

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
835 SCOMM30 : CONFERENCE ON ALASKA'S FUTURE FRONTIERS 1979

1 And for a specific project. That I know that he and I have
2 strong feelings on. We both have a little bit of conflict
3 of interest, maybe he more than I. But since we've
4 obviously demonstrated a certain level of trust for Mr.
5 Bradner I think he's a very honorable and trustworthy I
6 just want to bring it out, and that's the gas line. And
7 I'd like him to impart his -- you know, as much knowledge
8 and opinions that he has on that issue that's going to be
9 at least one specific issue that's going to possibly be
10 dealt with because it deals with the resource, gas. It has
11 to indicate the availability of financing through local
12 government, State Government or both of those, at least the
13 State. There's private enterprise involved with that.
14 Classic private enterprise and the whole host is sort of a
15 cornucopia number. And I wondered if he could --

16 MR. BRADNER: Bob, in a way that is the type of thing
17 that's almost outside of the type of thing we're
18 considering here because I think when you're dealing with
19 what you call medium size deveopment. When you're trying
20 to package a loan -- maybe its the developing of \$20
21 million again. Three million coming from here and 4
22 million come from there and the State alone is 10 million,
23 and it's something you can expect institutionalize the
24 process so the Legislature is not involved in any one.
25 Obviously, anything that's being held, State participation,

1 involvement, something like with the gas line and measure
2 themselves in hundreds and millions of dollars. I mean,
3 we're naive if we think that, "Hey, let's give legislators
4 that make every one of those decisions on an individual
5 basis." You know, this would be the case with the gas line.
6 If it's good investment or it's good policy or there are
7 social benefits or other things that will go along with it,
8 if the project is needed, you do it, you know, and if it's
9 a good return on it. Like the gas line could end up in a
10 lot of ways being a very good return that might support
11 other items. But I don't think there's any way that you
12 set up loan committees of private enterprise, buyer
13 contracts or anybody else who would dare take the risk to
14 make those decisions because they'll find a way to say no
15 every time because they're scared to death. It's the
16 safest thing for them to do. So there's no way of -- you
17 know, that those what I call magna investment decisions are
18 simply going to have to come to the legislature each time.
19 They may have some source of advice if there's an
20 investment corporation for retaining consultants or this
21 sort of. But that's simply going to be a case by case
22 process.

23 MR. BRADLEY: Right. And I agree with you. What are
24 your feelings also on case by case on that specific case?

25 MR. BRADNER: Yes, I got involved in that project

1 because I thought basically Carter was going to be an
2 energy leader in America. A lot of us may have to content
3 with El Paso and some of those thing but basically the
4 energy market of North America isn't the West Coast, it's
5 the East Coast, and you draw a straight line between the
6 two, and I always felt your best policy ought to be --
7 especially where there's a large draw of federal control
8 and you want to retain as much control as you can, you use
9 every device you can to get it. And you may want to be
10 involved in future oil lines, gas lines, gas plants, not
11 misallocate funds. If you can use somebody else's money to
12 do it, you do it. But there's lots of different scenarios
13 you could use. For instance, you could making a case that
14 the state was a 20 percent participant in some type of
15 petroleum development. Believe me they could have a large
16 say in it because they may have something like a gas line
17 that none of the other partners have. They have future gas
18 to sell. So, I mean, that's obviously what Exxon was
19 after, the gas line. They came along and they said, "Hey,
20 we want 30 percent control or 40 percent control. We'll
21 have future gas to sell. All the other partners are
22 consumers and were 48 States so you don't need 51 percent
23 control of something. And I think that's the message, that
24 the State can retain a basic resource policy because you
25 have other future resources too, you know, to offer in the

1 future. You don't need anywhere near 51 percent control
2 that when you suddenly approach your partners and say, "Look,
3 we'd like to see a labor agreement because a non-labor
4 agreement in avoidance of labor negotiations usually means
5 you scatter hire all over the other states. And what the
6 labor organizationers can't get out of them, even though a
7 labor agreement doesn't mean exclusive Alaska hire, it
8 means 75 percent. So believe me, your partner stands up
9 and says, "Well, yes, sir, because you have something down
10 the line they want, a good example might be we allowed
11 Valdez to issue a billion dollars. We didn't allow them to
12 do. We could rant and rave now of of the Alyeska policy,
13 what do they need from us? They don't need anything. We
14 can't even raise any tax. If you raise the taxes on them,
15 you're going to have to do it on maybe a marginal line that
16 goes from there to Dyon. So you can't even go after Dyon
17 in Canada. Say if Dyon is a corporation, developed gas or
18 oil in Canada near Fairbanks. And it would very marginal.
19 It would be a very marginal operation. So if you wanted to
20 try to get at Alyeska and you increase the tax rate to 30
21 mill you have to do the same for the marginal operation.
22 And what I'm saying is this: We had no hold, we had no
23 real hold on Alyeska as a pipeline company. However, had
24 the State perhaps issued those bonds and there might be a
25 certain posture since you can issue tax exempt bonds for

1 harbor improvements and so on that Alyeska might be
2 considering the fact that they might want to come back to
3 you again. And get a half a billion dollars from
4 improvements, which is all the New York bankers want, you
5 just facilitate them. And when you made certain
6 suggestions to them how they might moderate their social
7 economic policy they might be interested because the
8 businessman in adopting such policy only infer one thing.
9 He understands money. And so when you develop resources
10 and so on and so forth you have to work with money.

11 MR. KOCSIS: The State's role, then, for instance in
12 the pipeline, gas pipeline why not facilitates the proposal
13 for the priorities which is the simple thing. North Slope
14 or you've got the one in between and the Fairbanks, I guess
15 are the ones we go across. Those three government entities
16 join together and the North Slope -- beg your pardon --
17 build the treatment plant for the gas, they own their
18 portion. The next borough owns their portion and the next
19 borough owns their portion. They make a profit on the line
20 they manage it through a tri-bureau authority and there's
21 production of -- reduction to local control but the State
22 would not be as heavy participant because there's pretty
23 good tax basis there. Is that a healthy thing.

24 MR. BRADNER: I know, I think you can develop all
25 kinds of different scenarios. Sometimes there's some

1 defects of, you know, an industry 00 horse around a local
2 government, too.

3 MR. KOCSIS: What we're talking about in overall
4 policy maybe the State wants to begin thinking about that
5 kind of commitment. To support local government that in
6 what if you've got total state support the State policy is
7 we're going to go trace development of local control and
8 the local tax base we get those kinds of things those are
9 the decisions.

10 (A short recess was taken.)

11 THE MODERATOR: We have a finance resolution draft
12 before us, financing resolution.

13 We have some stuff to go back into. Government
14 transportation.

15 MR. STUMP: We haven't touched resources yet.

16 MR. FISHER: Mr. Moderator, I've got a draft
17 resolution working for discussion.

18 THE MODERATOR: Fine.

19 MR. FISHER: It's in the process of being typed the
20 second time.

21 THE MODERATOR: In what area, Jamie?

22 MR. FISHER: Transportation. So it ought to be coming.
23 The staff seems to function almost with lightning speed. I
24 can't believe it sometimes.

25 THE MODERATOR: Let's go ahead, then, with this

1 financial resolution draft copy and review that for action.

2 Alpha Group resolves that the Legislature adopt
3 the policy of a financial partnership between the State and
4 private enterprise, in cooperation with local financial
5 institutions, with a view toward: One, supporting private
6 enterprise through the provision of venture capital; two,
7 capital support for projects and equipment, through leases
8 or lease purchases, with the lease rate based on actual
9 revenue received from use of the product; and three,
10 approval borrowers based on relevant factors beyond those
11 presently considered by banks. The State economic policy
12 should be developed with goals and desirable social and
13 economic development toward the improvement and strengthening
14 of the private sector.

15 That is the problem that Mr. Borodkin brought to
16 our attention in the area of \$10 million loan for handling
17 raw fish purchases.

18 Is that substantially correct?

19 MR. BORODKIN: No, I --

20 THE MODERATOR: You had to get it through 15 percent?

21 MR. BORODKIN: Yeah, I don't think I should be made
22 part of this resolution.

23 THE MODERATOR: Not that wording but -- direct that
24 kind of loan financing or that kind of financing to be
25 available.

1 MR. FISHER: Let me suggest something. No No. 2 right
2 after "Capital." Why not put a capital or operational
3 support."

4 THE MODERATOR: All right. Very well. You're always
5 very good at amendments, Jamie.

6 MS. BENNETT: Also in No. 2 -- the leases and lease
7 purchases -- it seems to me that we could strike "projects"
8 in that. We're talking about equipment in that.

9 THE MODERATOR: Projects? Capital support for
10 projects and equipment.

11 MR. FISHER: And --

12 THE MODERATOR: Projects could be a mining project.
13 It could be a milling project.

14 MS. BENNETT: But it's still for equipment for the
15 project. For fish, not necessarily.

16 MS. BULLOCK: No, no, it's for capital investment.
17 and I'm talking specifically about leasing and lease
18 purchase agreements for equipment, right?

19 THE MODERATOR: You could lease a facility on a lease
20 purchase.

21 You could lease a building.

22 MR. FISHER: Maybe she's --

23 MS. BENNETT: I'm just really talking about a minor
24 point in the wording of it.

25 MR. FISHER: Are you suggesting to strike equipment

1 because capital and operation support project and leases.
2 That will take care of everything.

3 MR. BORODKIN: Would that take care of it without
4 saying "fish"?

5 (Discussion off the record.)

6 MS. BULLOCK: Mr. Chairman --

7 THE MODERATOR: Yes.

8 MS. BULLOCK: In the second line after "enterprise" we
9 should put in the State of Alaska.

10 THE MODERATOR: Very good thought, Edith.

11 MR. STUMP: And Alaska's private enterprise?

12 THE MODERATOR: Modify Alaskan companies. Or
13 "Alaskans." And we wouldn't want to be extending this kind
14 of a financing device to a company that was controlled from
15 outside.

16 MS. BULLOCK: Right.

17 THE MODERATOR: If they're controlled from Outside let
18 them get their financing from Outside.

19 MS. BULLOCK: Private enterprise.

20 THE MODERATOR: Whether it's a Household Finance
21 coming in to -- use leverage their money and use our money
22 in financing aircraft for Household Finance lien. We
23 wouldn't want that to happen. It's a foreign held airline
24 now for all practical purposes. We're striving to use
25 these nonrenewable resource revenues for the development of

1 industrial activity.

2 MS. BULLOCK: Alaskan owned?

3 THE MODERATOR: Alaskan owned industrial activity. By
4 Alaskans. It's for Alaskans.

5 MR. STUMP: Between the State and Alaskan owned
6 private enterprise? Would that cover that?

7 MR. FISHER: Wasn't the suggestion just kind of
8 physically? That's what she's looking for.

9 MS. BULLOCK: Well, I really am thinking it should be
10 confined to the Alaskan entrepreneur. But how to best state
11 this. What does Mr. Dahl say?

12 THE MODERATOR: Line 1, supporting private enterprise
13 through the provision of venture capital to Alaskans --

14 MR. DAHL: Mr. Chairman?

15 THE MODERATOR: For development within Alaska.

16 MR. DAHL: Wow. I have some problems with that. I
17 think you're limiting the legislation more than you really
18 want to.

19 THE MODERATOR: Okay.

20 MR. DAHL: I think what we're doing in these things is
21 giving some fairly -- a fairly clear direction as to
22 policies that we like to see follow. I agree with you,
23 Edith, that it's good that this be limited, and I think
24 your original idea was really sufficient, and that was to
25 say -- supporting private enterprise in Alaska through the

1 provision of venture capital."

2 THE MODERATOR: Okay. Where do you want to amend that?

3 MR. DAHL: Just add the words after "enterprise" add
4 the words "in Alaska." That was Edith's original thought
5 and I think that's excellent.

