN SELECTED AS A DELEGATE TO THE
LEGISLATIVE COUNCILS CONFERENCE ON ALASKAS FUTURE FRONTIERS TO
BE HELD AT THE SHERATON ANCHORAGE HOTEL ON DECEMBER 5, 6, 7 AND
8. YOUR PARTICIPATION WILL GREATLY AID IN DETERMINING APPROPRIATE
COURSES FOR ALASKAS FUTURE. IF YOU ARE ABLE TO ATTEND, PLEASE LET
ME KNOW RIGHT AWAY BY COLLECT WIRE OR PHONE CALL. IF YOU WILL NEED
FINANCIAL ASSISTANCE FOR TRAVEL AND HOTEL PLEASE INDICATE IN
YOUR CALL OR WIRE.
SENATOR GEORGE HOHMAN
POUCH V
JUNEAU AK 99811
465-3880 OR 465-4849

CONFIRMATION COPY

#CE
02013 TDA JUNEAU AK 86 11-24 1240P AST
PMS JESSIE FOSTER
QUINHAGAK AK
CONGRATULATIONS. YOU HAVE BEEN SELECTED AS A DELEGATE TO THE
LEGISLATIVE COUNCILS CONFERENCE ON ALASKAS FUTURE FRONTIERS TO
BE HELD AT THE SHERATON ANCHORAGE HOTEL ON DECEMBER 5, 6, 7 AND
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COURSES FOR ALASKAS FUTURE. IF YOU ARE ABLE TO ATTEND, PLEASE LET
ME KNOW RIGHT AWAY BY COLLECT WIRE OR PHONE CALL. IF YOU WILL NEED
FINANCIAL ASSISTANCE FOR TRAVEL AND HOTEL PLEASE INDICATE IN
YOUR CALL OR WIRE.
SENATOR GEORGE HOHMAN
POUCH V
JUNEAU AK 99811
465-3880 OR 465-4849

CONFIRMATION COPY

ACE
02014 TDA JUNEAU AK 86 11-24 1240P AST
PMS JACOB JOHNSON 949-1117 949-1119
EMMONAK AK
CONGRATULATIONS. YOU HAVE BEEN SELECTED AS A DELEGATE TO THE LEGISLATIVE COUNCILS CONFERENCE ON ALASKAS FUTURE FRONTIERS TO BE HELD AT THE SHERATON ANCHORAGE HOTEL ON DECEMBER 5, 6, 7 AND 8. YOUR PARTICIPATION WILL GREATLY AID IN DETERMINING APPROPRIATE COURSES FOR ALASKAS FUTURE. IF YOU ARE ABLE TO ATTEND, PLEASE LET ME KNOW RIGHT AWAY BY COLLECT WIRE OR PHONE CALL. IF YOU WILL NEED FINANCIAL ASSISTANCE FOR TRAVEL AND HOTEL PLEASE INDICATE IN YOUR CALL OR WIRE.
SENATOR GEORGE HOHMAN
POUCH V
JUNEAU AK 99811
465-3880 OR 465-4849

CONFIRMATION COPY

ACE
02015 TDA JUNEAU AK 86 11-24 1240P AST
PMS RAFE MORAN 758-4228
HOOPER BAY AK
CONGRATULATIONS. YOU HAVE BEEN SELECTED AS A DELEGATE TO THE LEGISLATIVE COUNCILS CONFERENCE ON ALASKAS FUTURE FRONTIERS TO BE HELD AT THE SHERATON ANCHORAGE HOTEL ON DECEMBER 5, 6, 7 AND 8. YOUR PARTICIPATION WILL GREATLY AID IN DETERMINING APPROPRIATE COURSES FOR ALASKAS FUTURE. IF YOU ARE ABLE TO ATTEND, PLEASE LET ME KNOW RIGHT AWAY BY COLLECT WIRE OR PHONE CALL. IF YOU WILL NEED FINANCIAL ASSISTANCE FOR TRAVEL AND HOTEL PLEASE INDICATE IN YOUR CALL OR WIRE.
SENATOR GEORGE HOHMAN
POUCH V
JUNEAU AK 99811
465-3880 OR 465-4849

CONFIRMATION COPY

ACE
02016 TDA JUNEAU AK 86 11-24 1240P AST
PMS LIZ BEANS JOSEPH
NIGHTMUTE AK
CONGRATULATIONS. YOU HAVE BEEN SELECTED AS A DELEGATE TO THE LEGISLATIVE COUNCILS CONFERENCE ON ALASKAS FUTURE FRONTIERS TO BE HELD AT THE SHERATON ANCHORAGE HOTEL ON DECEMBER 5, 6, 7 AND 8. YOUR PARTICIPATION WILL GREATLY AID IN DETERMINING APPROPRIATE COURSES FOR ALASKAS FUTURE. IF YOU ARE ABLE TO ATTEND, PLEASE LET ME KNOW RIGHT AWAY BY COLLECT WIRE OR PHONE CALL. IF YOU WILL NEED FINANCIAL ASSISTANCE FOR TRAVEL AND HOTEL PLEASE INDICATE IN YOUR CALL OR WIRE.
SENATOR GEORGE HOHMAN
POUCH V
JUNEAU AK 99811
465-3880 OR 465-4849

FUTURE FRONTIERS CONFERENCE

– Delegate Questionnaire –

Please fill out this questionnaire only if you are a delegate to the conference

In the 1969 Brookings/Legislative conference, there was a significant discussion about "Alaska lifestyle" . . . leading to the following question to start this conference, ten years later: Which of the following two lifestyles and economies do you PERSONALLY PREFER:

01) (1) An economy and lifestyle which is primarily self-sufficient, in which local people produce most of their food, build their own houses, renew their own energy systems, recycle resources, subsist to a large degree on hunting, fishing, trapping etc.; and depend less on "jobs", cash income, and consumer goods imported from all over the world than is the case at present.

42%

(2) An economy which depends upon "jobs", cash income, consumerism, credit, renting and buying, and the technological (multinational) world system which exchanges such commodities, goods and services, and which looks to the Alaska environment not for subsistence, self sufficiency and struggle, but as an opportunity for recreation, often using the motor vehicle, energy, and other consumable resources in the process.

31%

27% No Response

02) Even though most Alaskans don't actually live the life described in (1) above, is it part of the Alaska dream, as you see it, to subscribe to such a lifestyle?

1. Yes 37%
2. Somewhat 55%
3. No 7%

03) Do you believe it's realistic to maintain the dream and goals described in (1) above, or do you believe that it is unrealistic to think that anyone can escape the economic consequences of life described in (2) above, no matter where he may live in America or Alaska?

1. Realistic 33%
2. Unrealistic 59%

No response 8%

04) Do you agree that most Alaska Natives are going through a transition from lifestyle 1 to lifestyle 2?

1. Agree 83%
2. Disagree 14%

No response - 4%

05) (If so) Do you think they are doing so willingly, knowing the cultural, spiritual and economic consequences in toto?

1. Yes 26%
2. No 57%

No response 4%

1. Agree 39%
2. Disagree 50%
no response 8%

07) (If so) Do you think they succeed at it, or is it mostly just talk?

1. Yes succeed 37%
2. No talk 47%
no response 14%

	Do you favor or oppose . . .	FAVOR (circle appropriate number below)	OPPOSE	N.R.
08)	Independence (sovereignty as a nation) for Alaska	1 15%	2 78%	7%
09)	Commonwealth (free associated state) for Alaska -- as exists for Puerto Rico and Guam	1 14%	2 71%	15%
10)	Redefinition of Statehood for Alaska, amendments giving Alaska more soverign powers over Alaska lands, resources, etc	1 67%	2 28%	5%
11)	A constitutional convention for Alaska	1 40%	2 45%	14%

12) If a constitutional convention were to occur, please identify areas where you believe changes would be warranted:

_____

_____ _____
(write in)

13) And, identify areas where you feel changes are not warranted, but special interests may indeed try to force change for the whole state?

_____

_____
(write in)

	Do you favor or oppose . . .	FAVOR (circle appropriate number below)	OPPOSE	N.R.
14)	Legal attempts to discourage migration to Alaska	1 34%	2 64%	2%
15)	Legal and political efforts to limit jobs, fishing licenses, etc. to residents of Alaska	1 42%	2 52%	6%
16)	Extension of the residency-time requirement from 1 month back to 1 year in the state	1 87%	2 8%	5%
17)	The distribution of state wealth such that residents with longer tenure in the state receive a larger share than residents with a short tenure	1 67%	2 27%	6%

			(circle appropriate number below)	
18)	**Economic planning which discourages population growth in Anchorage and Fairbanks and encourages population growth elsewhere**	1 55%	2 42%	4
19)	**Law which insures that All Alaskans will be treated equally in the distribution of state wealth, regardless of any criteria (such as length of residence, age, race, income, health, or other need)**	1 44%	2 48%	8
20)	**A State Constitutional Amendment which guarantees Legislative Representation to rural areas (insuring that no one from Anchorage, for example, winds up representing a resident of Nunapitchik) REGARDLESS of the one-man, one-vote apportionment system**	1 77%	2 18%	5

	Do you favor or oppose a generalized state policy which:	FAVOR (circle appropriate number below)	OPPOSE	N
21)	Encourages rural economic development even if it means increased population in the rural areas (people from the lower '48 drawn to Alaska's rural areas)	1 58%	2 35%	7
22)	Encourages economic development statewide and discourages population growth in Anchorage and Fairbanks - for two related purposes -- first, to provide economic development in the bush where Alaskans really need it; and second, to slow down the rate of population growth in the two communities that have suffered the consequences (traffic, etc.) of a very rapid population growth rate in the 1970's	1 48%	2 41%	11
23)	Encourages both of the above through the allocation of funds in the capital improvements budget of the state, the state operating fund, and the permanent fund (including the windfall surplus)	1 51%	2 27%	22

24) Ten years ago, it was argued that "the conveyance of 40 million acres and one billion dollars to Alaska's Natives will make all Alaska wealthier -- it's for the good of all the state, not just the Natives," or words to that effect. In your opinion, has it worked out that way?

1. Yes 28%
2. Somewhat 40%
3. No 30%

No response 2%

25) Should the state manage its lands COOPERATIVELY with Alaska Natives and the federal government in Alaska? Or should each interest develop its own plan for land use without inter-dependence on the other?

1. Yes
2. No

[redacted] the Natives would be exchanging lands near Alaska urban centers for [redacted]

1. Yes
2. No

27) Is the state . . .

1. Distributing too much state land to residents
2. Distributing about the right amount of land to residents
3. Not distributing enough state land to residents

28) Of the state's total allotment (103.5 million acres) how much should be distributed, disposed or sold to Alaska residents?

_____ (specify No. of acres)

29) Should hunting licenses be . . .
1. Limited to Alaska residents from the hunting area only, upon payment of the fee; 26%
2. Limited to any Alaskan resident who pays the fee; 24%
3. Limited to any American citizens who pays the fee; 20%
4. Limited to anyone who pays the fee 30%

	In terms of oil and gas development, do you favor or oppose . . .	FAVOR (circle appropriate number below)	OPPOSE	[illegible]
30)	a state investment in the gas pipeline	57% 1	41% 2	2
31)	state ownership of the gas pipeline	33% 1	59% 2	8
32)	the Beaufort sea lease sale	63% 1	37% 2	5
33)	more oil and gas lease sales	68% 1	24% 2	7
34)	state purchase of an interest in the oil pipeline	55% 1	39% 2	7
35)	oil and gas exploration in southwest Alaska, near the low income center of the state	58% 1	39% 2	7
36)	Direct state investment in oil and gas exploration on state-owned lands	55% 1	41% 2	4

	How would you rank public investment in facilities (such as airports, docks, roads, buildings, etc.) which would stimulate economic development in . . .	RANK 1 TO 10
37)	oil and gas development	1 2 3 4 5 6 7 8 9 10
38)	petrochemical plant construction	1 2 3 4 5 6 7 8 9 10
39)	tourism	1 2 3 4 5 6 7 8 9 10
40)	agriculture	1 2 3 4 5 6 7 8 9 10
41)	bottomfisheries	1 2 3 4 5 6 7 8 9 10
42)	other, traditional fisheries	1 2 3 4 5 6 7 8 9 10
43)	new town construction, the housing industry	1 2 3 4 5 6 7 8 9 10
44)	timber, logging	1 2 3 4 5 6 7 8 9 10
45)	power projects (water, solar, thermal, etc.)	1 2 3 4 5 6 7 8 9 10
46)	major mining ventures (coal, etc.)	1 2 3 4 5 6 7 8 9 10

by local government? Or have new priorities taken the place of this "catch-up" policy.

1. Yes, use same way
2. No, new priorities

48) **Presently, the state receives about half its oil and gas revenues from royalties and bonuses (these include the income from the portion of oil the state OWNS), and about one half its oil and gas revenues from oil taxes (the severance tax and other oil taxes). It is the policy of the state to put 1/8th of all these revenues into the PERMANENT FUND. The question is, should this be left at 1/8th or increased?**

1. leave at 1/8
2. increase to 1/4
3. increase to 1/2
4. other: _____ (specify)

How would surplus revenues best be used in Alaska (please rank the following)

1 = lowest ; 5 = highest

		RANKING 1-5 (as %)					
49)	to offset the effects of eliminating the state personal income tax	1-39	2-13	3-9	4-5	5-22	1
50)	to help develop Alaska Resources Inc. (as in M. Bradner)	1-19	2-9	3-21	4-10	5-21	2
51)	to help develop an AGSOC (as proposed by M. Gravel)	1-47	2-6	3-14	4-12	5-9	1
52)	as a low-interest loan guarantee bank to offset high interest rates for Alaska residents	1-12	2-4	3-18	4-15	5-35	1
53)	to "leverage" other state funds, bonds, and so on, thus stretching the state's financial capability in various respects (as in D. Rose)	1-10	2-15	3-13	4-25	5-18	1
54)	to invest the money wherever it makes the highest profit, even if that means investing OUTSIDE	1-31	2-15	3-14	4-8	5-17	1

55) Do you agree that the highest priority use for oil and gas revenues is investment in public facilities to anticipate bottomfish development in Alaska, or do you feel that some other project or activity has a higher priority?