6 THE MODERATOR: Jamie, where were you coming from on
7 that?

8 MR. FISHER: Object to my proposal? My proposal was
9 in paragraph No. 2: Capital and then insert after "capital"
10 the words "and operational support for projects and
11 equipment through leases and lease purchases." Because of
12 the illustration that Mr. Borodkin gave us with respect to
13 the loan the what he's talking about is not just the
14 facility. They need operation money, and that's what the
15 PAC loan is.

16 THE MODERATOR: Capital and operational support for
17 projects and equipment through lease or lease purchases
18 with the lease rate based on the actual revenue received
19 for use of the product.

20 MR. FISHER: It's ambiguous enough you can read
21 anything into it you want to.

22 MR. DAHL: It's designed to confuse as few as possible.

23 MS. BENNETT: It doesn't say it's only through leases
24 and lease purchase? I mean, that's what --

25 MR. FISHER: You put the only in.

1 MS. BENNETT: It seems to me that's what that sentence
2 says.

3 MR. STUMP: How about including? Change it to
4 including.

5 MR. FISHER: How about including but not limited to.

6 MR. STUMP: Unnecessary.

7 MS. BENNETT: Yeah.

8 THE MODERATOR: Including -- strike after equipment
9 strike through and insert "including but not limited to?"

10 MR. FISHER: No, just including.

11 MS. BENNETT: Just "including."

12 THE MODERATOR: Okay.

13 MR. ACKERMAN: Where do we put "including"?

14 MR. STUMP: Replace "through."

15 MR. STUMP: I'd like to see us vote on it.

16 MS. BENNETT: I have --

17 THE MODERATOR: A motion --

18 MS. BENNETT: I have one more addition. We still
19 don't have anything in here about the preferred rate of
20 interest, do we? And number one that could added.

21 MR. ACKERMAN: I think Mr. Bradner said they were
22 really limited to that. There could only be one and a half
23 points over the money we've got. I mean that's a
24 requirement that's already on it.

25 MS. BENNETT: Okay.

1 MR. ACKERMAN: That takes care of it, Mr. Chairman.
2 Before we start on it, if you could read it its entirety as
3 it's been amended.

4 THE MODERATOR: All right. Alpha group resolves the
5 Legislature adopt the policy of the financial partnership
6 between the State and private enterprise in cooperation
7 with local financial institutions with a view toward: One,
8 supporting private enterprise through the provision of
9 venture capital in Alaska; two, capital and operational
10 support for projects and equipment including leases or
11 lease purchases with the lease rate based on actual revenue
12 received from use of the product; and, three, approval of
13 borrowers based on relevant factors beyond those presently
14 considered by banks. The State economic policy should be
15 developed with goals of desirable social and economic
16 develop many toward the improvement and strengthening of
17 the private sector.

18 MR. ACKERMAN: Move for adoption.

19 MS. BULLOCK: Exception.

20 MR. STUMP: Exception.

21 MS. BULLOCK: My proposal was to move on the second
22 line after private enterprise within the State of Alaska.
23 That covers the following points. And number one says
24 supporting private enterprise through the provision of
25 venture capital. Is that correct?

1 MR. DAHL: Mr. Chairman?

2 THE MODERATOR: Right.

3 MR. DAHL: Sorry if I misunderstood, Edith. I thought
4 your amendment was to change number one to read: "Supporting
5 private enterprise in Alaska through the provision of
6 venture capital."

7 MS. BULLOCK: Well, if this is the way you like,
8 that's fine.

9 MR. DAHL: That's what I thought you were asking to do.
10 I misunderstood that language when Bob read it.

11 MS. BULLOCK: So now we have it: "Supporting private
12 enterprise in Alaska through the provision of venture
13 capital." Okay.

14 THE MODERATOR: Supporting private enterprise --

15 MS. BULLOCK: In Alaska.

16 THE MODERATOR: -- in Alaska through the provision of
17 venture capital.

18 MR. STUMP: Where are we? Question?

19 THE MODERATOR: Okay. Number one: Supporting private
20 enterprise in Alaska through the provision of venture
21 capital." Is that correct?

22 MR. KOCSIS: That's correct. Mr. Chairman?

23 THE MODERATOR: Mr. Kocsis.

24 MR. KOCSIS: Is the question called? I'm assuming on
25 the record I would agree with the wording but I'm assuming

1 by "providing they would also help in facilitation of that,
2 too. In other words, they'd provide seems to indicate they
3 would be the ones to give the money. We also should agree
4 they should go out and facilitate it for them wherever it
5 is. Is that included?

6 THE MODERATOR: Through local financial institutions.
7 It would be State funds handled through local financial
8 institutions.

9 MR. KOCSIS: Do you want also to indicate the State
10 could facilitate federal funds on that, too, for instance.
11 They could facilitate the native corporation participation.

12 THE MODERATOR: Right.

13 MR. ACKERMAN: Why don't we say --

14 MR. KOCSIS: On the record, is that part of what we're
15 saying? Is that assumed in there? Is that the feeling of
16 the group?

17 MR. ACKERMAN: Why don't we say, "provide and
18 facilitate" it?

19 MR. KOCSIS: I'm not asking to amend. I want to make
20 it clear. The record will be available, if you want to say
21 it. Okay. I want to make sure I'm understanding it to do
22 everything they can. You do mean they should encourage all
23 participation, not provide just their own money. They get
24 in everything else they can, too.

25 MR. ACKERMAN: I think we add provide facilitate it

1 will give us a lot more opportunities to do what we want to
2 do. We don't necessarily have to provide all the money if
3 we can facilitate it it serves the same purpose, and I
4 think we ought to include it in the resolution so it's
5 clear.

6 THE MODERATOR: Okay. Is that paragraph one?
7 Supporting private enterprise in Alaska? Is that the
8 paragraph?

9 MR. KOCSIS: It would be it says "through the
10 provision of venture capital." The specific situation I
11 envision that I think is covered -- I just was trying to
12 make sure what the record is: For instance, the State
13 would subsidize loans. Well, they're not providing all the
14 capital they're providing a subsidy or they're guaranteeing
15 a loan. They're facilitating a loan. They've not actually
16 giving you the chunk of money. I want to make sure we're
17 dating that. I just want on the record that's what you do
18 mean.

19 THE MODERATOR: It's a rather laborious the way I
20 interpret it. Let's read it.

21 MR. KOCSIS: Yes. Supporting private enterprise
22 through the provision of facilitation of venture capital.

23 MR. DAHL: Keeping the words in Alaska.

24 MR. KOCSIS: in Alaska, yes, sir.

25 MR. STUMP: Would you repeat that?

1 MR. KOCSIS: You're merely adding after -- I will read
2 the whole thing. Supporting private enterprise through the
3 provision or facilitation of venture capital in that Alaska."

4 MR. STUMP: I'd agree with that.

5 THE MODERATOR: Supporting private enterprise and then
6 delete "in Alaska there." All right. Through the
7 provision or facilitation of venture capital in Alaska."
8 Is that the way you want it?

9 MR. KOCSIS: I think we've discussed enough so the
10 record will show what we're talking about. Yes, I feel
11 comfortable with that.

12 THE MODERATOR: There was a motion by Mr. Ackerman for
13 the adoption of this financing resolution. Is there a
14 second or an objection?

15 MR. ACKERMAN: I think we ought to read it again so
16 it's going to be the way through. We've had a couple of
17 changes since that time.

18 THE MODERATOR: All right. Your motion is on the
19 floor.

20 MR. ACKERMAN: I'd -- there was an objection.

21 THE MODERATOR: All right. You seconded it. There
22 can be an objection for reading and then there can be
23 withdrawal of the objection and we can vote for adoption or
24 rejection. Do I hear a second?

25 (No response.)

SCOMM

#30:5

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CSR #3592

1 THE MODERATOR: There's no second to the motion?

2 MR. KOCSIS: Second, second, second.

3 MR. DAHL: Second.

4 THE MODERATOR: Second? It's been seconded. Is there
5 an objection?

6 (No response.)

7 It's open to discussion. We will now read it one
8 more time. "Alpha group resolves that the Legislature adopt
9 the policy of a financial partnership between the State and
10 private enterprise in cooperation with local financial with
11 local financing institutions with a view toward: One,
12 supporting private enterprise through the provision or
13 facilitation of venture capital in Alaska; two, capital and
14 operational support for projects and equipment including
15 leases or lease purchases with the lease rate based on
16 actual revenue received from use of the project -- product
17 and; three, approval of borrowers based on relevant factors
18 beyond those presently considered by banks. The State
19 economic policy should be developed with goals of desirable
20 social and economic development toward the improvement and
21 strengthening of the private sector."

22 MS. BULLOCK: Question.

23 THE MODERATOR: Question. All those in favor
24 significant by raising your right hand.

25 (Indicating.)

1 THE MODERATOR: All those opposed.

2 (No response.)

3 MR. FISHER: If you call for a voice vote some that
4 weren't delegates could vote on the voice vote.

5 THE MODERATOR: It's carried unanimously.

6 MR. FISHER: That wasn't very funny, was it?

7 MR. STUMP: Before we get off, finances I'd like to
8 direct a bit of discussion and possible resolution dealing
9 with the growth of State government and bureaucratic growth.
10 I think that we're looking at, of course, a tremendous
11 amount of money becoming available within the State, and I
12 think that I personally would like to see a direction to
13 the Legislature to limit the expansion or growth of the
14 bureaucracy in its various forms. I think one possibility
15 we we've gone through the expansion as they did in
16 Washington State limiting, or tying it to the growth of the
17 individual income levels. There are other ways that are
18 possible, but I think that we have expressed in this
19 original financing resolution the idea of improving and
20 strengthening the private sector. I think that this would
21 make it a resolution directed, as I have indicated --
22 further direction for the legislature to avoid a
23 tremendously expanding bureaucratic -- bureaucracy within
24 the State of Alaska.

25 MS. BULLOCK: I'm in favor.

1 MR. FISHER: Let me ask a question. If you're going
2 to be accountable -- if we're going to hold the government
3 accountable for handling the money or are we going to do it?
4 You've just got to have people?

5 MR. KOCSIS: Mr. Chairman, maybe we could tie in kind
6 of a thought of reducing bureaucracy. And I think we're
7 looking at the State government. Maybe what we can talk
8 about is directing responsibility to local entities
9 whenever possible instead of creating a centralized
10 government unit. Management of contracts and so forth -- a
11 lot of things that are done from Juneau could be done by
12 local government. The State government is really -- they
13 can do it. The money comes through legislature they passed
14 on local communities for managements and so forth, I don't
15 have to have a lot of guys sitting in Juneau. If I've got
16 a few local people doing it.

17 THE MODERATOR: But then you get caught in the panacea
18 of the local governments boroughs and so forth building a
19 huge buracracy.

20 MR. FISHER: That's right.

21 MR. STUMP: Right, I would agree with that entirely.
22 What I have in mind and what my direction is is to limit or
23 to streamline and to reduce the participation or the
24 control and the growth of the bureaucracy in that the
25 direction of our activities of the economy and to see it go

1 more directly to the private sector --

2 MR. KOCSIS: Okay.

3 MR. STUMP: -- and I know that that does cause a
4 problem. We're talking about expanding telecommunications
5 and educational things and whatnot, aspects of government,
6 but I think that -- I think that we have got to recognize
7 that some day even this unexpected revenue is going to be
8 gone, and unless we start taking a look right now at
9 limiting the role of government we're going to have a real
10 problem in Ketchikan. I think this is pretty much true
11 throughout the State. You have pretty much close to 50
12 percent of the employment in government jobs. When you go
13 over that role, over that majority limitation, now, you run
14 into, I think, some real dangers of not having government
15 being responsive to the economy that really produces the
16 wealth. Now, the State's role or the State's ownership of
17 the tremendous amount of wealth, as Mr. Brandner was
18 pointing out is one thing. The production of wealth is
19 generally within the private sector. And I think that when
20 you have the -- when the employment runs -- tips over into
21 the scale of the majority being outside the private sector
22 I think that you lose a lot of -- I think you lose your
23 balance.

24 MR. FISHER: Let me ask a question. Didn't Mike
25 Bradner also point out that the production of wealth this

1 state was the State itself in its resources?

2 So, you know, admittedly what you say is
3 customarily the situation almost everywhere else, but we
4 turn up being unique in being the exception. So hadn't we
5 better respond with -- you know, hadn't we better respond
6 to account for that both internally and externally? We've
7 got to watch out that we don't hold control, too much hold
8 down the State administrative system too much or it's going
9 to pop up on contracts.

10 MR. STUMP: I was not giving any specific eliminating
11 factors.

12 MS. BULLOCK: Right.

13 MR. STUMP: I was giving a direction of a feeling and
14 a philosophy. Now, maybe -- maybe you can't have one
15 without the other, but I think you can. I think you can
16 put -- I think you can give a directive, if you want to
17 avoid or to limit as much as possible the growth of the
18 bureaucracy over control of our lives. Economic as well.

19 MR. DAHL: Mr. Chairman, I think one of the questions --
20 philosophically, I would support that position. And under
21 normal circumstances I would fight on your behalf. But I
22 think what we have to consider in thinking about limiting
23 government, limiting the growth of the bureaucracy is the
24 reason for limiting that program, the growth. The
25 traditional reason for limiting the growth is we can't

1 afford all these people running around doing things that,
2 you know, some cockamamy ah may me program that's just
3 extra to our lives. That is no longer a reality in the
4 State.

5 THE MODERATOR: Well....

6 MR. DAHL: And it seems to me if we are to do what you
7 want to do we need to say it in a different way. And that
8 is to say that we -- that we're limiting programs in a
9 certain way, that we aren't just -- we aren't just saying
10 government will be limited for the sake of limiting
11 government growth. I think we have some other
12 responsibilities that we need to take care of in saying
13 that.

14 THE MODERATOR: Well, Mr. Dahl, looking back on my
15 personal experience with this North Prudhoe Bay Revenue
16 Funds and the '58 legislature and in the last session in
17 1970, when the Senate Finance committee was relieved by the
18 present Senate, the new committee was reappointed because
19 we were too conservative. Governor Miller had position
20 requests for 1100 new positions, 1100. And the committee
21 of which I was a member cut that budgetary request to 350
22 new positions, and the new committee of which I was
23 reappointed but declined to serve on and was replaced --
24 the new committee allowed in excess of 700 of the 1100
25 positions. And the screaming bureaucracy -- even with the

1 funding that will be available, the bureaucracy can become --
2 every one of those people is a horse and you've got to feed
3 it. And with all of the retirement programs and all of the
4 fringe benefits I can see an operating budget that's
5 absolutely astronomical.

6 MS. BULLOCK: Education.

7 THE MODERATOR: The whole shot.

8 MR. DAHL: Mr. Chairman?

9 THE MODERATOR: Yes.

10 MR. DAHL: I don't want to go on record as supporting
11 growth in the bureaucracy. I'm not. The only thing that
12 I'm saying is that if we are to adopt the philosophy of
13 limiting government growth, let's do it for reasons that we
14 understand. The traditional reason for limiting government
15 growth is that we can not afford government. The fact is
16 we can't. The reason that the Finance Committee in 1970
17 had a responsibility to limit government growth is that
18 they recognized a very limited -- a very limited structure
19 or a mound that \$900 million really was. And once you
20 build a bureaucracy you build it forever. I don't want to
21 say anything more about it because I'm inclined to agree
22 with you. I like that policy and think we want to do it.

23 MR. STUMP: Let me clarify what my real root cause or
24 reason for this concern is. When over 50 percent of the
25 people employed in the State are receiving -- are dependent

1 upon the State government and not dependent upon the health
2 of the private sector -- okay? When you vote in people
3 your legislators and your administration who make decisions
4 that are going to affect those businesses, the well being
5 and the ability of the private sector to continue in a
6 healthy state, you've got --

7 MS. BULLOCK: Vested interest.

8 MR. STUMP: You have no -- let me back up a bit. The
9 people voting in the control and the direction for
10 government policies, regulatory taxing and whatnot --
11 they're going to have no concern for the health of the
12 private sector because they're not dependent upon it. And
13 when they're not dependent upon it, when the majority is
14 dependent upon the State, then I think you lose your
15 ability to make your best government policies in particular
16 as they relate to the economy.

17 So it's more than just the ability of the State
18 to provide to pay for these government jobs. It deals with
19 the whole concept of the role of the private sector and the
20 safeguarding that role.

21 MR. ACKERMAN: Mr. Chairman.

22 THE MODERATOR: Mr. Ackerman.

23 MR. ACKERMAN: The one thing we're going to have to
24 look at here is we're getting into a new area now. If
25 we're going to limit the expansion of our State government

1 at this time possibly that, you know -- 11 -- expanded our
2 State Government a little bit to take care of the things
3 we've been talking about doing resource development timber,
4 fishing, mining and things like this, you know, you're --
5 and the State getting into the development of these things --
6 if you don't put the people out to develop these jobs, then
7 you'll continue in your manner where we'll get the balance.
8 But where you can take and put on a few more State
9 employees or add a few more bureaucrats it's going to
10 create five times as many people in the private sector then
11 your percentage starts going the other way. So at this
12 point in time we have to watch that we don't do that.

13 MR. STUMP: Well, if that was the time, the original
14 time in the first place it became in tie month to the
15 growth of the private sector or the private income levels,
16 then you allow for that expansion and you gave an incentive
17 for the government to see a growth of the private sector in
18 the first place. So I don't know. We're getting down to
19 chickens and eggs. But....

20 THE MODERATOR: I'd like to make an observation. The
21 more government you have the more regulation you have the
22 less liberty you have. We mustn't overlook this. I can
23 see I'm apprehensive about our Lynn you are tease, and I
24 can see the unprecedented growth of the Department of Fish
25 and Game, the biologists and enforcement agents and

1 administrative rules and regulations promulgated under
2 Administrative Procedures Act, putting all kinds of
3 regulatory pressures on the people. So we must be very
4 cautious in this area now for 400,000 people to have 85,000
5 wage earners as a total populous, to have 42,000 of them in
6 the public draw, in the bureaucracy, and the power of the
7 administrative procedures act and administrative
8 regulations they could promulgate as a result of their
9 interpretation of laws governing themselves that then they
10 circumvent the intent of legislative acts to voice their
11 will upon the people that can deprive us of our liberties
12 and the very real lifestyle that we maintain.

13 Mr. Kocsis.

14 MR. KOCSIS: Mr. Chairman, I agree with what we're
15 saying I think we're talking of reduction of government.

16 A VOICE: We have to consider government is here to
17 provide services. If you reduce government it does not
18 mean reduce services, I don't think. It means someone else
19 besides government in the community situation provides
20 services I don't really mean creative borough government
21 that do the same thing that federal -- or the State
22 Government does -- the borough can receive the operating
23 money and so forth, the administrative state present each
24 has. The State just passes it on and then the burough
25 contracts out to a private sector. They do it this such

1 things as corrections. Senator Hohman last section
2 introduced a bill on adventure based education. It allows
3 private contractors to set up rehabilitation programs for
4 juveniles, and it authorizes the court system to use those
5 private contractors in villages in this State, cities, as
6 an alternative to the government systems, courts systems
7 and the incarceration system for dealing with those people.
8 That's what I mean. You create a public sector or you go
9 to public sector that can provide the services. You're
10 shifting.

11 MR. DAHL: Private sector.

12 MR. KOCSIS: I'm sorry. But what you're doing is
13 you're reducing the number of bodies in the nationalized
14 government and the services that they perform you're
15 passing over to public sector. That's, I think, what it
16 means, that the expense will possibly be the same and it
17 may continue to grow. But the emphasis will be entirely
18 different. It will be people receiving the money in local
19 communities, rather be \$6 million to McLaughlin for justify m--
20 which goes into Valdez, Alaska you can spend that where it
21 makes a different in local community and we get a better
22 prospect for the money. Not a reduction in cost and the
23 benefits we give may go up. Have you to realign where that
24 decisionmaking power comes and who provides those services.

25 MR. DAHL: I would certainly support that.

1 MR. STUMP: That kind of programming, that kind of
2 funding of the funds to obtain the goals desirable goals is
3 really what I'm talking about. And I certainly would agree
4 that we can -- I think that we can work out some wording
5 that would still give a directive to the Legislature about
6 our attitude, philosophies, regard g public and private
7 sector.

8 MR. KOCSIS: You want to encourage the government to
9 turn over as much provision of services to individuals as
10 you possibly can, turn those provision of service
11 requirement over to a private sector.

12 MR. STUMP: For example, the electricity I television
13 coverage. As a result of a process it did go to K-2. But
14 the idea there of allowing the opportunity for the private
15 sector is what I'd like to --

16 MR. FISHER: -- coverage provided here is one-half the
17 cost of hiring what it would have given the local firm. I
18 talked to the guy this morning. What they did was use
19 force account and though employed a camera, they hired a
20 camera, rented a camera and they provided for one-half of
21 what it would cost here from a commercial TV operation. So,
22 you know, you've got -- you're into a tough, tough
23 situation. Another thing that's happened -- the Federal
24 Government has substantially stayed at, you know, roughly a
25 level, not a whole lot. But what's happened? The State

1 and local governments have just mushroomed. So you can't
2 both beat the horse and hold it in at the same time. You
3 just can't do that. Now, I didn't -- and one thing we're
4 already doing in the State is we're moving a lot of that
5 stuff into contract. Now, maybe that's more desirable.
6 Maybe it's more flexible. But you're going to end up with
7 quasi government employees or contract government reply
8 ease where you had, you know, those on the payroll.

9 THE MODERATOR: The federal government's doing the
10 same thing.

11 MR. FISHER: You're right, you're right. They are
12 doing the same thing. They are redoing to think tanks --

13 MR. KOCSIS: Excuse me. Mr. Chairman. I think you
14 have to look at the way it's regulated. If we make it
15 clear the legislative policy statements, group statements
16 likes this what we're talking about is not that regulatory
17 not that you say government. If you can't let them tie
18 with that regulating. They're tying it up, you can't do it
19 you have to stay at the State level this is not a
20 regulatory program. This is a problem we're giving
21 responsibility to local levels we'll check it but we're not
22 going to saddle them with the kind of crap. They've have
23 too much, that's not the -- and I am tomorrow was I think
24 the people gave a statement of this when they opted out of
25 Social Security. They're tied of this federal

1 regulations. They're tired of the -- the federals gave us
2 and taking nothing. And we can insulate ourselves.

3 (Discussion off the record.)

4 THE MODERATOR: Okay. Where are we now?

5 MR. ACKERMAN: Mr. Chairman, I have a resolution here
6 ready for consideration. Are we done with the other one?
7 Or do we have anything that's -- we want to consider at
8 this time?

9 THE MODERATOR: Let's consider your resolution since
10 it's in draft form before us.

11 MR. ACKERMAN: Okay. This is a joint resolution with
12 John Borodkin. It's a financial resolution. It's the
13 alpha groups resolves that the Legislature recognize the
14 existence and opportunities provided by the existence of
15 the native land claims corporations and the unique
16 opportunities provided by those rural based private
17 corporations for developing mutual economic and socially
18 desirable goals in rural and urban areas of the states.
19 Alpha group further encourages the legislature too develop
20 structure that can provide creative mutual interaction
21 between the State, native corporations and other entities
22 concerned with a healthy and desirable Alaska urban and
23 rural society.