1. Bottomfish development 88%
2. Other project or activity 14%

56) (And if so) Name it: _____

57) Should a comprehensive statewide plan for bottomfish be developed in which communities will be strategically and efficiently selected for highest and best use in terms of dock and harbor development, or should each of the communities interested in bottomfish facilities development compete for existing funds in the hope that they will be the site of such eventual economic activity?

1. Yes, statewide plan 51%
2. Each community complete 27%
3. Unsure 18%

no response 4%

58) Should funds provided by the state for fishery development statewide include a low interest loan provision for Alaskan resident fishermen to use for improvement or purchase of the equipment needed to maximize their effectiveness in new, technologically complicated fisheries operations?

1. Yes 76%
2. No 9%
3. Unsure 11%

no response 4%

59)	Alaska-international service..... 1 46%	2 20%	3 23% -
60)	Air service from major cities like Anchorage and Fairbanks to other smaller Alaska communities in Southeast and the west..... 1 18%	2 48%	3 25% -
61)	Air service from small villages with no road and little or no ferry/boat transportation to regional centers or small Alaska cities..... 1 20%	2 22%	3 52% -

62) **Should the state prepare a statewide transportation plan which integrates all transportation systems and provides a comprehensive, efficient means for getting from one place to another in Alaska at the most economical cost and by the most convenient means?**

1. Yes 85%
2. No 10%
   no response 5%

63) **(And, if so) Should the state create one agency to administer and regulate the plan?**

1. Yes 58%
2. No 28%
   no response 14%

In anticipation of rural resource economic development (in oil and gas, mining, bottomfish and other fish industry product) how would you rank the following planning areas in terms of priority:

		RANKING 1 - 5					NA
64)	pipeline corridor planning..... 1-29	2-18	3-22	4-5	5-23	4
65)	railroad corridor plans..... 1-16	2-19	3-21	4-20	5-20	7
66)	road construction plans..... 1-20	2-8	3-30	4-18	5-24	3
67)	dock and harbor improvements or construction plans..... 1-8	2-10	3-9	4-28	5-42	2
68)	airport improvement or construction plans..... 1-14	2-5	3-15	4-23	5-42	1

How would you prioritize the following transportation projects

		RANK 1 - 6					NA
69)	Full year maintenance of the North Slope Haul Road..... 1-42	2-11	3-12	4-11	5-1	6-19	4
70)	Construction of railroad links to create a trans continental link from interior Alaska to midwest USA..... 1-14	2-13	3-16	4-18	5-14	6-26	6
71)	Construction of road links to create a linkage of Southeastern communities to the Canadian Highway system, and thus points north in Alaska as well..... 1-20	2-12	3-22	4-11	5-13	6-15	6
72)	Improvements to the existing inter Alaska community road network..... 1-16	2-6	3-19	4-15	5-17	6-27	2
73)	Alaska purchase of the federally owned Alaska Railroad..... 1-34	2-14	3-8	4-12	5-12	6-13	8
74)	Improvements to the existing intra Alaska community road network..... 1-10	2-12	3-19	4-18	5-13	6-21	3

75) To maintain common purpose and understanding among the people of Alaska, and to insure control fo the state government by the people dispersed through the great landmass of the state, do you prefer expansion of TRANSPORTATION or COMMUNICATION facilities?

1. Transportation 9
2. Communications 29
3. Both 54
   no response 3

[redacted] regardless of the transportation mode?

1. Yes [redacted] 72%
2. No [redacted] 23%
   no response [redacted] 5%

77) **Do you favor augmenting telecommunications facilities, teleconferencing with state government, public surveys, a state survey research information bank, television town meetings, and the like, for the purpose of creating an improved bond, or linkage, between the people of Alaska and the state government decision-making system (including the executive, the Legislature, and the courts).**

1. Favor 77%
2. Oppose 18%
   no response - 5%

78) **Do you forsee the possibility of using such an augmented telecommunications system so as to avoid the need for moving the state capitol to a centralized location in Alaska? (In other words, do you believe that it is possible to achieve through telecommunications techniques the kind of citizen participation and control which instigates the proponents of the capitol move; or is telecommunications technology incapable of delivery of such a participatory system?)**

1. Yes 56%
2. No 37%
   no response 7%

79) Should the state encourage and loan money for efficiency machinery, with the understanding that this COULD discourage employment in the fisheries, both on vessels and shore-based?

1. Yes 50%
2. No [illegible]
   no response 13%

80) Should the state loan agencies be combined to concentrate all state loans to individuals under one state agency or division?

1. Yes 48%
2. No 43%
   no response 9%

81) Should the State organize the unorganized borough in Alaska (re, Gillian Smythe), map the unorganized areas, assess the property, analyze the revenue in the area, prepare the legislation and assist with funding the new government as it's needed?

1. Yes 43%
2. No 42%
3. Other 16% _____(comment)

82) Do you believe that the concept of permitting private educational vendors -- certified private interests which deliver education to buyers at a certain price -- ought to be instituted in Alaska?

1. Yes 57%
2. No 37%
   no response 6%

83) Would you expect such a private/public mix of educational systems to provide a better product in the long run for Alaskans, or not?

1. Yes 67%
2. No 28%

no resp. 5%

Which of the following purposes of education should receive the highest priority for state government education systems: **RANK 1 - 3**

85)	(1)	Education leading to employability, work, jobs 1	26%	2 16%	3 55
86)	(2)	Education leading to an enjoyment of the quality of life, satisfaction and use of leisure (or retirement) time 1	21%	2 40%	3 33.0
87)	(3)	Education for itself (simply to provide literate, able members of society who can move smoothly in it and through it).....1	27	22	3 42

88) **Do you favor or oppose the creation of a statewide non-campus based, non-traditional College of Alaska to meet the wide variety of needs not currently met by existing, traditional institutions? (Such a College would depend heavily on telecommunications, and the participation of specialists and experts in each field).**

1. **Favor** 68
2. Oppose 30
3. 3

89) Do you favor or oppose the creation of ONE INSTITUTION responsible for education* (elementary, secondary, college and community) in Alaska, with the AUTHORITY to utilize all resources, allocate resources, and coordinate the entire system based upon the overall plan, **or, do you prefer to leave the elementary and secondary education in the four existing systems**, and higher education in its various university and community college systems?

1. Favor 32
2. Oppose 62
3. 6

*None of this is to suggest the loss of local control of schools, or the powers of school boards, which would be left as is.

Do you agree (with Wagstaff, Angell, etc.) that	AGREE	DISAGREE	UNSURE
90) a) There is an inequity in sentencing based upon race (in which blacks and natives get longer sentences than whites for similar offenses) 1		2	3
91) b) That there is an inequity in criminal justice resource expenditures which favors the urban dweller and disfavors the rural resident) 1		2	3
92) c) That plea bargaining should be reinstated 1		2	3
93) d) That one agency in the state (not two or three) should be given responsibility for the administration of justice in Alaska 1		2	3

19 1. [illegible]
25 2. 10-20 years
27 3. 20-30 years
33 4. over 30 years
2 5

95) Occupation (please state) _____

96) Last level of education achieved:

11 1. HS diploma
35 2. Some college
10 3. College degree
20 4. Post graduate work
24 5. Postgraduate degree (MA, Phd, etc.)

97) Race

16 1. Indian, Esk mo, Aleut
7 2. Black, Oriental
63 3. Caucasian
7 4. Other _____ (specify)
4 5

98) Sex

47 1. F
53 2. M

99) Age

11 1. under 30
42 2. from 30 to 45
47 3. over 45

100) Residence

33 1. Anchorage
17 2. Fairbanks
10 3. Southeastern
14 4. Southcentral (Kenai, MatSu, railbelt hiway)
26 5. West (Kodiak, Bristol Bay, etc.) and North (Yukon, Seward Peninsula, Barrow, etc.)

To George

Date 4/27 Time 1:05

WHILE YOU WERE OUT

M Keith Bush

of Div. of Lec. Audit

Phone 4717

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		RUSH	

RETURNED YOUR CALL

Message Please call
re: Wage & Hour
Complaints

Sandy
Operator

02 097 (Rev. 5-75)

To

Date Time

WHILE YOU WERE OUT

M

of

Phone

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
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RETURNED YOUR CALL

Message

Operator

02 097 (Rev. 5-75)

FUTURE FRONTIERS CONFERENCE

– Delegate Questionnaire –

Please fill out this questionnaire only if you are a delegate to the conference

In the 1969 Brookings/Legislative conference, there was a significant discussion about "Alaska lifestyle" . . . leading to the following question to start this conference, ten years later: Which of the following two lifestyles and economies do you PERSONALLY PREFER:

01) (1) An economy and lifestyle which is primarily self-sufficient, in which local people produce most of their food, build their own houses, renew their own energy systems, recycle resources, subsist to a large degree on hunting, fishing, trapping etc.; and depend less on "jobs", cash income, and consumer goods imported from all over the world than is the case at present.

(2) An economy which depends upon "jobs", cash income, consumerism, credit, renting and buying, and the technological (multinational) world system which exchanges such commodities, goods and services, and which looks to the Alaska environment not for subsistence, self-sufficiency and struggle, but as an opportunity for recreation, often using the motor vehicle, energy, and other consumable resources in the process.

02) Even though most Alaskans don't actually live the life described in (1) above, is it part of the Alaska dream, as you see it, to subscribe to such a lifestyle?

1. Yes
2. Somewhat
3. No

03) Do you believe it's realistic to maintain the dream and goals described in (1) above, or do you believe that it is unrealistic to think that anyone can escape the economic consequences of life described in (2) above, no matter where he may live in America or Alaska?

1. Realistic
2. Unrealistic

04) Do you agree that most Alaska Natives are going through a transition from lifestyle 1 to lifestyle 2?

1. Agree
2. Disagree

05) (If so) Do you think they are doing so willingly, knowing the cultural, spiritual and economic consequences in toto?

1. Yes
2. No

1. Agree
2. Disagree

07) **(If so) Do you think they succeed at it, or is it mostly just talk?**

1. Yes
2. No

	Do you favor or oppose . . .	FAVOR (circle appropriate number below)	OPPOSE
08)	**Independence (sovereignty as a nation) for Alaska**	1	2
09)	**Commonwealth (free associated state) for Alaska -- as exists for Puerto Rico and Guam**	1	2
10)	**Redefinition of Statehood for Alaska, amendments giving Alaska more soverign powers over Alaska lands, resources, etc**	1	2
11)	A constitutional convention for Alaska	1	2

12) If a constitutional convention were to occur, please identify areas where you believe changes would be warranted:

_____

_____

(write in)

13) And, identify areas where you feel changes are not warranted, but special interests may indeed try to force change for the whole state?

_____

_____

(write in)

	Do you favor or oppose . . .	FAVOR (circle appropriate number below)	OPPOSE
14)	Legal attempts to discourage migration to Alaska	1	2
15)	Legal and political efforts to limit jobs, fishing licenses, etc. to residents of Alaska	1	2
16)	Extension of the residency time requirement from 1 month back to 1 year in the state	1	2
17)	The distribution of state wealth such that residents with longer tenure in the state receive a larger share than residents with a short tenure	1	2

		FAVOR (circle appropriate number below)	OPPOSE
18)	Economic planning which discourages population growth in Anchorage and Fairbanks and encourages population growth elsewhere	1	2
19)	Law which insures that All Alaskans will be treated equally in the distribution of state wealth, regardless of any criteria (such as length of residence, age, race, income, health, or other need)	1	2
20)	A State Constitutional Amendment which guarantees Legislative Representation to rural areas (insuring that no one from Anchorage, for example, winds up representing a resident of Nunapitchik) REGARDLESS of the one-man, one-vote apportionment system	1	2

Do you favor or oppose a generalized state policy which:		FAVOR (circle appropriate number below)	OPPOSE
21)	Encourages rural economic development even if it means increased population in the rural areas (people from the lower '48 drawn to Alaska's rural areas)	1	2
22)	Encourages economic development statewide and discourages population growth in Anchorage and Fairbanks -- for two related purposes -- first, to provide economic development in the bush where Alaskans really need it; and second, to slow down the rate of population growth in the two communities that have suffered the consequences (traffic, etc.) of a very rapid population growth rate in the 1970's	1	2
23)	Encourages both of the above through the allocation of funds in the capital improvements budget of the state, the state operating fund, and the permanent fund (including the windfall surplus)	1	2

24) Ten years ago, it was argued that "the conveyance of 40 million acres and one billion dollars to Alaska's Natives will make all Alaska wealthier -- it's for the good of all the state, not just the Natives," or words to that effect. In your opinion, has it worked out that way?

1. Yes
2. Somewhat
3. No

25) Should the state manage its lands COOPERATIVELY with Alaska Natives and the federal government in Alaska? Or should each interest develop its own plan for land use without inter-dependence on the other?

1. Yes
2. No

[redacted] and the Natives would be exchanging lands near Alaska urban centers for recreation purposes?

1. Yes
2. No

27) Is the state . . .

1. Distributing too much state land to residents
2. Distributing about the right amount of land to residents
3. Not distributing enough state land to residents

28) Of the state's total allotment (103.5 million acres) how much should be distributed, disposed or sold to Alaska residents?

_____ (specify No. of acres)

29) Should hunting licenses be . . .
1. Limited to Alaska residents from the hunting area only, upon payment of the fee;
2. Limited to any Alaskan resident who pays the fee;
3. Limited to any American citizens who pays the fee;
4. Limited to anyone who pays the fee

	In terms of oil and gas development, do you favor or oppose . . .	FAVOR (circle appropriate number below)	OPPOSE
30)	a state investment in the gas pipeline	1	2
31)	state ownership of the gas pipeline	1	2
32)	the Beaufort sea lease sale	1	2
33)	more oil and gas lease sales	1	2
34)	state purchase of an interest in the oil pipeline	1	2
35)	oil and gas exploration in southwest Alaska, near the low-income center of the state	1	2
36)	Direct state investment in oil and gas exploration on state-owned lands	1	2

	How would you rank public investment in facilities (such as airports, docks, roads, buildings, etc.) which would stimulate economic development in . . .	RANK 1 TO 10
37)	oil and gas development	1 2 3 4 5 6 7 8 9 10
38)	petrochemical plant construction	1 2 3 4 5 6 7 8 9 10
39)	tourism	1 2 3 4 5 6 7 8 9 10
40)	agriculture	1 2 3 4 5 6 7 8 9 10
41)	bottomfisheries	1 2 3 4 5 6 7 8 9 10
42)	other, traditional fisheries	1 2 3 4 5 6 7 8 9 10
43)	new town construction, the housing industry	1 2 3 4 5 6 7 8 9 10
44)	timber, logging	1 2 3 4 5 6 7 8 9 10
45)	power projects (water, solar, thermal, etc.)	1 2 3 4 5 6 7 8 9 10
46)	major mining ventures (coal, etc.)	1 2 3 4 5 6 7 8 9 10

1. Yes, use same way
2. No, new priorities

48) **Presently, the state receives about half its oil and gas revenues from royalties and bonuses (these include the income from the portion of oil the state OWNS), and about one half its oil and gas revenues from oil taxes (the severance tax and other oil taxes). It is the policy of the state to put 1/8th of all these revenues into the PERMANENT FUND. The question is, should this be left at 1/8th or increased?**

1. **leave at 1/8**
2. **increase to 1/4**
3. **increase to 1/2**
4. **other: _____(specify)**

How would surplus revenues best be used in Alaska (please rank the following)	**RANKING 1-5**				
49) to offset the effects of eliminating the state personal income tax 1	2	3	4	5
50) to help develop Alaska Resources Inc. (as in M. Bradner) 1	2	3	4	5
51) to help develop an AGSOC (as proposed by M. Gravel)..... 1	2	3	4	5
52) as a low-interest loan guarantee bank to offset high interest rates for Alaska residents 1	2	3	4	5
53) to "leverage" other state funds, bonds, and so on, thus stretching the state's financial capability in various respects (as in D. Rose) 1	2	3	4	5
54) to invest the money wherever it makes the highest profit, even if that means investing OUTSIDE..... 1	2	3	4	5

55) Do you agree that the highest priority use for oil and gas revenues is investment in public facilities to anticipate bottomfish development in Alaska, or do you feel that some other project or activity has a higher priority?

1. Bottomfish development
2. Other project or activity

56) (And if so) Name it: _____

57) Should a comprehensive statewide plan for bottomfish be developed in which communities will be strategically and efficiently selected for highest and best use in terms of dock and harbor development, or should each of the communities interested in bottomfish facilities development compete for existing funds in the hope that they will be the site of such eventual economic activity?

1. Yes, statewide plan
2. Each community complete
3. Unsure

58) Should funds provided by the state for fishery development statewide include a low-interest loan provision for Alaskan resident fishermen to use for improvement or purchase of the equipment needed to maximize their effectiveness in new, technologically complicated fisheries operations?

1. Yes
2. No
3. Unsure

59)	Alaska-international service.....1	2		3
60)	Air service from major cities like Anchorage and Fairbanks to other smaller Alaska communities in Southeast and the west.....1	2		3
61)	Air service from small villages with no road and little or no ferry/boat transportation to regional centers or small Alaska cities.....1	2		3

62) Should the state prepare a statewide transportation plan which integrates all transportation systems and provides a comprehensive, efficient means for getting from one place to another in Alaska at the most economical cost and by the most convenient means?

1. Yes
2. No

63) (And, if so) Should the state create one agency to administer and regulate the plan?

1. Yes
2. No

In anticipation of rural resource economic development (in oil and gas, mining, bottomfish and other fish industry product) how would you rank the following planning areas in terms of priority:

		RANKING 1 - 5			
64)	pipeline corridor planning.....1	2	3	4	5
65)	railroad corridor plans.....1	2	3	4	5
66)	road construction plans.....1	2	3	4	5
67)	dock and harbor improvements or construction plans.....1	2	3	4	5
68)	airport improvement or construction plans.....1	2	3	4	5

How would you prioritize the following transportation projects :

		RANK 1 - 6				
69)	Full year maintenance of the North Slope Haul Road.....1	2	3	4	5	6
70)	Construction of railroad links to create a trans-continental link from interior Alaska to midwest USA.....1	2	3	4	5	6
71)	Construction of road links to create a linkage of Southeastern communities to the Canadian Highway system, and thus points north in Alaska as well.....1	2	3	4	5	6
72)	Improvements to the existing inter-Alaska community road network.....1	2	3	4	5	6
73)	Alaska purchase of the federally-owned Alaska Railroad.....1	2	3	4	5	6
74)	Improvements to the existing intra-Alaska community road network.....1	2	3	4	5	6

75) To maintain common purpose and understanding among the people of Alaska, and to insure control fo the state government by the people dispersed through the great landmass of the state, do you prefer expansion of TRANSPORTATION or COMMUNICATION facilities?

1. Transportation
2. Communications
3. Both

[redacted]

1. Yes
2. No

77) Do you favor augmenting telecommunications facilities, teleconferencing with state government, public surveys, a state survey research information bank, television town meetings, and the like, for the purpose of creating an improved bond, or linkage, between the people of Alaska and the state government decision-making system (including the executive, the Legislature, and the courts).

1. Favor
2. Oppose

78) Do you forsee the possibility of using such an augmented telecommunications system so as to avoid the need for moving the state capitol to a centralized location in Alaska? (In other words, do you believe that it is possible to achieve through telecommunications techniques the kind of citizen participation and control which instigates the proponents of the capitol move; or is telecommunications technology incapable of delivery of such a participatory system?)

1. Yes
2. No

79) Should the state encourage and loan money for efficiency machinery, with the understanding that this COULD discourage employment in the fisheries, both on vessels and shore-based?

1. Yes
2. No

80) Should the state loan agencies be combined to concentrate all state loans to individuals under one state agency or division?

1. Yes
2. No

81) Should the State organize the unorganized borough in Alaska (re, Gillian Smythe), map the unorganized areas, assess the property, analyze the revenue in the area, prepare the legislation and assist with funding the new government as it's needed?

1. Yes
2. No
3. Other _____(comment)

82) Do you believe that the concept of permitting private educational vendors -- certified private interests which deliver education to buyers at a certain price -- ought to be instituted in Alaska?

1. Yes
2. No

83) Would you expect such a private/public mix of educational systems to provide a better product in the long run for Alaskans, or not?

1. Yes
2. No

1. Yes
2. No

Which of the following purposes of education should receive the highest priority for state government education systems: **RANK 1 - 3**

85)	(1)	Education leading to employability, work, jobs 1	2	3
86)	(2)	Education leading to an enjoyment of the quality of life, satisfaction and use of leisure (or retirement) time 1	2	3
87)	(3)	Education for itself (simply to provide literate, able members of society who can move smoothly in it and through it).....1	2	3

88) Do you favor or oppose the creation of a statewide non-campus based, non-traditional College of Alaska to meet the wide variety of needs not currently met by existing, traditional institutions? (Such a College would depend heavily on telecommunications, and the participation of specialists and experts in each field).

1. Favor
2. Oppose

89) Do you favor or oppose the creation of ONE INSTITUTION responsible for education* (elementary, secondary, college and community) in Alaska, with the AUTHORITY to utilize all resources, allocate resources, and coordinate the entire system based upon the overall plan; or, do you prefer to leave the elementary and secondary education in the four existing systems, and higher education in its various university and community college systems?

1. Favor
2. Oppose

*None of this is to suggest the loss of local control of schools, or the powers of school boards, which would be left as-is.

Do you agree (with Wagstaff, Angell, etc.) that . . .	AGREE	DISAGREE	UNSURE
90) a) There is an inequity in sentencing based upon race (in which blacks and natives get longer sentences than whites for similar offenses) 1		2	3
91) b) That there is an inequity in criminal justice resource expenditures (which favors the urban dweller and disfavors the rural resident) 1		2	3
92) c) That plea bargaining should be reinstated 1		2	3
93) d) That one agency in the state (not two or three) should be given responsibility for the administration of justice in Alaska.....1		2	3

94) **Length of residency in Alaska**

1. **less than 10 years**
2. **10-20 years**
3. **20-30 years**
4. **over 30 years**

95) **Occupation (please state)** _____

96) **Last level of education achieved:**

1. **HS diploma**
2. **Some college**
3. **College degree**
4. **Post graduate work**
5. **Postgraduate degree (MA, Phd, etc.)**

97) Race

1. Indian, Eskimo, Aleut
2. Black, Oriental
3. Caucasian
4. Other _____ (specify)

98) Sex

1. F
2. M

99) Age

1. under 30
2. from 30 to 45
3. over 45

100) Residence

1. Anchorage
2. Fairbanks
3. Southeastern
4. Southcentral (Kenai, MatSu, railbelt, hiway)
5. West (Kodiak, Bristol Bay, etc.) and North (Yukon, Seward Peninsula, Barrow, etc.)

file

March 4, 1980

The Honorable George Hohman
State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Hohman:

The staff of the Department of Fish and Game has reviewed the fishery related recommendations of the Conference on Alaska's Future Frontiers. Our comments on each of these recommendations are as follows:

ALPHA GROUP

Fisheries Recommendation #1 "Encourage and support the best possible harvest, transportation, and care techniques for all its multiple fisheries."

Fisheries Recommendation #3 "Initiation of the most advanced systems of quality production, control, transportation, and storage of fishery products."

A good quality product is essential to success in the marketing of fish. Fish from Alaska have on occasion had a poor reputation for quality. If Alaskan fish products are to compete in domestic and world markets, only fish of the highest quality should be offered for sale. This is particularly true in the case of salmon where competition for markets is intense due to increasing harvests in Japan and Canada, our major competitors for the world salmon market.

Fisheries Recommendation #2 "Readiness for complete harvest and best utilization of all State fishery products."

Readiness for complete harvest of the available fishery resource implies construction of vessels and production facilities capable of handling the catch in even extremely good years. It is not sound enterprise to capitalize for peak years. The best use of capital would be to provide for the capability to catch and process the harvest in most years. During peak years, such as is expected for the Bristol Bay salmon runs this year, special arrangements can be made by industry to utilize all of the available resource.

In Alaska's established fisheries, salmon and crab, there exist ample harvesting and processing capacities to accommodate the harvests during most years. It is the underdeveloped groundfish fisheries which need extensive investment in order to harvest the available resource. However, investment

in vessels and processing facilities is only one element necessary for complete harvest and best utilization of the State's bottomfish resources. Markets must be developed simultaneously with the capacity to produce products from the groundfish fishery. Any investment by the State in underdeveloped fisheries must be closely coordinated with efforts to create markets for the product.

Fisheries Recommendation #4 "Make every effort to train persons in the technical skills necessary to operate in a modern fishery."

Adequate training for the fishermen and processing personnel of the fishing industry is a worthy goal of the State's fishery development program. The institutional framework to provide this kind of training already exists through the University of Alaska Sea Grant Program, the University of Alaska Extension Service, local high school and community college programs, and the Alaska Fisheries Development Foundation. The adequacy of existing programs and their funding deserves some review by the Legislature to insure that the maximum potential of these programs is realized, and so that unnecessary duplication of services does not result.

DELTA GROUP

Recommendation #22 "Stimulate the rapid development of on-shore processing facilities and Alaska-based vessels with development of the bottomfish industry utilizing all of the State's investment and regulatory tools including but not limited to:

A. Loans for fishermen and processors;

B. State bonds for construction of ports and harbors; and

C. Promoting a marketing association to develop world markets for Alaska seafood products."

The Department supports this recommendation. The long term economic benefit to the State will accrue from the use of its renewable resources. Investment in the development of the renewable resources is an appropriate mechanism to ensure long term returns on the income derived from non-renewable resources.

Recommendation #23 "Establish strict quality control for all Alaska seafood products."

As stated above for a similar recommendation by the Alpha Group, the Department acknowledges the importance of high quality standards for Alaska fishery products in order to compete in world markets.

Recommendation #24 "Encourages the legislature to investigate the possibility of establishing a policy that would restrict foreign ownership and control of the Alaskan seafood processing industry."

Widespread investment in Alaska's seafood processing industry by foreign corporations has provided much-needed capital during years of low profitability. However, there is now a potential for these foreign corporations to attempt

to protect their investments in their high seas groundfish fishing fleets by stifling the development of a domestic groundfish industry. If the State can encourage the development of a domestic processing industry, the influence of foreign interests can be reduced. An expanded domestic fishing industry would return greater benefits to Alaska because much less of the revenue would go out of the State. The Department would endorse a study of the feasibility of promoting domestic ownership and control of the seafood processing industry.

Recommendation #25 "Support a substantial federal exploitation tax to be levied on foreign vessels fishing and processing in the American 200-mile zone."

Foreign fishermen fishing in the Fishery Conservation Zone must pay a permit fee and a poundage fee. The permit fee is about $200 per vessel. The poundage fee is equal to 3.5% of the U.S. ex-vessel price of fish allocated to each foreign nation. It is doubtful whether a 3.5% surcharge on the foreign harvests off Alaska is sufficient to offset the marketing advantage of the foreign fish companies due to their cheaper labor and established marketing channels. The poundage fee may have to be increased before domestic fishermen can compete in world markets on equal footing with the foreign companies selling fish caught in American waters. If the revenue collected from fishing fees can be allocated to pay for expanded management programs on groundfish, then an additional benefit would be derived from these fees.

The U.S. Department of Commerce is currently reviewing its procedures for assessing foreign fishing fees. If the State of Alaska has reasons to support higher fees for fishing off Alaska, then now would be an opportune time to make such a recommendation. The Department of Fish and Game recommends that these revenues from fees be shared with the States in the same manner as Forest Services timber sale receipts and federal oil and gas rents.

EPSILON GROUP

Fisheries "The Epsilon Group recommends that the legislature adopt fisheries as it highest priority..."