24 MR. DAHL: Mr. Chairman, I move its adoption.

25 THE MODERATOR: What might other tent tease be?

1 Elucidate.

2 MR. FISHER: Nonprofit corporations? They don't
3 necessarily have to be native nonprofit corporations. But
4 they could be nonprofit corporations.

5 MR. ACKERMAN: We have farming coops and several types
6 of cooperatives in the State.

7 MR. FISHER: There's a regional corporation up around
8 Galena. It's called company AKON development 789 it was
9 set up back in 1969. And it's -- it's membership is
10 substantially all village leaders of 11 villages. But it
11 isn't necessarily a native nonprofit corporation.

12 THE MODERATOR: There's a motion --

13 MR. DAHL: Move to be adopted.

14 THE MODERATOR: Second? Is there any objection in?

15 MR. FISHER: Second.

16 THE MODERATOR: Discussion?

17 Response.

18 THE MODERATOR: No discussion question. All those in
19 that significant by saying aye.

20 Aye.

21 Opposed?

22 (No response.)

23 THE MODERATOR: The ayes have it. So ordered.

24 MR. DAHL: Mr. Chairman, it is almost five o'clock.
25 What is or schedule?

1 THE MODERATOR: Our schedule is to work until 6.

2 MR. DAHL: Okay.

3 THE MODERATOR: Take a two-hour break and come back
4 and work for two hours. And adjourn until morning.

5

6

7 MR. DAHL: All right. There seems to be one major
8 subject area that we have left to do, and that is resources.
9 Is that is that correct?

10 THE MODERATOR: Yes.

11 MR. DAHL: Okay. Before we do that, then, I think
12 that I would suggest that we have a couple of housekeeping
13 things that we might be able to take care of in the -- in a
14 short time.

15 THE MODERATOR: Yes, we do.

16 MR. DAHL: I have prepared just while we were
17 discussing other things a resolution that I think
18 summarizes the discussion we had on education yesterday.
19 And I would like to present it to the group for discussion.

20 MR. DAHL: I went through my notes of our discussion
21 yesterday, and in my opinion this is what we discussed: "
22 Alpha Group resolves that the Legislature consider the
23 following recommendations in the area of education: One,
24 that the State of Alaska provide scholarship loan funds to
25 any Alaskan students for the first two years of post

1 secondary education with special attention paid to: A,
2 preservation of a student's freedom of choice of colleges or
3 university; B, recognition and protection of the signature
4 and important contributions of private higher education in
5 Alaska; CT, providing new and that expanding opportunities
6 for vocational and technical education and training; and,
7 did, loan forgiveness based on years of service in Alaska
8 in the public or private sector; to, that the State of
9 Alaska allocate funds for local school districts for tell
10 he conferenceing and so indication actual education
11 according to a policy other than average daily membership
12 in order that all elementary ask secondary students in
13 Alaska might be provided the option of a technical trade
14 appropriate other for the --

15 Mr. Chairman, I move its adoption.

16 MR. ACKERMAN: Second.

17 THE MODERATOR: It's been moved and seconded that the
18 education resolution be adopted. Do I hear any objection
19 for the purposes of discussion?

20 MR. ACKERMAN: Mr. Chairman, I wonder if we might
21 include someplace -- I think one of our major problems --
22 and was our area of counselling. Could we personally
23 include that could where we have people from other
24 different technical trades? Can that enter into
25 counselling, you know, before the secondary levels so they

1 do get a secondary educational enable them to get into a
2 trade or occupation?

3 MR. DAHL: That was the intent of my language in No. 2.
4 I was taking it from the notes that I took with your
5 suggestion, Mr. Ackerman, and I certainly don't have any
6 pride of authorship in this. Anything you'd like on do
7 with it or -- it up to amount this I'd be happy to.

8 MR. ACKERMAN: I think we do need -- the counselors we
9 have now -- I think we might have to go out to the industry
10 and private sector to explain job descriptions and if they
11 want to go to work in this industry what's available to
12 them, what they have to learn to get into it and things
13 like that. And I don't think that you can employ a
14 counselor who can adequately counsel in this area. For
15 everything. I think that we need to bring people in.
16 Maybe on a contract basis to go through the early stages of
17 the secondary education so they can make up their mind what
18 they want to do and have some sort of motivation for
19 learning something. And I think that you need to stress
20 that we do need to bring in other counselors who are more
21 familiar with the different occupation.

22 MR. STUMP: Do you have some language that you might
23 substitute?

24 MR. ACKERMAN: No, maybe Mr. Dahl could include that
25 in there somewhere.

1 THE MODERATOR: Well, I suggest that we take a short
2 brake, you re structure it, get your heads together and re
3 structure there to your satisfaction and present it.

4 MS. BULLOCK: May I ask a question?

5 THE MODERATOR: You may, Mrs. Bullock.

6 MS. BULLOCK: In B what do you mean by "protection of
7 the private higher education"?

8 MR. DAHL: Part of our discussion yesterday, Mrs.
9 Bullock, was that to say the danger in saying the first two
10 years of college education would be subsidized is to give
11 that money to the University of Alaska, which would put the
12 university in a -- an incredibly advantageous competitive
13 position with Alaska Pacific University and Sheldon Jackson
14 College. And it would cause either the -- just the total
15 restructure of those schools as schools that provide
16 education beyond the third year -- the third year and that
17 beyond. And what we discussed -- or at least my
18 recollection of what we discussed was that instead of --
19 because we have a constitutional provision that says the
20 State can't give direct aid to private education we can
21 give student loans why the student has its choice and that
22 in doing that we are recognizing that private institutions
23 in the State do make a significant contribution. And we
24 aren't putting the State university in a superior
25 competitive position.

1 MS. BULLOCK: I understand what you're saying now. I
2 didn't understand what you meant here, and I'm wondering if
3 there could be some misinterpretation by --

4 MR. DAHL: I'd be happy to change it in any way.

5 MS. BULLOCK: If could you change it so it would refer
6 to the scholarship arrangement of some kind I would be
7 happier.

8 MR. DAHL: All right.

9 MR. ACKERMAN: I'd like to speak a little bit to this
10 recognition protection significant in sort of a
11 contribution of higher education. Union apprenticeship
12 programs are higher education and they are something that
13 really needs to than protected. Also when we get into --
14 usually if you go through union apprenticeship program you
15 have a job when you're done. They have just built a new
16 facility? We spent over a million dollars for welding
17 school and we've got one of the finest in the United States
18 from what people in the Lower 48 have said about it. And
19 it doesn't necessarily need state funding. All our members
20 pay 45 cents an hour to fund it, you know, to develop the
21 industry and make sure that we have qualified Alaskans that
22 can go on work on these jobs. We can afford to do this,
23 and we -- I think that we've fulfilled our obligations.
24 I'd say that's a considerable at of money to pay out of
25 your pay they can or every hour that you work for every

1 member. But we can't afford to get with anybody. Or with
2 a lot of people. We're not asking for funding.

3 THE MODERATOR: Okay.

4 MR. ACKERMAN: At this time.

5 MR. FISHER: Do you want to insert that phrase?

6 MR. STUMP: Mr. Dahl, what was the purpose of limiting
7 it to the first two years of post secondary education?
8 Dahl all a lack of vision.

9 THE MODERATOR: what?

10 THE MODERATOR: Lack of what?

11 MR. BRADLEY: Vision.

12 THE MODERATOR: Then you're ah mean able to amendment
13 to four years?

14 MR. DAHL: Shut lee. As I stated, Mr. Chore mun, this
15 is simply a means to get the issue before the body. I have
16 no pride of authorship in this the all. I have no axe to
17 grind. I simply took my notes and smashed out a resolution.
18 Cut it any way you want to and I'll fight you for it.

19 MS. BULLOCK: I think there might have been confusion
20 in this two years doing away with the tuition for the first
21 two years of post secondary education, which has been
22 suggested. But the scholarship loan funds going for the
23 four years at the present time.

24 MR. STUMP: And graduates.

25 MS. BULLOCK: And graduates.

1 MR. STUMP: If you were to strike the first two years
2 of in your resolution then I would think that would be much,
3 much better.

4 MR. DAHL: You're absolutely right, miss Bullock.
5 That was a confusion, and I appreciate the clarification.

6 THE MODERATOR: Then it will read, then, therefore, as
7 follows: "To any Alaskan student of post secondary
8 education with special attention paid to, quote, colon.
9 And delete for the first first two years." Delete that
10 language.

11 MR. STUMP: Leave in the f-o-r, the four.

12 THE MODERATOR: What?

13 MR. STUMP: To any Alaskan student for any
14 post-secondary education.

15 THE MODERATOR: Right. "For."

16 MR. BRADLEY: Mr. Chairman?

17 THE MODERATOR: Yes, Mr. Bradley.

18 MR. BRADLEY: I didn't mean to interrupt you. I
19 wasn't here during most of this discussion, but just to the
20 chair was there any discussion raised as to postgraduate or
21 professional education?

22 THE MODERATOR: We did not address that, to my
23 knowledge.

24 MR. BRADLEY: Well, I'm not a member but I'd throw out
25 that, you know, we're scarce on doctors and scarce on

1 dentists, and should there be any emphasis put on the
2 construction of those facilities while I know that they're
3 expensive to construct and equip was that discussed or
4 tuition postgraduate training for the professions? I guess
5 the four that comes to mind are law and dentistry and
6 medicine and accounting?

7 THE MODERATOR: As I recall, it was not addressed.

8 MR. BRADLEY: I'm tempted to at least mention -- are
9 there any dentists or doctors here or CPA's? I know there
10 are a couple of attorneys so maybe I shouldn't mention law
11 school because --

12 MR. FISHER: You don't need a law school for lawyers.
13 They'll come in like --

14 MR. BRADLEY: But Mr. Chairman what about all the
15 hundreds of individuals in Alaska -- of course, not myself --
16 that might want to pursue that and not want to leave the --

17 MS. BULLOCK: Well, what about the WAMI program.
18 W-A-M-I. That fulfills the needs for doctors.

19 THE MODERATOR: We need to be careful that we do not
20 create a device here for people to become professional
21 students.

22 MR. KOCSIS: Here here.

23 MS. BULLOCK: Right.

24 MR. FISHER: Let's just focus, if I may, on -- and its
25 ice my understanding. Maybe it's just part of the

1 protective structure that medical schools or doctors put up.
2 It's my understanding you have to have a community of a
3 million in order to support a medical school. Now, I don't
4 know whether that balances out, but I don't know where I --
5 if I recall it from '69 or -- and maybe it's out dated, but
6 that's my understanding. You've got to be careful on some
7 of those things that you don't -- you know, you know, over
8 reach too far. You don't have to have a community law
9 school.

10 THE MODERATOR: The way this reads is not eliminate
11 student using the scholarship loan fund to pay tuition to a
12 school outside.

13 MR. BRADLEY: That's right.

14 MR. KOCISIS: As a matter of fact, it implies that the
15 freedom would be totally on the student's part to do that.
16 I believe is one of the things. I think.

17 THE MODERATOR: In Senator he had Merdes' address in
18 the opening day of our deliberations -- he was striving to
19 encourage the development of a resolution that would aid
20 and ah bet Alaskan students to go to college in Alaska.