Far be it from us to recommend without bias a legislative priority for fisheries, but there is a desperate need for the State to increase its expenditures for fisheries management and research. The need for additional funding is documented in the Governor's FY81 budget now before the Legislature. We particularly wish to emphasize the need to fund research and management of developing fisheries both to assure their continued productivity and to preclude having to take funds from management of existing fisheries to meet new demands.

Fisheries "The Epsilon Group recommends... that the State increase its jurisdiction over fisheries activities to include the entire 200-mile limit."

Historically the State of Alaska has exercised an implicit jurisdiction over the fisheries of Alaska regardless of how far off-shore they occurred. With the passage of the Fishery Conservation and Management Act, the State's extended jurisdiction has become suspect due to the threat of Federal pre-emption of the State's authority beyond three miles. The Department is the primary expert on the fisheries of Alaska because of its proximity to the fisheries and its

TO: Honorable George Hohman
Alaska State Senate

DATE: February 14, 1980

FILE NO:

TELEPHONE NO:

FROM: Marshall L. Lind
Commissioner of Education

SUBJECT: Future Frontier Recommendations

A review of the group recommendations concerning education reported out of the recent Future Frontier Conference revealed that the recommendations fall into several main categories. Therefore, our response will be found in these categories rather than item by item.

I. Telecommunication

Several groups recommended an expansion and increased use of a telecommunication network for education and other public uses. Our response to these recommendations are contained in our response to Senate Concurrent Resolution 35. I believe that positive action on this report would meet the spirit of the Future Frontier participants' recommendations.

II. Vocational and Technical Education (Reference attached statements for additional information)

Participants' recommendation to increase support of secondary vocational education would be accommodated by positive action on the Governor's amendment to SB 199, which, among other things, reworks the vocational education foundation schedule to increase vocational education program funds of the district level.

Increased state support for adult (out-of-school) Alaskans could be achieved in a variety of ways: more direct state block grant or direct appropriation to community colleges and skill centers, an adult foundation formula for school districts as well as the university system; or tuition waivers for adult Alaskans are several funding methods which have been proposed. To date, no one plan has been universally endorsed. The Legislature may wish to propose a study of funding alternatives in this area if it whishes to pursue the recommendations of both the Future Frontier Conference and the earlier forum.

III. Special Education

Again, the recommendation for increased funding for both handicapped and gifted students, would be accommodated by the Governor's amendments to SB 199, which reworks the current special education foundation schedule to provide increased program funds to local districts.

The recommendation for improved programming for special students is receiving attention from the department as we develop program standards. Under current administrative funding for the department, we will be able to develop standards in one or two program areas (i.e., blind, deaf, gifted, etc.) per year. However, again the Governor's amendments to SB 199 call for the development of program standards in all areas and will contain a fiscal note to fund this activity.

IV. Bilingual Education

The conference participants called for increased support for bilingual/bicultural education. With the exception of a minor reworking of the bilingual foundation schedule to accommodate higher costs for districts with multiple language groups, the current foundation support to schools appears adequate. The minor revision is again contained in the Governor's amendments to SB 199.

V. General State Aid to School

Several groups called for full state funding of education costs. Again, amendments to SB 199 would allow for 100% state funding of basic needs while still requiring some local effort in city and borough school districts. Since the equalization scheme outlined in the amendments to SB 199 appears to adequately take into account differences in local tax wealth, the department would support this system over full state funding.

VI. Other Program Areas

The conference participants specifically named several areas as needing additional support: health education, adventure-based education, small high schools and legal education.

With the exception of adventure-based education, which is a high cost/high effective alternative to regular high school programs, the Department believes that local districts will have, through the proposed revision to the foundation program, adequate financial means to support educational programs to meet local needs. Therefore, we would not recommend specific state funding for health education, legal education or small high schools.

If the state wishes to expand adventure based education, however, additional resources will need to be made available. If the state is to realize the full benefits of adventure-based education both as an alternative and as a means of making the regular secondary program more relevant to Alaskan youth, it is our recommendation that funds for such programs be made available to local school districts on a grant basis rather then to a state agency.

VII. Miscellaneous Recommendations

The conference participants made several recommendations which do not readily fall into the above categories. These will be responded to on an individual basis.

A. Two-step Teacher Certification

During 1979, the State Board of Education prepared such a two-step certification process in an attempt to assure that teachers in Alaska had knowledge about the unique conditions and cultures of the State. Widespread adverse public comment (over 400 responses to the proposed regulations were received) caused the Board to withdraw the proposed regulations.

B. Mandated Class Size

The conference participants recommended a mandated maximum class size at the elementary school level. As this is a local problem, differing in severity among districts around the state, the Department recommends that the responsibility for determining class size continue to rest with the local school board. Again the proposed amendments to SB 199 could help alleviate this problem which appears to exist only in some of the larger urban centers, by increasing the amount of funds available at the elementary school level.

C. Education for Minority Students

The conference participants recommend that special consideration be given to minority students through program development and teacher preperation to enable such students to achieve at grade level. At present, there is no special foundation support for English-speaking minority students although various federal categorical funds for such purposes are being utilized in the state. The legislature may wish to address this concern through a state funded counterpart of the federal compensatory education program or through revision of the current foundation program which would extend additional funds to districts for all educational programs. Such additional funds, depending on local need, could be directed to specific programs for under achieving minority students

The concern for adaquate teaching preperation to include knowledge and skills necessary to teach across different cultures is also spoken to in more general terms elsewhere in the report.

Currently, the Department of Education is working on Alaska standards for teacher preperation programs. Course work and experience in cross cultural education will undoubtedly be considered as part of these standards. In the future, University teacher training programs may require additional state support to come into compliance with these and other Alaska standards.

If you have questions concerning any of the above comments, please do not hesitate to contact me.

Attachment

Fisheries and Communications

In the fisheries area, there are currently two Federal Vocational Education Grants designed to develop, expand and coordinate fisheries education in new or emerging occupational areas. These grants are being conducted through the Southeast Regional Resource Center and Kodiak Community College.

A state level fisheries committee is being organized to examine fisheries education across the state from the elementary, to adult and college education levels. The Committee will be looking at what currently exists, what needs to be done first, and how to go about doing it.

A grant has also been received by the Department of Education for a full-time fisheries education position. The responsibility of this position will be to work with all agencies to develop and implement fisheries education programs.

Communications Education consisting of radio and television programs have been developed at Dillingham and Yakutat for high school students.

These were developed with state vocational foundation monies at the local level. State vocational dollars can be used for developing programs in any vocational area as the district desires, although most of these dollars are used to continue existing programs rather than implementing new ones. There are no state vocational grant funds and limited federal dollars for developing new programs.

Adult Continuing Education

Areas of the Future Frontier report with which the Adult and Continuing Education Unit is particularly concerned are placement, fisheries, life copying skills and adult basic education. Our recommendations follow:

1. PLACEMENT

We feel that job placement should be centralized through one institution, such as the Skill Center if operated on a statewide basis, there should be a unit that serves all institutions. If approached by too many agencies wishing job placement for their graduates, industry would find it not worth its while to coordinate the many requests. One agency in the state should coordinate the requests and allow industry to devote its time to creating the positions.

2. FISHERIES

A number of fisheries education activities are occurring throughout the state, such as the Governor's demonstration projects, Alaska Fisheries Development Foundation training, Alaska Skill Center's ship construction, rebuilding and repair, and the community college fisheries education programs. In order to provide the most effective use of resources and funds, it is necessary to consolidate the coordination of these activities into one agency. The Adult and Continuing Education Unit has submitted a proposal to the Governor's Office to fund such a position during FY'80 and anticipates that the position and its funding will be approved in its FY'81 budget.

3. LIFE COPING SKILLS and ADULT BASIC EDUCATION

These programs were initially created to help those adults who had not completed high school or who were unable to cope in their everyday life or jobs because they lacked sufficient education. Traditionally, the tests for the high school equivalency certification tests were academically oriented. A movement has begun in the United States to base this test on life coping skills such as balancing the checkbook, cooking measurements, reading and filling out tax forms, etc. Our unit supports this concept and is currently pursuing its use in our program.

Student Exchange Programs

A recent annual survey conducted of 49 school districts verified a continuing and increasing need for career and vocational related experiences that are not available to the student locally. That survey was done by the Rural Student Vocational Program (RSVP), which, since 1970, has been providing rural students with two weeks of "full-time" on-the-job experience in their intended occupational field in Juneau, Anchorage or Fairbanks.

In response to the survey:

1) RSVP's student capacity statewide has been increased from 800 to 1000 for FY'81;

2) RSVP's purpose is being broadened to also encompass career exploration, occupational areas not traditionally considered "vocational"; short-term intensive training as well as work experience, leadership development, and urban students to rural experiences; and

3) RSVP will serve more "special needs" students. Cultural exchange occurs naturally and is a valued by-product of these student experiences. These RSVP "Student Extended Programs" are based in part upon concepts in the Alaska Plan (ADOE, 1975) which proposed turning the entire State into a learning environment where every business, industry and government agency would become a training resource.

In planning for the 80's, thought must be given to expanding the program further if more than 5% of the 20,000 high school students are to be served each year.

The State of Alaska should improve the status of vocational-technical education statewide. Such efforts should be geared not only toward program development and maintenance, but improved employment prediction needs and improved job development and job placement.

Response:

Under P.L. 94-942, Federal Vocational Education funds of up to $150,000 are available each year for grants to school districts, post secondary institutions, regional resource centers and other eligible agencies for program improvement activities based on the priorities of the Alaska Vocational Education Planning Council (AVEPC).

AVEPC has reaffirmed each year that since federal vocational education funds are so limited, the primary use of these funds would be to help with the start-up costs of new programs for the first and possible second year. After that, state vocational education funds are adequate on the maintenance of this program at the secondary level. Post secondary/Adult programs initiated with federal funds also appear to be continuing once the federal funds are expended.

One area that seems to need a source of funds is equipment maintenance. Vocational programs, primarily in the trade and industrial and technical areas require expensive and well maintained equipment. Since the emphasis is on new programs, federal funds are not available for use in equipment maintenance and would not have much of an impact due to the limited number of dollars available. School districts could use state vocational foundation funds for equipment up-keep and maintenance. Post secondary institutions can include a line-item in their budgets for equipment maintenance. However, at both the secondary and post secondary levels, administrators sometimes do not understand the difficulty or complexity of the equipment and do not fully realize the necessity of maintenance expenditures and often cut this item from their respective budgets which in turn affects the operation of their vocational programs. Another problem cited is that when funds are available there is no one locally or in-state who has the skills to repair the equipment, thus increasing the costs of importing technicians to do the repair. It would be helpful therefore, if a fund were set aside for this specific purpose either from current vocational education foundation support or in addition to such support or a combination of both.

Improved employment predictions in terms of employment demand and occupational supply is one of the areas of concern of AVEPC. The coordination of supply/demand is also one of the responsibilities of the federally funded Alaska Occupational Information Coordinating Committee (AOICC). One of the issues identified by AVEPC for inclusion in the Occupational Preparation Plan reads as follows: "There is an apparent need for supply/demand information but the need has not been systematically identified." AVEPC is working on recommendations, and a plan of action with timelines and possible sources of funding for each of the issues identified in the Occupational Preparation Plan.

Improved job development and job placement is also a priority area of the Planning Council. They have allocated $100,000 of federal program improvement funds for FY'81 for this purpose. It is anticipated that 4-6 projects will be funded. There are two primary areas of concern that need to be addressed. First, is convincing school districts and post secondary institutions of their responsibilities to ensure that job development and job placement are an integral part of an occupational preparation program. The second, is that there should be centralization of this responsibility so that duplication of services does not occur. Currently school districts do not receive financial or other incentives to assume any responsibility for job placement and job development of their program completers.

Career and Vocational Education

(Attachment)

That the State of Alaska allocate funds for local school districts, for teleconferencing and vocational education, according to a policy other than Average Daily Membership in order that all elementary and secondary students in Alaska might be provided the option of a technical trade appropriate for the 1980's, soliciting counseling from industry.

Response:

Because ADM is an entitlement from State Foundation and block grant funding is competitive, there is guarded support for any move from Average Daily Membership (ADM) funding (categorical funding) of vocational funding to block grant funding. However, the Department of Education is supporting legislation currently being considered by the Legislature for funding the development of agricultural programs. State grant funds for specific purposes could be accommodated within the current funding and planning structure of the Department of Education. State grant funds combined with ADM funding could accommodate changing needs while entitlement maintains the continuity of funding for existing programs.

The Department of Education is assuming that by "soliciting counseling from industry" the participants at the conference meant that employers should be involved in the design and content of local vocational programs. Local school districts or post secondary institutions that use federal vocational education funds are required to have a local vocational education advisory committee. Business and industry representation is a requirement for these committees. The Alaska Vocational Education Planning Council has further required that business and industry as well as other appropriate agencies be involved in the planning and implementation of programs in new and emerging occupations supported in whole or in part with federal funds. These requirements do not now apply to state vocational foundation funds.

SENATOR GEORGE HOHMAN

JUNEAU, ALASKA 99811
(907) 465-3880
(907) 465-4849

Alaska State Legislature

A Conference on Alaska's

FUTURE FRONTIERS

COMMISSION ON THE YEAR 2000
Planning for the next 10 years

February 3, 1981

Mr. T. A. Bradner
Sohio Alaska Petroleum Co.
Juneau, Alaska 99801

Dear Mr. Bradner:

In 1969, following the $900 million sale of the North Slope oil leases, the Legislative Council of the State of Alaska, in association with the Brookings Institution of Washington, D.C., organized and conducted a series of seminar-workshops under the title of "A Conference on the Future of Alaska." Participating in those seminars were approximately 150 Alaskans drawn from all regions of the state and representing a broad scatter of professional and occupational interests, ethnic and cultural groups, and the representative lifestyles of that time; their mission: to determine the present status of the state, the needs of its people, and the future direction of the state in meeting those needs, developing its economy, preserving its heritage, and assuming its rightful place in the world community. For the first time in Alaska's history, self-determination was a perceptible reality.