21 MR. DAHL: That's right.

22 THE MODERATOR: Is that pretty much correct?

23 MS. BULLOCK: Right.

24 MR. DAHL: Mr. Chairman, may I speak to that?

25 THE MODERATOR: Yes, you may, Mr. Dahl.

1 MR. DAHL: That's exactly right, and I disagree with
2 Senator Merdes for the reasons stated this this resolution.
3 If you are going to aid Alaskan students to go to college
4 in Alaska you must do two things: You must first of all
5 establish -- you must make a choice. You have to stay
6 we're going to aid the school, and then you say private
7 education is not really important. That's all he was
8 talking about was the first two years. Or you aid the
9 student and then you give the student that chooses to go
10 outside -- you put him at an unfair disadvantage, in my
11 opinion, that he does not have the advantage of state
12 assistance, support, help, for his education. My concern
13 is not that the University of Alaska be supported any more
14 than it is presently. The budget, as I mentioned in our
15 discussion yesterday at the University of last is something
16 like 105 million dollars. The point, it seems to me, is
17 that when students leave this place they don't come back.
18 And President Olds of Alaska Pacific has described that as
19 a brain drain. I think that's an accurate description.
20 This is a -- it's a serious problem, and we were discussing
21 this yesterday after the education area was concluded, and
22 one of the points was that Alaska itself is the -- is the
23 appeal to draw a student back. And that certainly is a
24 truth, but it's not the whole truth in that what happens is
25 that Alaskan students who have had the benefit of years of

1 experience living in this culture and in this society leave
2 and stay away. And students who have been born and raised
3 in Iowa and Illinois and Indiana come to Alaska, go to
4 school and stay. Or go to school Outside and then come to
5 Alaska and work. We are losing the advantage that -- the
6 contribution that students that have been born and ra i
7 in this culture and in this society and in this State a
8 make to this -- to Alaska, and I think we need to do
9 something about it. And that's what I'm trying to speak to.

10 THE MODERATOR: Okay. I don't think they should be
11 economically coerced into attending the University of
12 Alaska. I any what the Senator Merdes has alluded to in
13 that his two year factor was that his -- the experience
14 that he had with his daughter attending for two years ask
15 then she decided well, dad it's so great I want to spend
16 all four years. On the other hand, if a student were
17 locked into attending a university for two years then had
18 the option to attend outside, then they're going to lose
19 some credits this transferring. It happens every time. If
20 any of you've transferred you know what I'm talking about.
21 You lose some credit hours.

22 MS. BULLOCK: Mr. Chairman, we're not losing site of
23 the fact, are we that those students who return to Alaska
24 for work or for occupation in their careers are released
25 from the obligation at the front.

1 THE MODERATOR: That's correct. We don't want to
2 overlook that because that the way it is at the present
3 time.

4 MS. BULLOCK: We wouldn't want to eliminate that.

5 MR. ACKERMAN: I'd say going to the school outside of
6 the State would be a part of the learning process. My
7 children have never been outside the State. My kids are
8 rady to go to school now and for them -- well, they've
9 never been outside. Never seen the city, big -- most of
10 them haven't seen Anchorage.

11 THE MODERATOR: By going to school outside they don't
12 become provincial in their thinking. They should be,
13 that's part of the learning process and yet we keep that
14 from them.

15 MR. KOCSIS: It just seems, Mr. Chairman, what we've
16 got is are we're making a bottom decision. We keep talking
17 about renewable resource? What the State -- or are we
18 talking about the relationship with that university? I
19 don't think you really need to look at that even. We're
20 talking about students.

21 THE MODERATOR: That's right. There are two ways it's
22 real obvious, I've got to be better. One way to control is
23 you've got to take state contributions -- can be measured
24 in dollars. We can have the legislature analyze how much
25 money can we give to each student and that's how much he

1 gets. If it be 5,000 or if it be 20,000 during his career
2 in Alaska that's how much is his for an education loan, if
3 he chooses to use it. The other way I guess you could
4 limit it is he could go to school for a period of time. He
5 will support a dowry program. When he comes out with a
6 dowry we will then pay him all the way as long as we get
7 satisfactory progress reports and secondly you could just
8 say if it takes four years we know in this date to get a
9 degree that's how many years he can draw and he draws 5,000
10 a year. The commitment has to be the student. Anything
11 else is just an artificial imitation and it real each
12 doesn't have anything to do so with the support of the
13 university. I really believe that. If he wants to go
14 overseas and he's willing to come back with a better
15 perspective -- and if he doesn't come back what we're
16 talking that is educated informed citizen, and that's our
17 highest resource and our highest value.

18 MR. STUMP: I think that all of our concerns are quite
19 well addressed in the resolution as it's been slightly
20 changed. The loan Section D loan forgive those based on
21 year of service in Alaska in the public or private sector
22 provides that kind of incentive to bring -- to avoid the
23 brain drain. It gives the students the freedom of choice
24 inside the State, private or public or outside the State or
25 outside the country, for that part. So I think it really

1 addresses it. I would like to add on or consider adding on
2 the fact that there were there were quite a few students
3 who are -- have already participated in the present loan
4 program. And I think that -- I think that the Section D,
5 loan forgiveness certainly has merit. I think it could
6 actually be because of the unexpected revenue that we could
7 increase the forgiveness rate for those people who already
8 have the loans.

9 MS. BULLOCK: Don't they have that presently?

10 MR. STUMP: They do have an own forgiveness.

11 MR. FISHER: 40 percent in law now.

12 MR. KOCSIS: We could just say the State has this if
13 you want. That's one extreme.

14 THE MODERATOR: After -- it could become a grant after --
15 in the loan forgiveness area based on years of service in
16 Alaska this public or private sector. 100 percent grant.

17 MR. KOCSIS: You bet.

18 MR. ACKERMAN: Mr. Chairman, I think one thing we have
19 to keep in mind about this resolution is that it's concept
20 and that, you know, it is in legislation. It's a concept.

21 THE MODERATOR: It's a concept.

22 MR. ACKERMAN: I really like what I was talking
23 earlier, that had to do with, you know, I guess secondary
24 education. It didn't have to do with this here, and I
25 think we ought to draft something on that. But I think

1 this for concept is what we're looking at, and I think when
2 we get into legislation then we can get into some of the
3 specifics that we're talking about.

4 THE MODERATOR: All right. Mr. Ackerman, other a
5 concern about the structuring of Paragraph 2. Are you
6 prepared to submit an amendment to us on a counselling
7 basis?

8 MR. ACKERMAN: No, I think that's an important
9 paragraph. The recognition and protection of the -- you
10 know, other facilities. I think this covers --

11 MR. DAHL: Talking about Paragraph 2, not Paragraph D.

12 MS. BULLOCK: He's talking about the last one.

13 THE MODERATOR: Paragraph 2. That's the last one.

14 MR. ACKERMAN: Oh, I didn't mean that. No, I didn't
15 have anything -- what was that

16 THE MODERATOR: You had alluded to language that would
17 address counselling from the building construction trades.

18 MR. ACKERMAN: Well, not only building construction
19 trades. Professions in the industry.

20 THE MODERATOR: Okay.

21 MR. ACKERMAN: I think we have to add more adequate
22 counselling and I think it needs to be done by a teacher. I
23 think we have to bring representatives in to do that. But
24 I think possibly that the education is a large area and
25 maybe two resolutions would be in order. And think think

1 that if we get into our second -- one on secondary
2 education on higher education it would be appropriate and
3 we'd have the thing that George Hohman has been talking
4 about which we watched this morning. This is alternative
5 methods.

6 THE MODERATOR: Then, therefore, it now appears that
7 this education resolution is pretty much in order now for
8 action and difficult posts you will, is that correct?

9 MR. DAHL: Mr. Chairman I have one suggestion of some
10 alternative wording, given Mrs. Bullock's suggestions or
11 problem with Subparagraph (b). I would add to my motion
12 with the content of my second that Paragraph B that it
13 appears there be deleted and the following language be
14 substituted: Recognition that private prior education
15 makes a significant and important contribution to this
16 state and that the Legislature not adopt policies that
17 place private higher education at a competitive
18 disadvantage."

19 MR. AKERMAN: Agree to the amendment.

20 MS. BULLOCK: Excellent.

21 MR. DAHL: Shall I read that again?

22 THE MODERATOR: I'm getting it down.

23 MR. DAHL: All right.

24 THE MODERATOR: Recognition that private higher --

25 MR. DAHL: That private higher education makes a

1 significant and important contribution to this state, comma,
2 and that the Legislature not adopt policies that place
3 private higher education at a competitive disadvantage.

4 THE MODERATOR: Do you so move?

5 MR. DAHL: Yes, I do.

6 THE MODERATOR: Second?

7 MR. ACKERMAN: Concur.

8 THE MODERATOR: Concur?

9 MR. DAHL: This is an amendment to my original motion
10 and with the consent of my second it replaces the original
11 motion.

12 THE MODERATOR: Right. Are you ready for the question?

13 MS. BULLOCK: Question.

14 THE MODERATOR: All those in favor of the adoption of
15 this education resolution that we have before sing by
16 saying aye.

17 Aye.

18 THE MODERATOR: Those opposed.

19 (No response.)

20 THE MODERATOR: The ayes have it. So ordered.

21 MR. FISHER: Mr. Moderator, there's another resolution
22 that's on -- within whether it's been distributed or not.
23 I think it's up there by you on transportation. It's on
24 Sheraton stationary. There's a stack of them up there.
25 Maybe you want to deal with that now.

1 (A short recess was taken.)

2 MR. DAHL: Mr. Chairman, the change that I would like
3 to see made in the education resolution with the consent of
4 the body we could simply include it in our approval is at
5 the end of Paragraph 2 that we add the following language:
6 "Soliciting counselling from industry," period. So it
7 reads: "Provided the option of a technical trade
8 appropriate for the 19 years comma soliciting counselling
9 from industry, period."

10 MR. AKERMAN: I would hardly endorse that. I believe
11 speaks to the problem we have on the counselling and --

12 THE MODERATOR: You second it?

13 MR. ACKERMAN: Second it.

14 THE MODERATOR: Is there any objection?

15 (No response.)

16 THE MODERATOR: It's been moved and second. There's
17 no objection discussion?

18 MR. STOMP: Question.

19 THE MODERATOR: This is a question. Those in favor
20 say aye.

21 Aye.

22 Those opposed?

23 (No response.)

24 THE MODERATOR: The adoption is carried. So ordered.

25 MR. FISHER: Let me do a little bit of dreaming here.

1 I agree with what Edith Bullock says because she's probably
2 the most experienced in Marines transportation --

3 MR. DAHL: Mr. Chairman, number of the discussion that
4 we had about transportation is on the record.

5 MS. BULLOCK: For the record, I would like to say that
6 I take exception to the transportation resolution on number
7 one.

8 THE MODERATOR: On paragraph one.

9 MR. DAHL: Mr. Chairman, may I suggest that for the
10 sake of the record Mr. Fisher read the resolution into the
11 record, and then it would be before us and we can discuss
12 it.

13 THE MODERATOR: Thank you. Mr. Fisher, please read
14 the resolution for the record.

15 MR. FISHER: All right. The resolution is as follows:
16 Alpha group transportation. Alpha group resolves that the
17 Legislature consider these recommendations for
18 transportation needs: One, expand the Marine Highway system
19 to the entire state including but not necessarily limited
20 to the Alaska Peninsula Erosion communities. Western
21 Alaska, Yukon, Kuskokwim and tributary system and other
22 areas as later selected.

23 Paragraph 2: Preparation and implementatin of a
24 statewide plan for air and service transportation.

25 Paragraph 3:

1 Construction of a complete system of rural air
2 transportation navigation aids and facilities relatively
3 equivalent to present regional airport saw Valdez.

4 Four, develop a complete inventory of the entire
5 state's transportation facilities. Five avoid imposing
6 transportation intrusions on communities or regions whose
7 residents do not wish to have them, i.e. unwanted highways.

8 Now, maybe Edith Bullock ought to -- Dahl second
9 for discussion and move to amend.

10 MR. FISHER: All right. I'll move its adoption.

11 THE MODERATOR: It's been moved for adoption. It's
12 been second and a move to am.

13 MR. DAHL: My amendment is in paragraph one we delete
14 the words Western Alaska, Yukon, Kuskokwim and tributary
15 system.

16 THE MODERATOR: I would object.

17 MR. STUMP: Is this open for discussion?

18 THE MODERATOR: It's open for discussion.

19 MR. STUMP: I think we ran into a similar kind of a
20 problem earlier when we were dealing with getting too
21 involved in specifics and instead dealing with more general
22 directional policies and recommendations. I think that
23 wraps we could solve our problem on this and also one that
24 I have not voted yet, but would if it were not changed to
25 this wording -- to change it to, number one to read: To

1 improve and expand the Marine Highway system throughout the
2 entire state -- or throughout the State with recognition
3 that such a system provides highways for communities that
4 cannot develop highways to provide the traditional access.
5 Now, perhaps that's a little bit wordy at the end there,
6 but I think that that would -- than would give the
7 direction to the State, to the Legislature that we want to
8 to use some of these unexpected funds for improving
9 transportation, water-borne transportation to facilitate
10 the transportation needs of our communities that do not
11 have access to roads do not have the economic situation,
12 economic and geographical situation situation to have a
13 road system. And then when it gets down to what specific
14 rivers or what specific areas that that is a decision that
15 has to go through the political process and be made at that
16 point rather than here this this short time period that we
17 have.

18 THE MODERATOR: I believe that we should put some
19 emphasis on -- very real emphasis on a road link between
20 the Yukon and the Kuskokwim.

21 MR. DAHL: Mr. Chairman, for the sake of --

22 MR. FISHER: Speed.

23 MR. DAHL: Speed, I think. Thank you, Jim. This was
24 Miss Bullock's concern, that the Marines -- that this group
25 not go on record as supporting the extention of the you are

1 Marine Highway system in Western Alaska recognizing Mr.
2 Fisher's realization and information given to the body that
3 it would be a very simple matter to extend the present
4 system out to the Alusion. I think that my amendment, if I
5 may speak to it, deleteing the language covering Western
6 Alaska Yukon Kuskokwim and tributary system speaks to that.
7 The language would be expand the marine highway system to
8 the entire state including but not necessarily to the
9 Alaska Peninsula, the Alusion communities and other areas
10 later selected, which would give the Legislature sufficient
11 latitude to expand it, if they saw fit.

12 THE MODERATOR: We neglect to give any specific
13 direction and regard to the Kuskokwim problem.

14 MR. DAHL: I would suggest that that would be -- that
15 that is another number, that number one speaks to the
16 highway system and not to roads into that area. I would
17 certainly agree with you, Mr. Blodgett that that needs to
18 be addressed. That was a very good idea. It was
19 inadvertently neglected, I'm sure.

20 MS. BULLOCK: Are you moving to adopt the motion?

21 MR. DAHL: Yes, I move to amend the resolution to
22 delete that language.

23 MR. ACKERMAN: I second the amendment.

24 THE MODERATOR: I'd object for the purpose of
25 discussion. I'd like to hear from Mr. Alexie.

1 MR. ALEXIE: Well, of course I've been wanting to say,
2 you know, on this Marine Highway, Bethel is the center
3 where everything comes -- what comes from Seattle and
4 further out landed at Bethel, and there's several boats
5 come in. And couple times my grocery stuff not come
6 because the barges were already loaded, and I'm taught the
7 only person who survived in winter without any groceries
8 for my children. So I read agree with this that I would
9 like to have something better on Marine Highway system to
10 serve me and the other people and even the Yukon. Because
11 sometime winter comes fast, and last month I've seen two
12 barges stuck on the ice. And a good thing we had the range
13 to pool them on the shore. And the fuel shortage or the
14 education materials can be delivered to the villages on
15 time.

16 MR. ACKERMAN: Mr. Chairman.

17 THE MODERATOR: Mr. Ackerman.

18 MR. ACKERMAN: I'd like to stand on this. The only
19 thing Mr. Alexie did leave out is he paid for the groceries
20 before they were shipped in. He paid for those groceries
21 and he's stuck with having to go buy new groceries, go
22 through an insurance claim process then fly them in. While
23 I was on the Boundary Commission on this area -- you know,
24 this was something that was bought up time and time again.
25 I don't think there was one village on the river that this

1 problem wasn't expounded upon. The groceries sit on the
2 dock, you've paid for them, then you gather to go out and
3 purchase new. Besides that the air transportation then.
4 Either that or you just do without. So it's really an area
5 every concern.

6 THE MODERATOR: I've lived it, Mrs. Bullock has lived
7 it with being our tug and barge and elsewhere. Weather
8 catches you and early freeze up -- it's part of the -- it's
9 the greatest mixture company in the world.

10 MR. AKERMAN: What Mr. Alexie is saying is there's not
11 the capability of getting it up there.

12 THE MODERATOR: Right.

13 MR. ACKERMAN: Like I say you are you purchase it and
14 you're flying it this and you can't afford to buy the in
15 the first place let alone the difference in the air freight
16 and river freight. And besides that there's the time
17 involved, and you've got to go through insurance, you sit
18 out and freeze so you've got to go through an insurance
19 settlement -- the insurance companies just don't like to
20 pay. So there you are you've spent your money and you just
21 don't have your resources to do it so that they do have to
22 do something in this area.

23 MR. ALEXIE: Again, this one lady -- she was not
24 depending on Welfare, she depended on her arts and craft.
25 The both got in and then it freeze and they had a problem

1 on transportation. I think the both had to go up to Nome
2 first and then back to Bethel. It freeze had, and that
3 lady she chartered a plain to haul them to the smaller
4 village. Again, she couldn't charter a plain to bring her
5 groceries at once because of the landing strip. And the
6 charter on that year was \$80 for this -- for that one plain
7 plane to haul her three loads.

8 THE MODERATOR: \$80 a trip.

9 MR. ALEXIE: \$80 a trip.

10 THE MODERATOR: What kind of language would you like
11 to see in this, Mr. Alexie?

12 MR. ALEXIE: Well, I'm very poor in language making.
13 I have hard English education. So if somebody put it up
14 correctly in order to satisfy me and the other people, I'll
15 be satisfied.

16 THE MODERATOR: Mr. Borodkin?

17 MR. BORODKIN: Yeah, I'm just wondering. I've looked
18 on the map there with Bethel is, and I'm not sure whether
19 an ocean going vessel would negotiate the river up to --

20 MR. DAHL: It will make it.

21 MS. BULLOCK: Betheling the transfer point. It's a
22 transfer point.

23 MR. BORODKIN: Oh, okay.

24 MR. ACKERMAN: It's on transfer, but we don't have the
25 boat to get from Bethel up the river. That's what we want.

1 MR. BORODKIN: I didn't know.

2 MR ALEXIE: That's why I fully support to expend the
3 Bethel docks, because they waste their time while they're
4 waiting to -- the other barges to be unloaded.

5 MS. BULLOCK: Right. And you get cost with the ice
6 and --

7 MR. ALEXIE: Yes.

8 THE MODERATOR: Could perhaps -- Jamie, could you live
9 with amending Western, leaving out-- and leaving Yukon,
10 Kuskokwim tributary and other areas as later selected?

11 MR. FISHER: Sure.

12 THE MODERATOR: How would that fit Mr. Alexie?

13 MR. ALEXIE: Repeat it again.

14 THE MODERATOR: We delete after communities, comma,
15 delete Western Alaska, comma and leave Yukon, Kuskokwim and
16 tributary systems in. How would that fit?

17 MR. ALEXIE: Well, I think that --

18 MR. DAHL: I'll accept that as an amendment to the
19 amendment.

20 MR. ALEXIE: It sounds good to me.

21 MS. BULLOCK: Mr. Chairman I'll have to go on record
22 as being opposed but I'll probably be the only one, so....

23 MR. FISHER: I think we ought to pass the resolution
24 we ought to institute the program and if she takes it, we
25 ought to hire her to run the system.

1 THE MODERATOR: Thanks a lot, huh?

2 THE MODERATOR: Yes, Mr. Stump.

3 MR. STUMP: Mr. Chairman, I'm going to have to -- and
4 I don't want to belabor this point, but I'm not going to be
5 able to support that section unless there is wording
6 recognizing the Marine Highway system that does exist in
7 Southeast Alaska. A need for improvement and expansion in
8 Southeast Alaska as well. There are an other lot of
9 communities in Southeast Alaska of ferry significant size
10 and certainly size to benefit substantially from expanding
11 the system in Southeast Alaska. And I don't think that it
12 would really be very hard to change this resolution -- this
13 section of the resolution to recognize these needs in
14 Southeast Alaska. Perhaps, if I could give just a little
15 bit of a situational report of the Marine Highway system in
16 Southeast Alaska, we do have for the most part boats --
17 vessels that -- were built in the mid '60s or early
18 '60s, so they are getting quite on in years, and there are
19 substantial amount of problems, mechanical problems with
20 these vessels.

21 Sighting just, for example, last week with one
22 ferry in the -- already in Seattle for winter maintenance
23 and out of service is on schedule. First of all, one ferry --
24 one of the remaining ferries and then later on in that week
25 a second of the ferries was -- had mechanical problems that

1 delayed or stopped their activities in Southeast Alaska.
2 So this again is our only non air link between communities
3 and to the south freight or to the rest of the Alaska
4 through Haines or Skagway. And we have some real needs to
5 improve that part of the Marine Highway system. And I in
6 all conscience I couldn't go along with the resolution
7 unless there was a recognition of that need in Southeast
8 Alaska.

9 THE MODERATOR: Thank you Mr. Stump.

10 Will Ackerman.

11 MR. ACKERMAN: I think if we just -- and expand that
12 would speak to the problem because it is the only
13 marine highway system we have at this time. This
14 resolution supports the entire state, which would be added
15 communities in southeast. But if we just said upgrade and
16 expand Marine Highway system that would speak to the
17 problem with your equipment in southeast because that's all
18 we have.

19 MR. FISHER: I would accept that. I think that's fine.

20 MR. STUMP: Perhaps, then, I could move it be worded
21 to either improve or upgrade and expand the Marine Highway
22 system throughout the State, et cetera, as is.

23 MR. FISHER: I don't see any objection on that either.

24 THE MODERATOR: All right. Please state it again,
25 read it.

1 MR. FISHER: I'll let the amenders --

2 MR. ACKERMAN: Just up great everybody.

3 MR. FISHER: Upgrade and in front of the sentence in
4 lieu of two after the language highway system throughout
5 the entire state.

6 MR. ACKERMAN: Be we had that?

7 MR. FISHER: We do this.

8 MR. ACKERMAN: What we have now is upgrade and ex panel
9 nt Marine Highway system in the entire state included but
10 not necessarily him Ted to the Alaska Peninsula Alusions
11 Chain, Yukon, Kuskokwim and tributaries in other areas as
12 later selected.

13 MR. FISHER: Yeah, I think you're right.

14 THE MODERATOR: With Western Alaska deleted?

15 MR. ACKERMAN: It was deleted as being something we
16 wanted to point to. It doesn't preclude us from expanding
17 service to area. We can do it with the entire state as
18 needed.

19 THE MODERATOR: Right. Do you so move?

20 MR. ACKERMAN: So move.

21 MR. FISHER: I'll second it.

22 THE MODERATOR: It's seconded.

23 Mr. Borodkin.

24 MR. BORODKIN: Yes, yesterday I was concerned with the
25 proposal because I recognize a gap in the Marine Highway

1 system from Southeastern Alaska into Cordova-Valdez area,
2 Seward.

3 THE MODERATOR: Right.

4 MR. BORODKIN: But the remark she made I they we all
5 realize that the cost we're looking at, especially on ocean
6 going vessel. But I still would like to see that made a
7 part of the record. My concerns.