In 1979, State Senator George Hohman reconvened a very successful Future Frontiers Conference with approximately 250 participants again representing the State of Alaska. Currently, there are plan to hold a Future frontiers Conference in conjunction with the Commission on the Year 2000. The Commission was established by the Legislative Council, second session of the eleventh Alaska Legislature.

The purpose of the Conference will be to review the recommendations of last year's conference and establish further policy goals for the future of Alaska. Topics for consideration include politics, government and law, trasnportation and communications, health and social services, education, resources, and economic development. Keynote speakers from a list of prominent sociologists, economists, futurists, and authors have been contacted, and we anticipate having the services of two noted lecturers.

Before the convening of the major conference which is planned for March 5, 6, and 7, 1981, there are plans to hold Regional Conferences to assure full representation and participation of all Alaskans. There are seven Regional Conferences planned as follows:

Southeast Region to be held in Ketchikan Feb. 6,7,8

Southwest Region to be held in Bethel Feb. 6 & 7

Interior Region to be held in Fairbanks Feb. 15

Barrow Region to be held in Barrow Feb. 9

Kotzebue/Nome Region to be held in Kotzebue unscheduled

Kodiak/Aleutian Chain to be held in Kodiak Feb. 15

Anchorage Region was held Jan. 24,25

During the transition period of the 12th Alaska State Legislature, the Future Frontiers Conference is faced with a critical lack of funds. Any contributions through either public relations funds or community service grants would significantly assist us in defraying expenses, and are most welcomed. In addition to requesting assistance of funds, the Future Frontiers Conference invites your participation and would appreciate having a resource person to represent your perspective on Alaska's future. Any exhibits or displays consistent with the intent of the conference would be very welcome. We realize this notification affords you little preparatory time and apologize for the inconvenience.

We look forward to your assistance and participation in the Future Frontiers Conference and invite your comments and suggestions.

Sincerely,

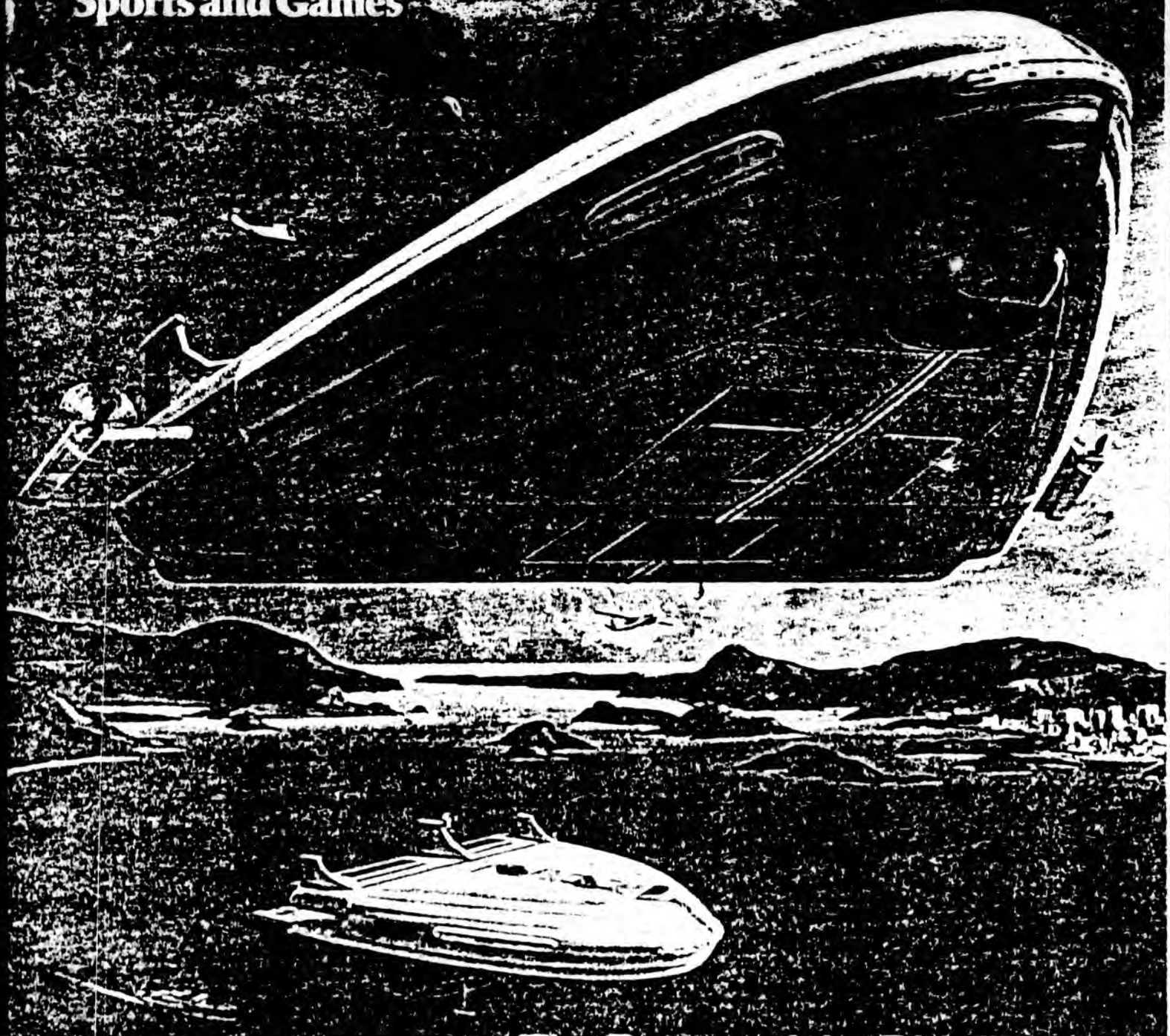
Senator George H. Hohman, Jr.

THE FUTURIST

Volume XIII, No. 6 December 1979

Political Parties in the 1980s

Tomorrow's Sports and Games



The Return of the Dirigible

AG

11 February 1981

Ms. Elsa Demeska
Administrative Assistant
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

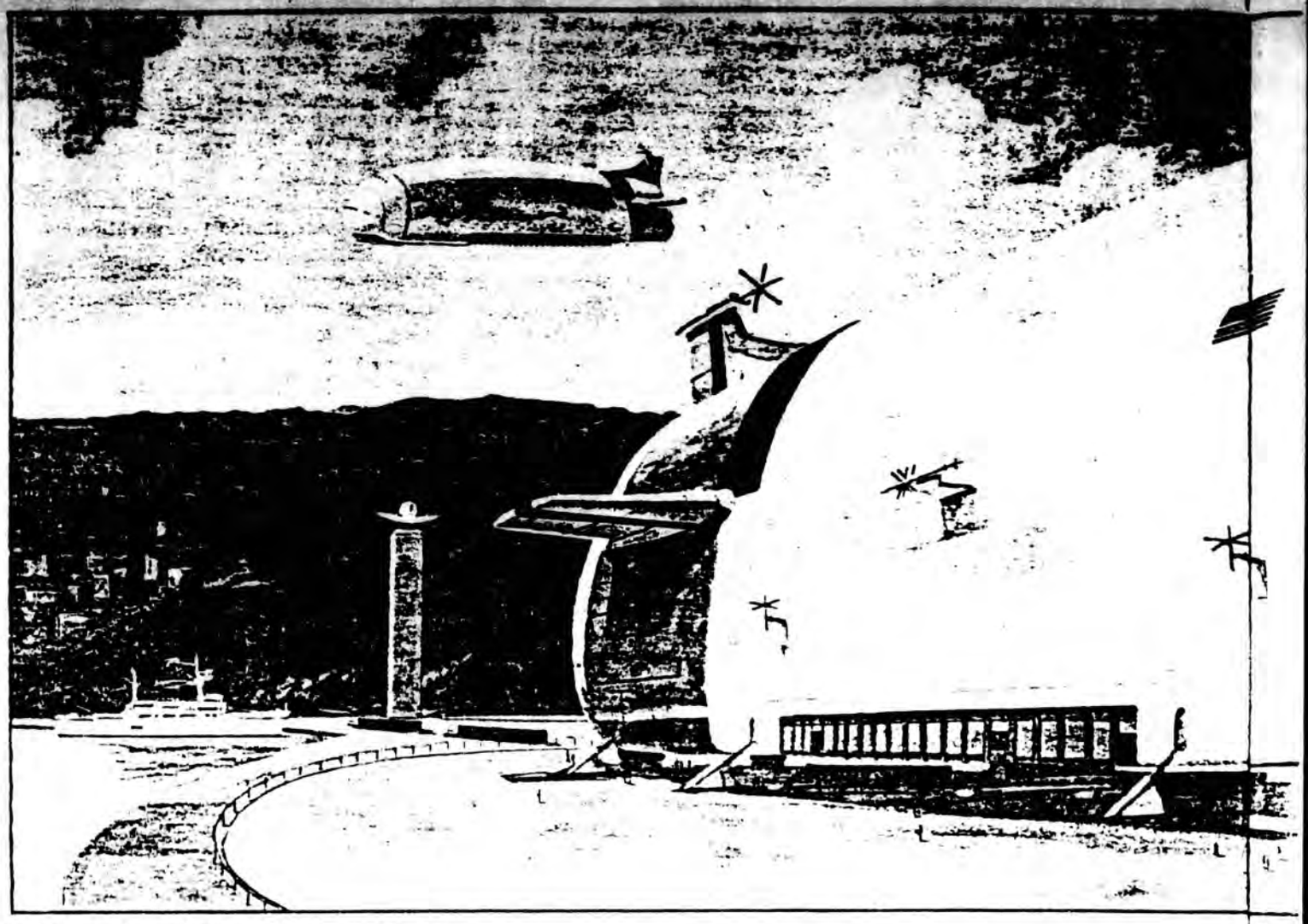
Dear Ms. Demeska:

Due to previous committments, Major General C.F. NECRASON, will be unable to attend the Future Frontiers Conference being held 5,6, and 7 March 1981.

We sincerely appreciate your kind invitation.

Sincerely,

Lydia E. Garcia
Secretary to The Adjutant General
State of Alaska



by Adam Starchild and James Holahan

With fuel costs becoming an exorbitant burden for today's vehicles, the often maligned dirigible could return to the sky. But the airships of tomorrow will go far beyond their turn-of-the-century counterparts. At lengths of up to a third of a mile, giant dirigibles could become the aerial workhorses of the world.

If you associate the words "blimp" or "dirigible" with a vision of stately, slightly comic airships that were forever relegated to history by the *Hindenburg* disaster, think again. The people who believe that lighter-than-air flight has a future are generating some impressive plans.

Consider these possibilities: an airship nearly a third of a mile long takes on a load of natural gas in the Middle East and lifts off for the United States. Elsewhere an airship hovers over strategically crucial waters monitoring the movements of submarines. Over a newly developed part of the world, a huge airship carrying workers, supplies, and heavy equipment slowly descends above a dense jungle.

Though they remain speculative today, such scenes may be common in the years ahead. Interest in airships has never died out altogether. As technology continues to change and as energy becomes increasingly costly, lighter-than-air transportation could very well come to the fore again.

The Big Payload

Our present methods of transporting goods suffer from a surprising number of inefficiencies and limitations. Tractor-trailer combinations clog the highways, require considerable amounts of fuel, and travel slowly in proportion to the relatively small payloads they carry. Ships carry larger loads, but they are obviously restricted to areas served by waterways. Trains are often plagued with shortages of cars, and they can reach no farther than places where rails have been laid. Carrier aircraft can move materials rapidly, but only at the cost of vast amounts of fuel. Furthermore, goods moved by airplanes must almost always be transferred to other vehicles before reaching their ultimate destinations.

Can airships used as gigantic carriers of materials overcome some of these limitations? Many people think so. They believe that the airship has several distinct advantages over today's modes of transportation: more *speed* than either trucks or ships, greater potential *capacity* than trucks or freight cars, greater fuel *economy* when compared to conventional aircraft, and far great-

The Return of the Dirigible

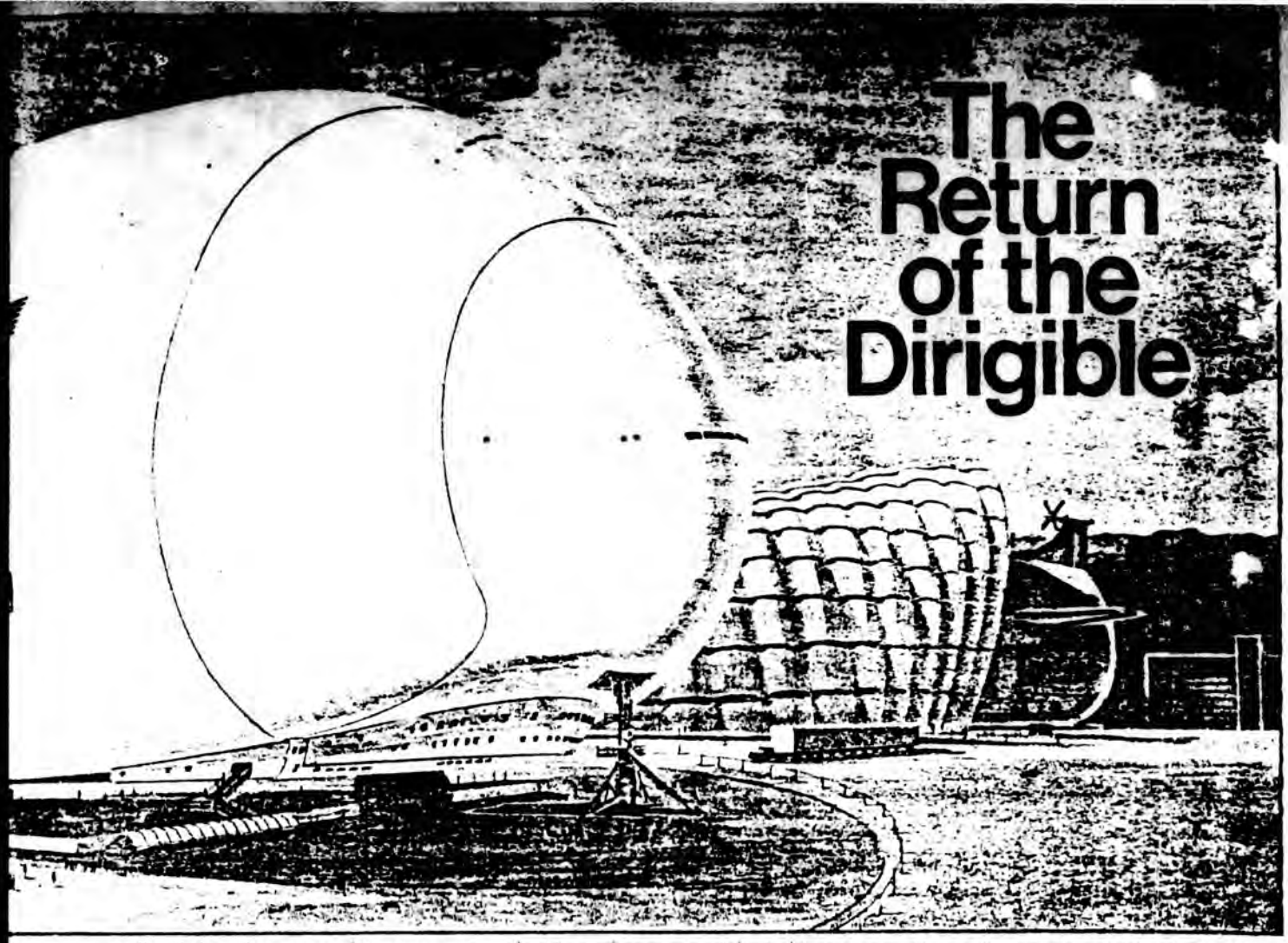


Photo: NOAA

Above: An airship capable of carrying a million-pound load takes on its cargo while another prepares to land and a third waits in a hangar. Though airships are most efficient at speeds of only 50 to 120 miles per hour, their immense capacities still make them economically appealing. The airship shown in this drawing is known as the "Helium Horse."

er *flexibility* than any of its competitors.

The notion that airships could transport enormous loads of cargo or large numbers of passengers is not new. Nor is the concept fresh off the drawing board and still in need of extensive field testing. Airships began coming into their own around the turn of the century, in part through technology developed by the German Count von Zeppelin, whose name is still associated with the early dirigibles.

These early airships, however, gained an undeservedly poor reputation with respect to safety, making them less desirable for both military and commercial applications. Even though they amassed impressive numbers of successful flights carrying both passengers and cargo, the destruction of the *Hindenburg* at a New Jersey landing field in 1937 made them seem far more dangerous than they were.

After the *Hindenburg* disaster, in which 36 of the 92 passengers and crew members were killed, the production of commercial airships was virtually discontinued. In recent years, the only successors to the early airships have been the relatively small advertising "blimps." Dirigibles differ from blimps in having a rigid outer shell; blimps collapse when deflated. Hot air balloons, on the other hand, are not technically airships, since they have no propellers or means of controlling their direction.

A New Look

Is it worthwhile to take another look at airships? With the passage of time, technological changes and different economic realities may be placing them in a quite different light.

To start with, many improvements have been made in the materials that can be used for constructing airships. Manufacturers in the United States have developed high-strength, corrosion-resistant alloys for the structures of the hull. New, tough, and durable nylon fabrics, strong enough to provide with just one layer, the "skin" for an airship, are now available. Impermeable synthetic films can be used for lining an airship's gas cells. On-board computers can monitor the weather as well as the overall condition of the ship. Perhaps most importantly, at least in the popular mind, the use of helium gas has overcome the problems once posed by highly flammable hydrogen.

In the area of fuel conservation, the airship has some of its greatest advantages. Because of its buoyancy, the fuel cost of getting and keeping the airship aloft dwindles to almost nothing. Conventional aircraft, not being lighter than air, need considerable thrust to get off the ground. They must employ a powered aerodynamic lift, in con-

"Because of its buoyancy, the fuel cost of getting and keeping the airship aloft dwindles to almost nothing."

trast to the airship's buoyant aerostatic lift.

Once aloft, the energy an airship uses for propulsion is dramatically less than what conventional aircraft need. In fact, the first mechanically driven airship (circa 1852) was a 143-foot craft propelled at a speed of about six miles an hour by a three-horsepower steam engine!

The advantages of fuel conservation are, of course, somewhat offset by the lower operating speed of the airship, which presently has an efficient cruising speed of between 50 and 120 miles per hour. However, because airships can be designed to carry payloads weighing as much as 500 tons, they would still be economically efficient. In theory, changes in design could coax higher speeds out of future airships. But fuel consumption increases disproportionately as speeds begin to exceed the optimum range.

The kind of landing site an airship requires gives it another advantage.



Photo Goodyear

One of the Goodyear Corporation's three blimps circles the city of Houston, Texas, just before dusk. Blimps, which differ from dirigibles in not having a rigid internal structure, are the only airships that have flown since the *Graf Zeppelin II*, sistership to the *Hindenburg*, was demolished at the beginning of World War II.

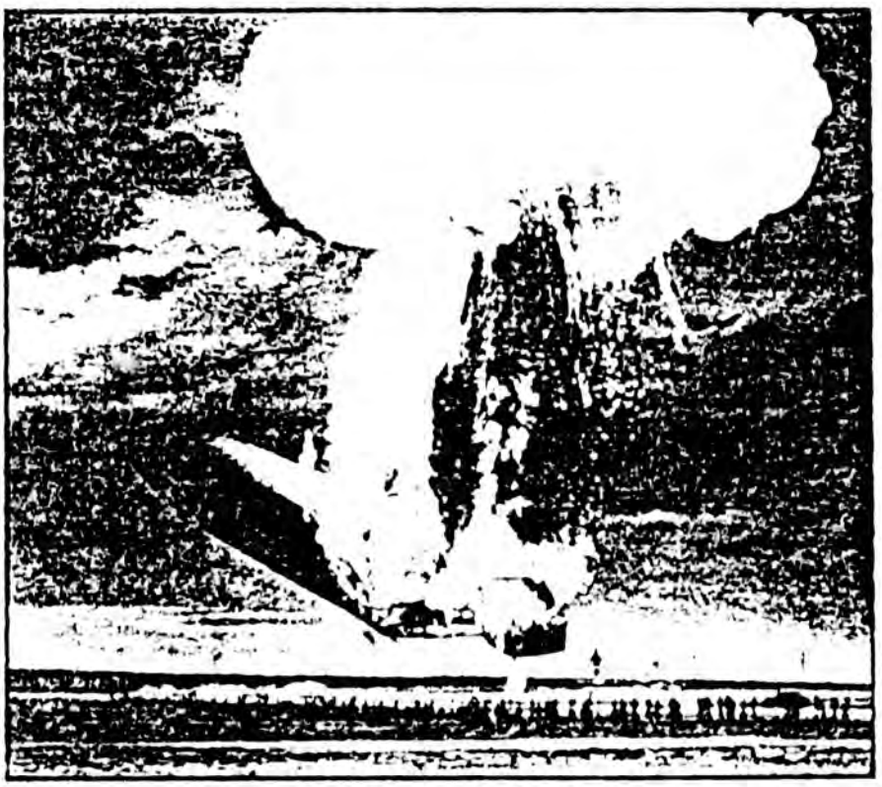


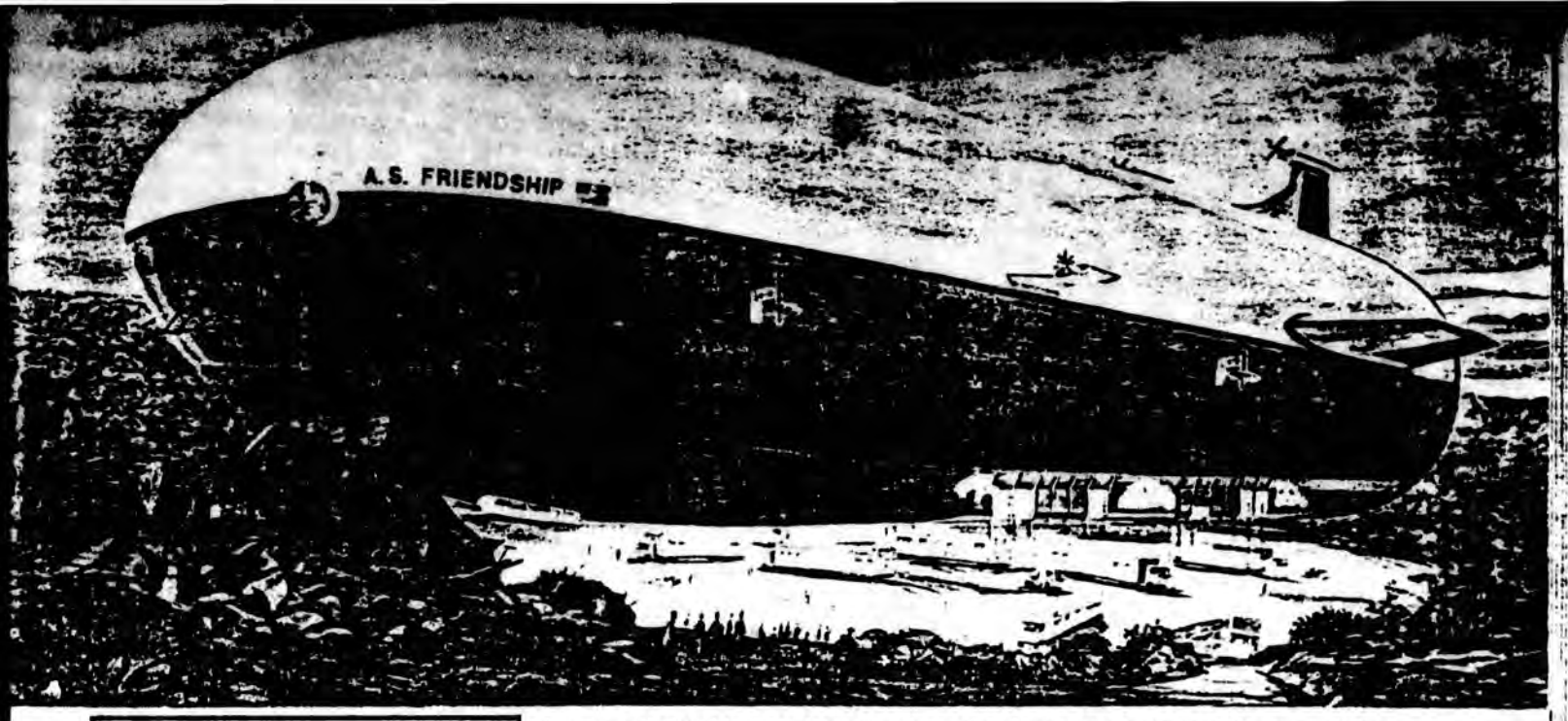
Photo U.S. Navy

The *Hindenburg* exploded on May 6, 1937, while landing at its American port in Lakehurst, New Jersey. Of the 92 people aboard the dirigible, 36 perished. Future airships would use inert helium gas for buoyancy rather than the highly flammable hydrogen gas that caused the *Hindenburg* disaster.

Since an airship can rise or descend vertically, it does not need long runways for take-offs and landings. Once airborne, the airship needs a clear approach on the ground, however, all it needs is level terrain —such as any ordinary field could provide. The space should be about twice the length of the craft to permit movement around a mooring mast.

The Efficiency Factor

Naturally, a nuclear-powered airship would enjoy immensely increased efficiency. Of course, any discussion of nuclear-powered airships must take place within the more general framework of nuclear power's overall risks and gains; but some experts feel that the nuclear-powered airship, should one be developed, has a number of built-in safety features. The buoyancy of the airship significantly decreases the chance that an accident would cause an atomic disaster because the large space inside the hull would act as a cushion for the reactor. In the case



A mammoth dirigible unloads supplies going to relieve a nearby disaster. Because airships can rise or descend vertically, they can land in any clear space. In this drawing, the airship is hovering slightly above the ground as its crew lowers tractors and trailers using winches.

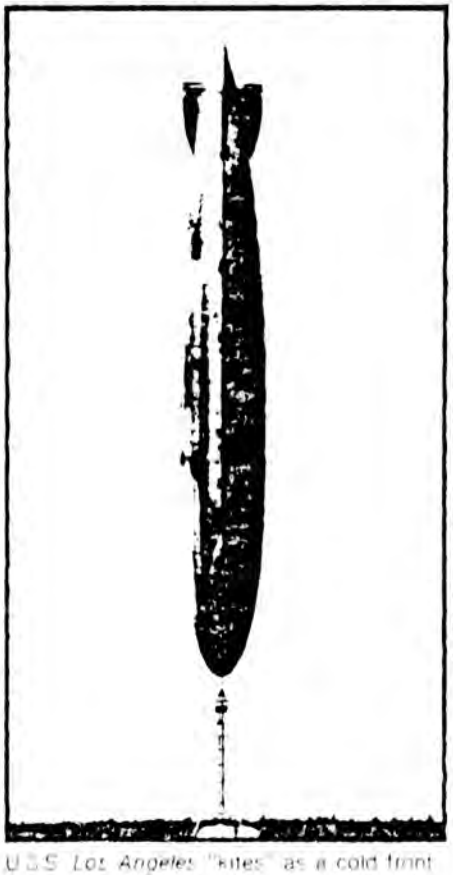
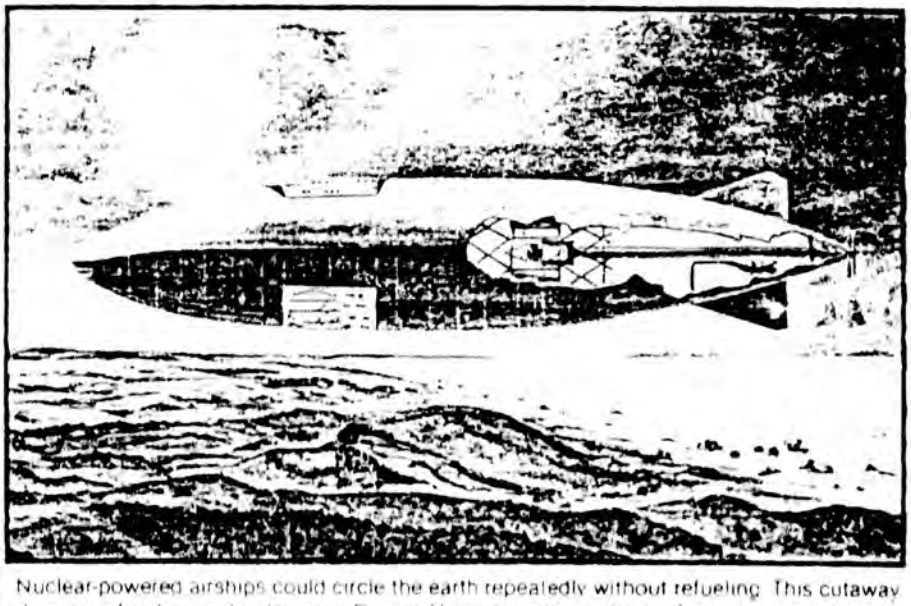


Photo: U.S. Navy

U.S.S. *Los Angeles* "kites" as a cold front moves across its mooring mast in a picture taken on August 25, 1937. Airships of the future could dwarf even the behemoths of the past. Some designs call for lengths of up to 1,500 feet and volumes of as much as 100 million cubic feet (the *Hindenburg* had a volume of 7 million cubic feet).