8 THE MODERATOR: On ocean going --

9 MR. BORODKIN: No, the gap --

10 THE MODERATOR: Into Cordova?

11 MR. BORODKIN: Yes.

12 THE MODERATOR: Upgrade and expanded the Marine
13 Highway system throughout the entire state including but
14 not necessarily limited to Cordova, the Alaska peninsula?
15 How would that fit?

16 MR. STUMP: South central? Perhaps Cordova?

17 MR. BORODKIN: Between Southeastern Alaska through
18 south central, I guess.

19 THE MODERATOR: Including but not necessarily limited
20 to South Central Alaska, the Alusion -- the Alaskan
21 peninsula, right? How is that?

22 MR. ACKERMAN: Mr. Chairman, I think an important
23 thing that we have to keep in mind -- that this is a
24 concept. It's an idea that we'd like to put for the. It
25 is thought legislation when we get into legislation they'll

1 have to to consider and have a debate on it. And I think
2 we have a good record on it and I think it's a good concept.
3 I think we need to put it for the, you know, in that light.
4 We're not, you know, getting into specific as to what we're
5 going to do, but it is a concept that we would like to put
6 for the.

7 THE MODERATOR: Upgrade and expand Marine Highway
8 system throughout the entire state including but not
9 necessarily limited to South Central, the Alaska Peninsula
10 Alusions Chain Alusion Kuskokwim and tributaries and other
11 areas as later selected. How is that?

12 MR. ACKERMAN: I so move.

13 THE MODERATOR: Second?

14 MR. DAHL: Second.

15 THE MODERATOR: Second, second. Discussion?

16 MR. AKERMAN: Question.

17 MR. FISHER: Let's go.

18 THE MODERATOR: Those in favor indicate by saying aye.

19 Aye.

20 THE MODERATOR: And those oppose indicate by saying
21 nay.

22 MS. BULLOCK: Nay.

23 THE MODERATOR: The ayes have it. There's one nay
24 vote. Let the record reflect. And the resolution is now
25 before us.

1 MR. DAHL: Mr. Chairman, I have an additional
2 amendment. No. 6: Upgrade and expand inter-village road
3 systems including but not limited to the extension of the
4 road to Tanana, and the connection link between the Yukon
5 and the Kuskokwim River.

6 THE MODERATOR: Do you so move?

7 MR. DAHL: I do.

8 MR. ACKERMAN: Second.

9 THE MODERATOR: Discussion?

10 MS. BENNETT: That was enter not intra? Enter,
11 between?

12 MR. DAHL: Yes.

13 THE MODERATOR: Intra.

14 MS. BENNETT: No, he just said enter.

15 MR. DAHL: It means roads reasons roads between
16 village.

17 THE MODERATOR: Within the village.

18 MS. BENNETT: No, between the villages.

19 MS. BULLOCK: That's extra.

20 THE MODERATOR: What? That would be like a road
21 between -- Dahl.

22 MR. STUMP: Could you change that to villages to
23 communities?

24 MR. DAHL: Sure. I'm easy. Enter community road
25 system.

1 MR. STUMP: There are options for logging camp
2 communities and whatnot --

3 MR. DAHL: I understand.

4 MR. STUMP: -- fish, communities.

5 MR. DAHL: no problem.

6 MR. STUMP: It's a matter of semantics but I think
7 using the broader to be word --

8 MS. BENNETT: Would you say it again, please?

9 MR. DAHL: Upgrade and expand the enter community road
10 system including but not limited to an extension of the
11 road to Tanana and a connecting link between the Yukon and
12 Kuskokwim Rivers.

13 THE MODERATOR: It's been moved and seconded.

14 MR. ACKERMAN: Yes.

15 THE MODERATOR: Discussion?

16 MS. BENNETT: I'd like to discuss that. Why agree
17 with that. I thought we had talked yesterday about the
18 fact that we did not want roads correcting many villages.

19 MR. DAHL: All right. Let me show you what we're
20 specifically talking about.

21 THE MODERATOR: Paragraph 5 takes care of.

22 MS. BENNETT: Now we're saying to May in this
23 resolution we're saying the opposite. That all dull
24 protected by No. 5, though.

25 MS. BENNETT: Okay. I can see that, right. I --

1 MR. DAHL: Just for the sake of clarity, the road ends
2 here at Tavey, at least according to this map.

3 (Indicating.)

4 MR. ACKERMAN: That's not correct.

5 MR. DAHL: With a slight extension it could go to
6 Tanana, and with a connection between the Yukon and the
7 Kuskokwim at -- where is it?

8 MR. DAHL: Right here. Between Piamute and Calsak
9 it's about 30 miles. You're talking about a road that will
10 carry freight to Tanana freighting freight by barge down
11 river to this road crossing here and moving it down to
12 Bethel. (Indicating.) With that extension you've got
13 Bethel connected to Fairbanks and that's something you've
14 never had before, and it's critical to the area.

15 MS. BENNETT: But I think the resolution could
16 specifically address that particular thing, without saying
17 we want to upgrade the enter community --

18 MR. ACKERMAN: How about a bridge across the river?

19 MR. FISHER: Well, that's the use of the community
20 road. The big option is Fairbanks to Nome. That's the
21 option.

22 THE MODERATOR: Or Anchorage to Nome.

23 MS. BENNETT: Well -- there are a lot of options. It
24 sounds really general to me.

25 MR. DAHL: Right. And I meant it to be.

1 MS. BENNETT: And I do understand what we're saying,
2 I'm just saying the wording sounds really general.

3 MR. DAHL: I meant it to be as a policy statement
4 that's limited by No. 5. Where roads are not imposed on a
5 community.

6 MR. ACKERMAN: Why don't we replace -- make No. 5, and
7 that No. 5 -- and that will sort of --

8 THE MODERATOR: Do you so move?

9 MR. ACKERMAN: Yes.

10 THE MODERATOR: Hearing no objection, it's so ordered.
11 Let us --

12 MR. ACKERMAN: Removed the road. We are telling them
13 we want these roads and then we're saying we want to be
14 able to have a veto power over them.

15 THE MODERATOR: Let us move on now. It's six o'clock.

16 MR. ACKERMAN: Mr. Chairman, we have one more item
17 here, and it was facilities on the rivers. I mean whether
18 we expand the highway or not. The people that are using
19 them don't have them in Bethel now. We have -- that's a
20 similar problem all up and down the river, is docking
21 facilities. Maybe we ought to include docking facilities
22 on the river here someplace.

23 MS. BULLOCK: Mr. Chairman, I again have to make my
24 objection to this sort of thing because it's a cost benefit
25 ratio involved here that I do not think is justified.

1 It's a tough situation on this transportation
2 problem, as I very well know, but it's a matter of tonnage.
3 Have you no passengers. And when you get into docking
4 facilities, when you build a wharf or you build a dock, you
5 get into a pretty expensive operation.

6 MR. ACKERMAN: In the normal sense you are or talking
7 about a dock at Anchorage or Valdez? Something like that?
8 A public docking facility --

9 MR. DAHL: That's fine.

10 MR. ACKERMAN: -- on the river. Isn't that much of --
11 I waddled up in the muck. I mean these people around the
12 airplane off. There was nothing on it, and it was coming
13 right off. We landed on the river. We couldn't even get
14 off the docking.

15 MS. BULLOCK: But by the time you take your equipment
16 in there and you do your construction and you take your
17 equipment become out you can't do that with just a shuffle.

18 MR. ACKERMAN: If we were going to constantly spending
19 all our money in Anchorage. I don't think that's something
20 we can do. I think we have to have a facility. What good
21 does it do have to the transportation if you can't get off
22 it.

23 THE MODERATOR: There's a tremendous population that
24 services that watershed through Bethel. And with the road
25 link between the Yukon and the Kuskokwim, I envision that

1 rail freight coming up the rail and getting on tug barges
2 and going down the coast and being transhipped across into
3 Bethel is going to have to be handled -- I look for a
4 substantial increase in freight. I don't think there's any
5 way that freighting activities are going to go in Alaska
6 here on in by that. And I -- I'm compelled to support the
7 concept the dock facility at Bethel, Edith.

8 MS. BULLOCK: Bethel. That's fine. I thought you
9 said up and down the river.

10 MR. BORODKIN: Mr. Chairman, I would like to know a
11 little more about docking facilities. I don't know -- I
12 don't know how those are done up there. But in a river,
13 you know, when ice starts flowing, how does it affect the --
14 is it built in such a fashion where -- is the ice that's
15 flowing will not wipe it out?

16 MR. ACKERMAN: Mr. Alexie can see to that. He's lived
17 there. I think you just pull them back.

18 MR. ALEXIE: Now, we have a dock, and the ice can bump
19 and go over it and it won't disturb the dock. If it's
20 built correctly, the way --

21 MS. BULLOCK: If you build correct.

22 MR. ALEXIE: The way ours is built. And up at cattle
23 stack we don't need a big one, just to lift up the barge
24 and unload it. And I don't think that will be too
25 expensive. But I think the price will be covered enough.

1 MR. BORODKIN: I think I know what you mean. You mean
2 just a ramp instead of a dock.

3 MR. ACKERMAN: Right. That's right.

4 MR. BORODKIN: Just an unloading ramp.

5 MR. DAHL: Not a pier?

6 THE MODERATOR: Not a pier.

7 MS. BULLOCK: That's a little different, yes. I'm
8 thinking of -- that's different.

9 MR. DAHL: Mr. Chairman, it's 6:05. Can we continue
10 this? Are we ready to vote on this or --

11 THE MODERATOR: I believe we're ready to vote on it.
12 As we can finish this one if we address this here with
13 dispatch.

14 MR. ACKERMAN: I was asking Mr. Dahl what the proper
15 wording was that we were looking for for a docking
16 facilities.

17 MR. BORODKIN: Then it would be --

18 THE MODERATOR: Landing.

19 MR. ACKERMAN: Landing facilities.

20 MS. BULLOCK: Landing.

21 MS. BENNETT: Or loading.

22 MR. ACKERMAN: This is a concept. It's something we
23 don't have is what should leave our options open to, the
24 specific legislation.

25 MR. BORODKIN: I think there's a distinction between a

1 dock and a ramp, though.

2 THE MODERATOR: River, oh both landing.

3 MR. ACKERMAN: Off loading facilities?

4 MS. BENNETT: Uh-huh, uh-huh.

5 MR. ACKERMAN: And on.

6 THE MODERATOR: We're ready for -- are we ready for
7 the question?

8 MR. STUMP: Question.

9 THE MODERATOR: Is there a motion to adopt the
10 resolution?

11 MR. DAHL: Mr. Chairman, do we have the language for
12 that No. 7? Again, you know, it will chew it up here we're
13 going improve and expand river loading facilities.

14 THE MODERATOR: So move?

15 MR. ACKERMAN: Second.

16 MS. BULLOCK: Uh-huh

17 THE MODERATOR: The objection seconded.

18 MR. BORODKIN: Question.

19 THE MODERATOR: Those in favor indicate by saying aye.
20 aye.

21 THE MODERATOR: Opposed.

22 THE MODERATOR: Let the record show there was one
23 descending vote.

24 THE MODERATOR: I entertain a motion for adoption of
25 resolution.

1 MR. DAHL: So moved.

2 MR. ACKERMAN: Second.

3 THE MODERATOR: Second. Objection?

4 MS. BULLOCK: No, I'm sorry. I didn't mean to object
5 to your amendment. I wasn't paying close attention. What
6 I meant to do was to vote against the total resolution.

7 THE MODERATOR: The resolution.

8 THE MODERATOR: Question?

9 MR. DAHL: Question.

10 THE MODERATOR: Those in favor of adoption of
11 resolution transportation indicate by saying aye.

12 Aye.

13 THE MODERATOR: Opposed?

14 No.

15 THE MODERATOR: Let the record reflect there's one nay
16 vote. The resolution is passed.

17 (A recess was taken.)