Photos: National Oceanic and Atmospheric Administration

Nuclear-powered airships could circle the earth repeatedly without refueling. This cutaway diagram of a design developed at Boston University shows the nuclear power plant (exaggerated in size for clarity) and the living and working quarters within the dirigible.

of a mid-air collision or a crash, the reactor, tucked away inside the hull, would be cushioned by springs. Theoretically, this would keep the reactor from rupturing and producing a radiation hazard.

The claims made for a nuclear-powered airship are impressive. In one preliminary design for a 12.5-million-cubic-foot airship (one about twice the volume of the *Hindenburg*), the entire atomic power plant would weigh about 60 tons, a nominal percentage of the airship's capacity. A conventionally powered airship of the same size would have to carry this much weight in fuel alone.

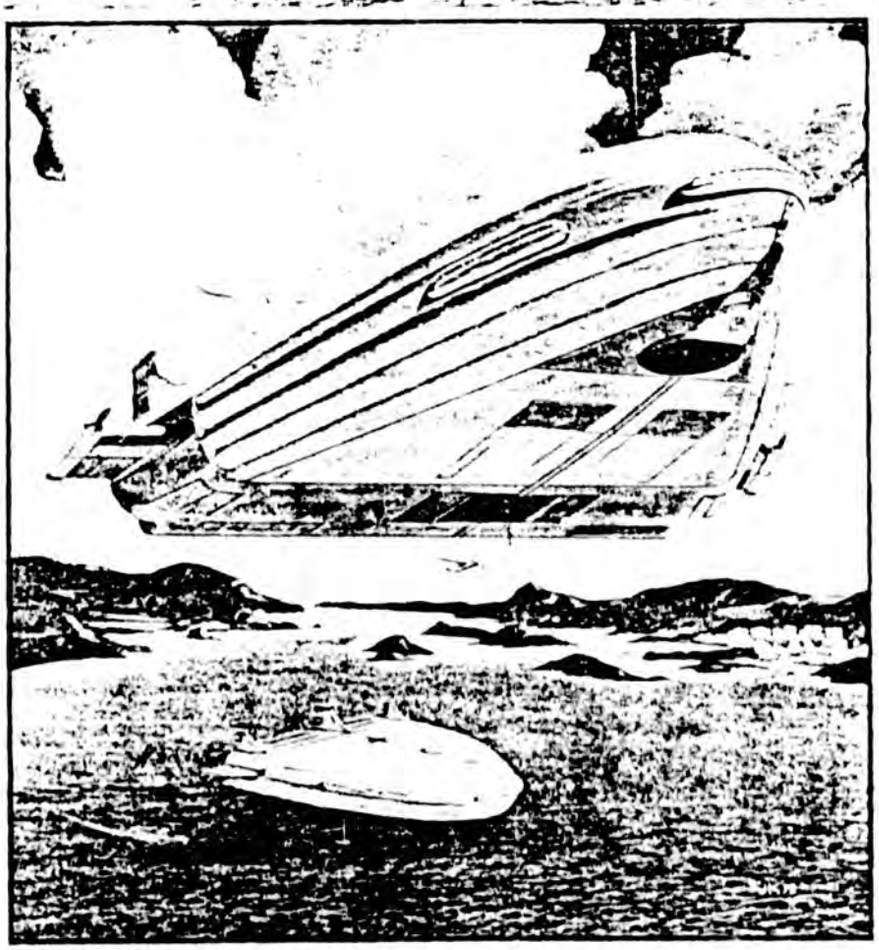
If absolute safety could be guaranteed, the nuclear-powered airship could become the cargo workhorse of the world. Using present reactor designs, such an airship could circle the world repeatedly without refueling.

The potential size of future airships is staggering. Present airships —or the relatively few that exist— are generally between 150 and 300 feet in length. Experts think, however, that lengths of 1,200 to 1,500 feet, with interior spaces as large as 100 million cubic feet, are possible. Many believe that such sizes must be the goal if airships are to become commercially feasible.

Combining flexibility and range with enormous payload capacities, giant airships could alter today's whole system of moving materials. Such airships could haul huge loads of the kind that conventional carriers now find economically unfeasible. These airships could fly over

Photo U.S. Navy

The U.S.S. *Los Angeles* swings around its mooring mast on the U.S.S. *Patoka* in a picture taken about 1931. Many early dirigibles established excellent safety records that have been overshadowed by the dramatic accidents of other airships. The U.S.S. *Los Angeles* made over 300 flights, including trips to Panama and Puerto Rico, before being decommissioned in 1932.



Two airships incorporating a deltoid design cruise over a bay and conduct scientific experiments. An airplane is approaching a hookup on the bottom of the airship in this drawing's foreground; a weather balloon and rocket have just been launched from its top; and a helicopter is coming in for a landing from its side. In the future, airships could provide giant floating laboratories for oceanographers, geologists, meteorologists, and other scientists.

Photo NOAA

any kind of terrain—ice fields, mountains, or seas—and reach interior regions that are undeveloped for surface vehicles. They could serve as the key elements in an attack on the paradox that one South American leader referred to when he said, "We have cities of millions of people and thousands of miles of undeveloped land." Logging, mining, and other kinds of exploration and development could reach out to areas now considered inaccessible.

Reduced noise and pollution are two more pluses for the airship. Since airships use smaller power plants than those needed for power-lifted craft, pollution and noise are considerably decreased. Moreover, because of the larger capacity and buoyancy of the airship, certain kinds of pollution and noise reduction equipment could easily be built directly into the craft.

Authorities call the airship the most stable and vibration-free air-

"There is no reason to believe that airship accidents would exceed those of conventional aircraft."

borne device that can be built—at least today. This feature points the way toward numerous other uses. The airship of the future could be a giant flying laboratory. Inside its roomy but quiet interior, groups of biologists, oceanographers, geologists, or medical personnel could be working. Its stability would also allow it to house radar equipment of unprecedented size and power, making it a very sophisticated surveillance craft. Radar constitutes only one example of the large and sensitive kinds of equipment that an airship could handle.

The airship would certainly find an immediate and practical application in hauling perishable foods. It could help to open up new markets for fresh fruits and vegetables in Japan, Western Europe, and other countries where many items cannot be grown on a year-round basis. Japan is already becoming an important market for produce grown in America, but the difficulty of transporting perishables over long distances has made foreign markets hard to develop. Supporters of airships note that perishable items could be transported from a United States distribution point directly to the marketplace with no need for repeated, costly transfers of the cargo.

Problems and Approaches

The above constitutes a long list of the airship's positive benefits. One might wonder, therefore, what is slowing down the potential development of the craft.

For one thing, the question of safety still looms over any discussion of airships. People remember the famous dirigible accidents of the past, such as the 1933 crash of the American-made *Akron II* in which 73 people died. At the same time, few people know about the relatively good safety record that airships compiled during their heyday. For example, the German-founded Zeppelin line carried 40,000 passengers, flying approximately 25,000 hours in 4,000 flights without losing a single passenger until the *Hindenburg* accident.

Today, with our more accurate knowledge of the weather and with the new materials and fuels that have been developed, there is no reason to believe that airship accidents would exceed those of conventional aircraft. In fact, some knowledgeable people believe that the airship ranks as the safer of the two modes of air travel.

Problems, however, do crop up in several other areas. Some of the problems that would accompany the use of greatly expanded airships appear especially formidable. One of the most obvious concerns the

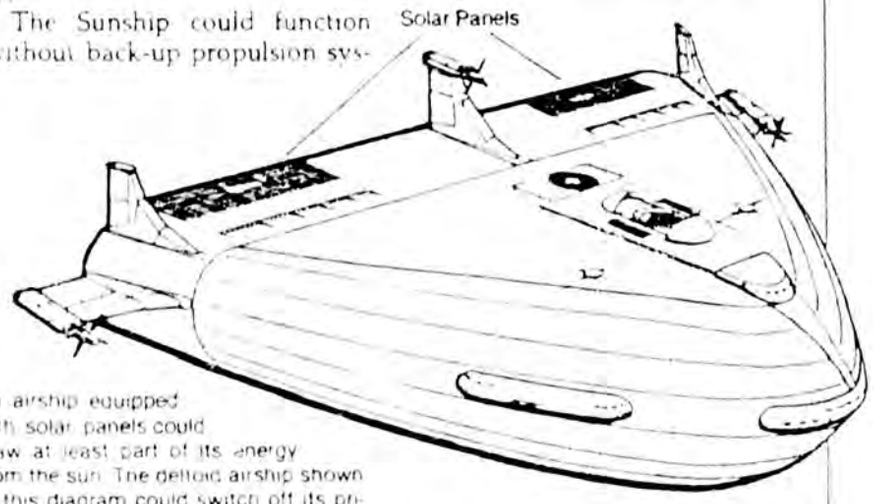
Ships of the Sky

Two scientists in England have suggested combining the technologies of lighter-than-air flight and solar energy into an airship that would use neither fossil nor nuclear fuels. Their "sunship," through solar cells and electric motors, would absorb energy from the sun much as a sailing ship draws energy from the wind.

In an article in the November 1978 *Sunworld*, Gabriel Khoury and Edwin Mowforth note that the technology to build a solar-powered airship has already been developed. "The Sunship concept does not demand the initiation of any wholly new technology," they say. "Thus all the solar cells, motors, propellors, and control system can be adapted from commercially available units to build a prototype almost immediately."

The Sunship could function without back-up propulsion systems only in the sunniest regions of the world—particularly in parts of Australia, South America, and Africa. But even in more temperate regions, such as the U.S. or Europe, "a solar array feeding electric motors to assist conventional internal combustion units could substantially reduce fuel consumption," Khoury and Mowforth say. As an added benefit, the authors point out, an airship outfitted with solar cells and batteries could switch on its electric motors for those situations that require silent or pollution-free flight.

"The Sunship" by Gabriel Khoury and Edwin Mowforth. *Sunworld* (Vol. 2, No. 4, November 1978), published by the International Solar Energy Society, P.O. Box 26, Highett, Victoria 3190, Australia.



An airship equipped with solar panels could draw at least part of its energy from the sun. The delfoid airship shown in this diagram could switch off its primary engines and run for short intervals on stored solar energy alone. Photo NOAA

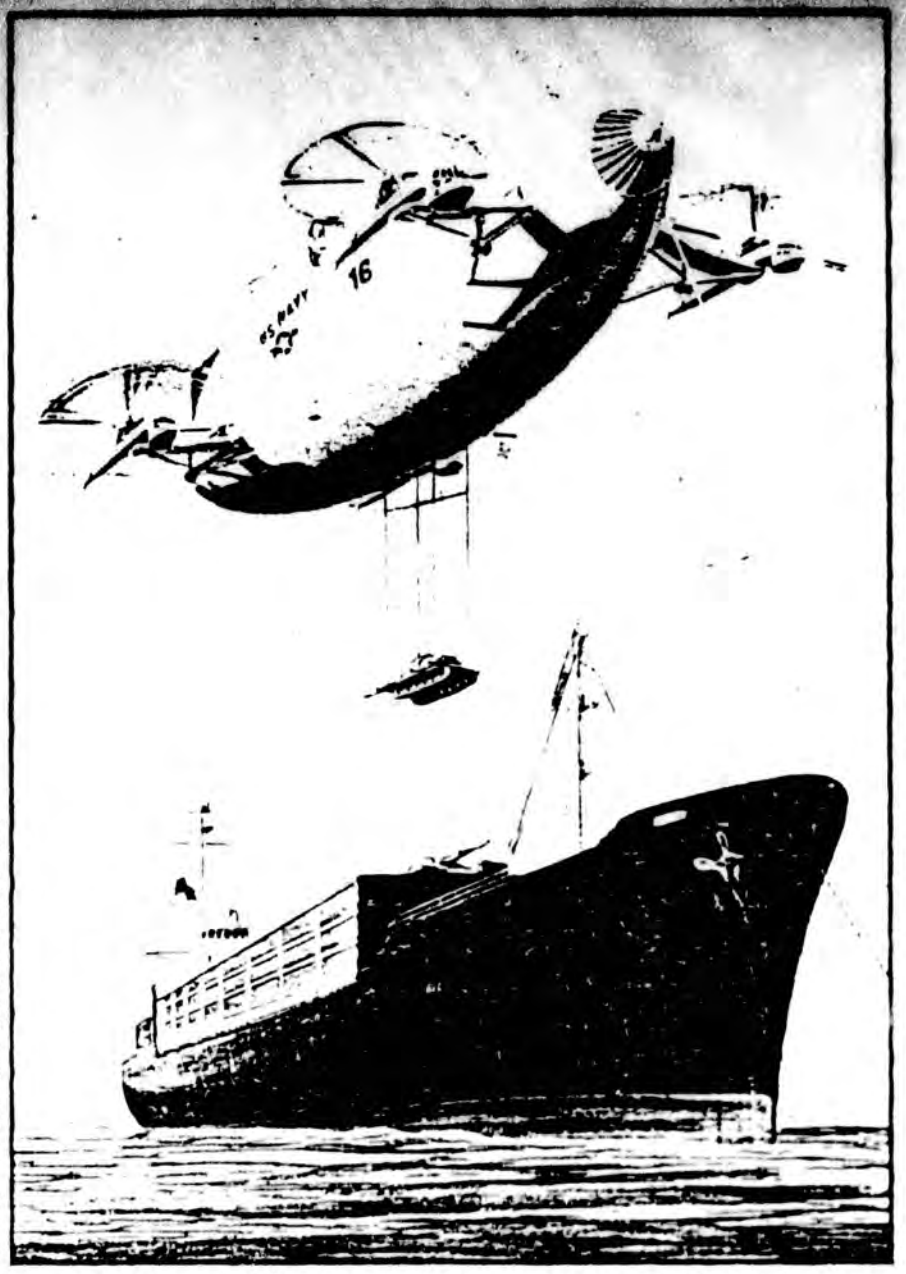


Photo: National Aeronautics and Space Administration

An airship carries a tank from an anchored freighter toward land in this artist's drawing. Such an airship would use four helicopter rotors for propulsion and would be particularly useful in undeveloped parts of the world.

size of the hangar or shed required to construct an airship. A related problem focuses on the space and facilities needed for handling the airship once it has been constructed and begins its flights.

Although airships do not need long paved runways—and in this regard are more economically efficient than conventional aircraft—they do require large land areas because of their size, especially if many craft gather in one place. Since they must also be free to swing with the wind, some experts have suggested mooring them to turntables. This would allow the craft always to face the wind, but construction and maintenance of sufficient size would be expensive.

The airship could also be moored by connecting it with cables to movable equipment. The U.S. Navy used this method with its blimps in the 1950s and 1960s. **Rigid airships of up to three million cubic feet could use a modification of this technique for mooring.**

Most experts believe that airships in the 15-million-cubic-foot class must be kept continuously afloat after being built. For these craft, winches would be used to raise and lower cargo packed in containers. However, this raises another problem: As goods are unloaded from a hovering craft, ballast must be taken on; conversely, when goods are loaded into a hovering craft, ballast must be released. This requirement could hinder the ability of airships to service undeveloped areas.

Toward a New Era

These are real problems, but they can be solved. Given the potential of airships as transportation vehicles, it would not be surprising to see the solutions before the end of the present century. Two general kinds of airships are now under study—an all-cargo craft and an airship capable of carrying up to 400 passengers. Some new designs that take advantage of the immense interior space of the mammoth airship suggest a virtual "flying luxury liner."

On a more limited scale, Great Britain is starting to design and build airships for the first time in decades. West Germany is building smaller airships, too, and selling them to other nations.

The problems of furthering development and beginning more advanced production seem to center around public relations and the economics of production. Assuming that regulatory bodies can be convinced of the airship's maneuverability, safety, and overall advantages, the final problem would seem to be to attract investors who could share the vision and financial resources needed to launch what may become a new and exciting era in air transportation. ∴

About the Authors



Starchild Holahan

Adam Starchild is president of Minerva Consulting Group and a specialist in financial planning and launching new ventures. James Holahan is vice president of Minerva Consulting Group and a specialist in new technological developments. The authors can be reached at P.O. Box 5674, New York, New York 10017.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
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MEMORANDUM May 23, 1980

TO: Representative Mike Miller

FROM: Alexander Hoke, Anne DeVries

RE: Economic Analysis of Airship Transportation in Alaska
Proposed Interim Research Project, Research Request No. 14

As you requested, the following memorandum provides an outline of an interim research project which would assess the technological and economic feasibility of using airships to meet some of Alaska's transportation needs. This proposed project will be considered by the governing committee of the House Research Agency which is determining priorities among the relatively large number of requests submitted. If you like, we will distribute copies of this memorandum to them for their reference in reviewing the proposal.

Airships operate on neutral buoyancy* which allows them to move over long distances at low costs. They are capable of carrying very large bulky cargoes and landing at remote locations. Proponents argue that airships proved their viability in the past as a safe and efficient mode of transportation; and with the advantages of light-weight and durable structural materials, electronic guidance systems and aerodynamics research, airships will likely prove to be an even safer and more efficient mode of transportation in the future.

Advocates identify at least five potential markets in Alaska for airship transportation: cargo shipments between remote locations and major market areas; shipments of construction materials and bulk commodities for the extractive industries and public works projects; tourism; enforcement of fishing regulations and pipeline surveillance; and mobile health and social services. Airships are said to offer the following advantages over existing air, water and land transport methods:

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* Neutral buoyancy is the lift that is created when the helium gas contained within the airship exactly offsets the weight of the airship's frame, envelope, engines and cargo.

- **lower operating costs per ton-mile or per passenger-mile**
- **lower capital requirements for infrastructure**
- **greater flexibility in destinations**
- **broader capability in cargo handling**

Governments in other areas, notably Alberta and Hawaii which have transportation needs and problems similar to Alaska's, are already seriously considering the airship alternative. However, to date, there has been no analysis of how airship transportation might serve some of Alaska's requirements. This study is intended to fill that void.

The objectives of the proposed study are:

- to assess the technological suitability of airships under Alaska operating conditions
- to compare the economics of airship operation against the economics of existing transportation modes.

The study will involve the identification of the most promising airship transportation scenarios in Alaska, where innovative transportation alternatives may be able to meet growing needs or provide service at lower cost. For each scenario, the costs of existing transportation methods will be compared to rough estimates of airship costs. As the study progresses, and the need for more refined data becomes apparent, outside consultants or industry marketing people may be retained to assist in the study. Throughout the project, it is the intent of the Agency to work closely with the Department of Transportation and Public Facilities so that they are intimately familiar with the design, collection and analysis of the data used in the study.

Study Outline

The following is a tentative outline for the "Airship Feasibility Study."

Part I Current Status in Airship Technology & Prospective User Interest

A. Proposed Airships: types, operating characteristics--size, range, fuel, cargo capacity, weather restrictions, landing restrictions, cost, etc., prospective manufacturers.

B. **Prospective Users outside Alaska: Alberta, Hawaii, U.S. Coast Guard--summaries of analyses done for these entities considering prospective use, operating conditions, operating economics, etc.**

Part II Identification of Possible Alaska Applications

A. **Airship Operating Scenarios: for each of the following scenarios, information on transportation requirements will be established--distances, types of cargo and backhaul freight, current volumes, weather conditions, etc.**

1. Cargo Carrier

   a. Carrying supplies to remote locations, e.g., food stuffs and fuel to Bethel, etc.

   b. Carrying materials to construction sites, e.g., moving housing materials to the bush, exploration equipment to drill sites, etc.

   c. Carrying raw materials to processers, e.g., Bristol Bay salmon to processors in Anchorage or Southeast, ore concentrates to tidewater, etc.

   d. Some combination of the above to increase backhaul potential.

2. Tourism, e.g., all-state or regional tours with on-board accomodations to the Brooks Range, the Wrangells, and other remote scenic areas

3. Enforcement and Surveillance

   a. Enforcement of 200-mile limit legislation, ADF&G regulations, etc.

   b. Surveillance of the Alyeska pipeline, etc.

4. Mobil Government Services, e.g., dental clinics, field surveys, etc.

5. Others, as indicated in initial research

B. Current Transportation Network: for each of the above scenarios, determine how transportation needs are currently being met.

1. Carriers

2. Rates, by volume, by type of cargo

3. Existing infrastructure

C. **Projected Transportation Requirements: for each of the above scenarios, determine likely future transportation needs.**

D. **Analysis of Airship Alternative: for each of the above scenarios, compare the economics of serving current and projected transportation needs with airships versus current modes of transport.**

1. Comparison of operating costs

2. Comparison of required operating volumes to break even

3. Comparison of infrastructure required and its cost

Part III Summary

A. Summary of key findings

B. Implications for business development; a general discussion of the potential for airship development by industry alone, industry with government financial assistnace, government alone, or through joint ventures with other users (Alberta, Hawaii).

This outline is, of course, subject to change and modification during the course of the study, if research is approved. The House Research staff commitment to this project is estimated at about 60 person days. Some travel will be necessary in order to meet with other potential airship users and manufacturers. These costs are estimated at $5,000. Contractual services for feasibility assessments by experts in the industry may be required; a maximum cost for such services is estimated at $20,000.

AH:AD/dp

On the following pages are summaries of major resolutions submitted by the five study groups of the Future Frontiers conference. Many innovative suggestions made by only one or two of the groups are not included in the summaries, not because they are not worthwhile but because we were looking for consensus among the five groups. Several themes appeared throughout the conference discussions and are reflected in many of the resolutions. One is the interest by Alaskans in maintaining diversity in lifestyles, in alternatives available to citizens in their local governments, educational opportunities, resource development and geographic location. Local and regional differences are preferable to standardization which does not take individuality into account. Local control was another pervasive theme: local control over decisions pertaining to almost every kind of service and to development of economic and natural resources. Flexibility was a key interest of most delegates; they recognize the potential Alaska has to experiment with innovative technologies and social programs and stress that we must not lock ourselves into traditional methods of solving problems without exploring alternatives.

In the areas of politics, law and government, the major recommendations of the conference delegates concerned improvement and expansion of services, particularly to rural areas, and increasing local representation and participation in all aspects of government services. The concensus was that

- **the Alaska court system should be expanded in order to expedite proceedings. This can be accomplished by several means which include increasing the number of judges, expanding the hours of operation, increasing the number of magistrates in rural areas and providing for circuit riding magistrates**

- **expanding legal aid services to assist lower income citizens in both rural and urban areas**

- **eliminating biases in sentencing which reflect in any way the age, sex, cultural background, race, geographic location or social status of the accused**

- **increasing local governments' autonomy, flexibility and participation in decision-making and revenue sharing processes**

- **carefully studying and planning for any organizational changes in boroughs which are presently unorganized**

- **carrying out legislative reapportionment in acc rdance with Alaska's constitution to reflect both population and geographic diversity, and making sure that rural representation is not effectively eliminated**

- **upgrading law enforcement recruitment, training, minority representation and rural services.**

It was generally felt by the conference participants that both transportation and communication facilities and services need to be expanded and upgraded.

In formulating recommendations pertaining to transportation, delegates stressed several points:

- a thorough assessment and evaluation of existing and needed transportation must be carried out in order to draw up an integrated statewide plan which takes into account regional differences, local requirements and local preferences

- the marine highway systems should be improved and expanded

- highways, roads, ports and airports should be improved and maintained with a goal to increasing safety

- alternative forms of transportation should be considered, including a shift to mass transit systems where feasible

- in planning transportation services and facilities, energy efficiency, costs, and environmental impacts should be considered.

Communications systems were generally in need of expansion and improvement, according to conference participants. An integrated statewide system was felt to be desireable but with costs contained and government control minimized. A single toll area for telephones in the state was suggested, and VHF and microwave sytems to supplement satellite transmissions were recommended.

The recommendations of the five study groups in the area of health and social services were quite varied, but two major themes were evident: shifting the focus of health services to emphasize education and prevention; and encouraging innovative and alternative health care services which, while funded by state and federal sources to a large extent, maintained local government and private control. Major recommendations included the following:

- the state should encourage private sector and local services to the maximum extent possible

- education should be stressed, both in schools and through the media, in areas of nutrition, preventative measures and early detection

- some form of financial relief should be available to defray high medical costs; this could be in the form of catastrophic illness insurance; a comprehensive health insurance plan available to all Alaskans, cost containment policies for government health care services, and administrative and legislative efforts to alter the present inadequacies in federal funding levels and categories of health and social services.

as well as cost containment policies
- certain health problems which are serious in Alaska should receive more attention in research, funding, education and health delivery systems; these include alcohol and drug abuse, mental health; accidents, and diseases such as otitis media, tuberculosis, and venereal disease which are especially prevalent in Alaska

- rural health care delivery systems should be expanded and improved.

Recommendations in the area of education centered around increasing funding levels of many programs and in upgrading the quality of education at all levels. Proposals included the following:

- increase amounts and availability of financial aids for post-secondary education, such as loans, scholarships, free tuition, and others

- expand use of teleconferencing and telecommunications in the educational programs, particularly in rural areas

- improve post-secondary education options: private universities, the University of Alaska system, community colleges, and alternative education such as open-learning and schools-without-walls programs

- strengthen vocational and technical education programs

- recognize the need for bilingual/bicultural programs and include cultural background awareness in teacher training and certification requirements

- upgrade the quality of education in the lower elementary grades, preschool programs, and programs for the gifted and handicapped

Vigorous but responsible development was the theme in most recommendations in the area of resource and economic development, and energy-related issues were in the forefront of discussion.

- emphasis should be placed on development of alternative energy technologies (mostly small scale) and local self-sufficiency

- the conversion of nonrenewable to renewable energy sources should take place as rapidly as possible and be encouraged through regulation and strong financial incentives

- the state should develop a comprehensive energy plan which contains both short and long term goals and time guidelines
- energy-efficiency standards in all buildings should be followed, with financial incentives for private sector structures and energy conservation should be encouraged

-revenue from state nonrewable resources should be plowed back into development of renewable resources

- to the maximum extent, Alaskan resources should be used in Alaska for Alaskans

- sound development of oil and gas, fisheries, timber, agricultural land and tourism should take place, all with environmental safeguards

- a strong potential for fisheries development was recognized in numerous suggestions for encouraging greater exploitation of this resource

- well planned policies should guide the development of resources.