18 THE MODERATOR: We've covered an awful lot of material
19 in a very short period of time. Things are moving very
20 rapidly in the State. The revenue picture is changing very
21 rapidly in the State, and I'd like to suggest to the body
22 that we discuss the presentation of a resolution in the
23 Alpha Group to the conference, that in lieu of waiting
24 another 10 years before another conference of this nature
25 be held again, that we set it up, do it again -- Alaskans

1 do it whether we're still kicking it around or not or
2 whether we're delegates. But five years down the road a
3 new frontiers -- Future Frontiers Conference be conducted
4 to see where we were, where we're headed and where we want
5 to go. And provide for more time in order for us to be
6 more deliberate.

7 I feel that in some respects we're almost guilty
8 of shooting from the hip, and I don't like to shoot from
9 the hip. I like to get my sights lined up and then shoot.

10 MR. ACKERMAN: Mr. Chairman, I think that's an
11 excellent idea we have another one in five years, but I
12 think it would help we have regional conferences, you know,
13 as preliminary and regional conferences, select your
14 delegate to the state conference. That way we'll get a lot
15 better participation buy the regions and we'll be more
16 familiar with the issues we want to discuss at the State
17 conference.

18 THE MODERATOR: Broader anticipation.

19 MR. ACKERMAN: Broader.

20 THE MODERATOR: Anybody care to make a motion to this
21 effect? The chair would entertain a motion.

22 MR. ACKERMAN: I would recommend we have another
23 conference in five years and it be preceded by regional
24 conferences that would select the delegates for the State
25 conference.

1 THE MODERATOR: Is there a second?

2 MR. FISHER: I'll second it.

3 MR. BORODKIN: He'll second it.

4 THE MODERATOR: Discussion?

5 MR. DAHL: Question.

6 THE MODERATOR: All those in favor indicate by saying
7 aye.

8 Aye.

9 THE MODERATOR: All those opposed it by saying nay.

10 (No response.)

11 THE MODERATOR: The motion is secured. We'll have to
12 get it drafted in final form for delivery.

13 We're down to the topic resource of section four.
14 Oil and gas tally.

15 MR. DAHL: Mr. Chairman.

16 THE MODERATOR: Mr. Dahl.

17 MR. DAHL: As I look over these papers I -- I'm
18 concerned that little has been said, if anything, about the
19 most important resource that Alaska has, and that is its
20 people.

21 The -- I'm particularly concerned about children,
22 about the care of children in this State. Not very many
23 months ago I was elected President of the Board of
24 Directors of Alaska Children's Services, which is the
25 largest private child caring institution in the State. And

1 participating in the deliberations of that board have been --
2 have learned that the State, although it has responsibility
3 for children in its care for various reasons, reasons of
4 parental neglect and others, the State by any stretch of
5 the definition could not be considered a good parent. The
6 State has not provided adequate care for its children. It
7 has not provided the kind of support for its children that
8 a good parent would provide. Case in point: The
9 Department of Corrections has numerous children placed
10 under its care by the justice system. Some of these
11 children are placed in institutions throughout the State,
12 in homes, in foster homes. Some of them under the auspices
13 of Alaska Childrens Services.

14 As of July, the budget had some problem, and the
15 State of Alaska, with its astounding wealth is in debt to
16 private agencies to the tune of some \$36,000, and it's --
17 when asked for that money, this is for the care of children
18 where I, as a parent take that -- take my child and say, "Will
19 you take care of my child for a period of time?" And that
20 person says, "Yes, I will." Provides the care, shelter,
21 food, clothing and nurture, and then I, as a parent, say
22 I'm sorry, I cannot pay you until my ship comes in, or
23 sometime down the road.

24 That's unconscionable in a state as wealthy as
25 this. I've prepared a resolution that I would like to have

1 this body consider. I'd ask you to pass it around. While
2 it's being passed around I'd like to read it for the record.

3 Alpha Group resolves that the Legislature
4 consider the following recommendations in the area of child
5 care: One, that the State continue to use the resources of
6 private child caring institutions to deliver services to
7 children entrusted to the State's care and, two, that child
8 caring institutions be reimbursed promptly and fully for
9 services rendered to those children. The policy of the
10 State should be -- and there's an error in here. The
11 policy -- I see. No, wait.

12 THE MODERATOR: The State policy should be that of a
13 good parent.

14 MR. DAHL: That's right. That's right. The policy of
15 the State should be that of a good parent that cares well
16 for children for whom it is responsible and pays its bills
17 quickly.

18 Mr. Chairman, I move for its adoption.

19 MR. ACKERMAN: Second.

20 THE MODERATOR: Discussion?

21 MR. FISHER: Yeah, I'd like to ask. This is an
22 excellent form. It's a very serious problem, but it seems
23 like it's too narrow.

24 MR. DAHL: Well, I used the corrections example only
25 as an example the fact is that the State does not provide

1 full cost I care for its children. Not only does it not
2 pays its bills on time, and causes serious cash flow crunch
3 in all institutions in the State, but it simply is not
4 willing to pay the costs that it takes to take care of kids.

5 MR. FISHER: It doesn't pay any of the capital cost.

6 THE MODERATOR: Don't feel like the Lone Ranger. It
7 doesn't just child care.

8 MR. DAHL: I understand that.

9 THE MODERATOR: We -- my companies do not seek or
10 desire to contract with the State for any supplies or
11 services of any kind whatsoever because it's so dililitary.

12 We get invitations to bid, we don't respond.

13 MR. FISHER: But isn't your situation where it's more
14 voluntary than the children?

15 THE MODERATOR: Yeah, you know, I mean it gets into
16 the Department of Administration.

17 MR. DAHL: Our agency is running what we call
18 emergency shelters, receiving homes. I think we have -- we
19 had two, I think we now have three. The -- those receiving
20 homes are emergency shelters are known about by the police,
21 they're known about by the Department of Corrections and
22 other agencies where kids that -- that need immediate care
23 can be brought to these shelters and stay for a limited time,
24 not for many days but for a few days. They're well cared
25 for, not just warehoused but cared about by loving people.

1 And this is something that -- this is a service that this
2 state does not provide. The State simply -- they ought not
3 to. They not to to get involved in this thing because
4 private enterprise can do it better. They proved they can
5 do it better. But when these kids are brought there by the
6 State, the State ought to pay the bills. And the State has
7 simply relied on the goodwill and charity of churches and
8 social -- socially minded people for years. I think it's
9 time to stop.

10 MR. FISHER: That's why I asked. Isn't it too narrow?
11 I realize the money can -- an extreme crunch somehow or
12 other, just the money seems a little -- something's wrong.

13 MR. DAHL: How do you want to change it?

14 MR. BORODKIN: Mr. Chairman?

15 THE MODERATOR: Mr. Borodkin?

16 MR. BORODKIN: Would this be something like foster
17 parent time thing?

18 MR. DAHL: It's similar, but it's not the same. Now,
19 this is -- foster parents are one form of child care. Most
20 of the kids that are in the care of Alaska children
21 services --

22 MR. BORODKIN: This would be in a larger way.

23 MR. DAHL: Right. Jessie Lee Homes, one of the
24 services that we operate, which used to be Unalaska, and
25 then its Seward and after the earthquake moved to Anchorage.

1 The receiving homes are here. All the services are here.
2 This is not a limited resolution. It deals with the
3 statewide problem.

4 MR. ACKERMAN: Mr. Chairman, I think this speaks that
5 we have the responsibility for the care of our children and
6 it ought to be something that's foremost in our minds, and
7 since we're depending on, we should, you know, the private
8 sector to provide these services, you know, that we're
9 using we should pay for them.

10 I think it's a good resolution and I think it
11 speaks to the major problem we have at this time. And I
12 think it's appropriate. I think that we could -- we can
13 get into a lot of specifics and would lose a lot of the
14 meaning of the resolution.

15 THE MODERATOR: Thank you. Anybody else?

16 MR. BORODKIN: I have another question. This
17 institution or institutions -- any child is, you know,
18 accepted in these institutions.

19 MR. DAHL: Absolutely.

20 THE MODERATOR: Miss Bennett?

21 MS. BENNETT: Mr. Chairman, in some ways, Gary, I
22 think that it needs to be, if we're going to address child
23 care that there are some other general concerns that
24 haven't been discussed.

25 For instance, I have a -- I serve on the board of

1 the day care center? Fairbanks. I have an interest in the
2 day care assistance program, which I don't feel is funded
3 as fully as it should be. This is a program where the
4 State provides assistance for day care so that we can
5 employ parents who would otherwise not be able to work and
6 be on the Welfare roles, et cetera, that that is also a
7 very valid child care concern. Child care is something we
8 haven't really discussed. I'm sure that there are others
9 that are equally importance as this. I to feel that it's a
10 little bit specific, which is not to debate the importance
11 of this particular concern.

12 MR. DAHL: I meant it to be quite specific, because
13 I'm concerned about the cost of care.

14 THE MODERATOR: Any further discussion?

15 MR. ACKERMAN: This doesn't preclude, you know, you
16 from putting people -- children in a day care center and
17 paying the cost of it promptly, in a private day care
18 center, and this is something we're developing in Fairbanks.
19 We have special use permits for day care centers once a
20 month on the planers only. And this doesn't preclude it.
21 It encourages that do these things, and it's a tool that
22 you can use, you know, to pursue that.

23 MS. BENNETT: Right. I think -- did you understand me
24 to mean assistance to the day care centers? Because what I
25 meant was assistance in State assistance to paying the

1 bills for the child to go to the day care center. Is that
2 what you mean?

3 MR. ACKERMAN: This provides this.

4 MS. BENNETT: No, this -- this is children that are in
5 state -- actual State care. I'm talking about children
6 that are still in the homes of parents that need to be
7 employed. It is actually a different program but a similar
8 problem is what I was saying, it hadn't been discussed. In
9 other words, this doesn't cover it, but I'm not necessarily
10 sure that it should. I just feel like we didn't really
11 discuss this when we were talking about finances, and maybe
12 we should have.

13 MR. FISHER: Let me ask one -- I still think it's too
14 narrow because I know a little about bit about some of the
15 problems of the cost of care.

16 THE MODERATOR: Please speak up.

17 MR. FISHER: The State always leans on the cost, and
18 the cost of care centers are usually half to three-quarters
19 of what the State would have to pay in State run
20 institutions. But the State is always limiting, and they
21 won't let you -- they won't let you -- in some instances
22 they won't provide -- they only pay on the amount of kids
23 that are actually in the facility. And they don't -- so
24 sometimes some of the institutions don't -- aren't even
25 able to maintain staff waiting for the crisis that occurs

1 with kids. And I've seen a very good one almost go under
2 just because of that situation. Fortunately they had an
3 excellent management and kind of got through. I still
4 think it's too....

5 MR. ACKERMAN: I was looking at this. I've always
6 been told that children are a ward of the State, you know,
7 and unless the parent had custody of your children this
8 they were adjudicated all children of the State were wards
9 of the State. So, possibly this is speaking more to
10 adjudicated children that are in actual custody of the
11 State and removed from their parents custody?

12 MR. DAHL: Yes.

13 MR. ACKERMAN: We still have the problem of those that
14 are adjudicated and still under custody.

15 MR. FISHER: Let me talk some more. I'm sorry to take
16 up so much time on this. But I've actually been in contact
17 with a group of these people when they made a trip down to
18 Juneau. I think it was last year. And they go down there
19 and they have to justify their costs and they have to
20 justify everything that they do. So they're very closely
21 regulated. But they are leaned on so that they don't --
22 you know, they aren't paid quite fully, they weren't paid --
23 somehow or another they get -- there's always that element
24 of contribution that has to be made up somewhere. Now
25 maybe it should be made up somewhere, but in some cases it