

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

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1 MR. DELISIO: They are automatically that way, but it
2 has to be appropriated.

3 MS. GUESS: Idea. Maybe you are talking about about a
4 percentage of the investment from the permanent fund. The
5 fund is already established. That's constitutional.
6 Money must go there in the amendment. So maybe you are
7 talking about a portion of those moneys.

8 THE MODERATOR: Okay, then creating an educational
9 trust fund to insure support of the public school
10 foundation program and scholarship fund to come from.

11 MS. CROFT: The permanent fund.

12 THE MODERATOR: The permanent fund.

13 MS. GUESS: One half of the earnings of the permanent
14 fund. Why not? If we are spending one third.

15 MR. DELISIO: I would rather put it into that than be
16 in salaries to--

17 MS. GUESS: Bureaucrats.

18 MR. DELISIO: I didn't say that. I was biting my
19 tongue.

20 THE MODERATOR: Creating an educational trust fund to
21 insure support on the public school foundation program and
22 scholarship fund to come from one half of the earnings of
23 the permanent fund.

24 MS. CROFT: One, we don't really have any idea what
25 the magnitude of the permanent fund is going to be. Can

1 can we say it's too vague to say a portion.

2 MR. GIBSON: A substantial portion.

3 MR. COOPER: I don't think we need to worry about it,
4 because after all, if we put 100 percent, if we use the 100
5 percent of the permanent fund earnings for the scholarship
6 program or for the foundation program, one thing or another,
7 we wouldn't begin to be accumulating enough to provide 100
8 percent of the costs. We would still be needing annual
9 appropriation.

10 MR. DELISIO: What Lee's idea is let's say that the
11 fund earns 300 million dollars, say a ten percent a year or
12 whatever. Say it earns 300 million dollars, so under
13 Carolyn's idea, you put 150 million into a new trust fund
14 that is now earning and invested and it's growing and
15 growing and growing. And in the year 2000, oil and gas
16 money stop, and now this fund that we have appropriated
17 permanent fund moneys every year has grown into a
18 25-billion dollar fund which is earning 300 million dollars
19 a year which we can now use to fund education. That's the
20 idea, isn't it?

21 MS. CUESS: I think what he is getting at, is what
22 may be all of us could agree about is concerning. We are
23 talking about spending rather than investing, and that we
24 don't want that to happen in the year 2,500. Now, the
25 specifics are the way to go, and I do not know. There may

1 be something like that. But then maybe the other thing
2 would be a policy statement of concern that, you know, if
3 the dollars are used up, if we spend everything that comes
4 in and we do not say that in the long terms the educational
5 goals cannot be met.

6 MS. CARPENTER: I would like the statement. I like
7 the statement. If what you said is the intent of Lee's
8 suggestion.

9 THE MODERATOR: Would you say it again?

10 MS. CARPENTER: I like that idea of--

11 MS. DICKSON: Put these two statements together and
12 that's our policy statement.

13 MS. CARPENTER: Your statement as a policy preamble.
14 But I like the specific -- the specificity of the others,
15 too.

16 MS. GUESS: Sometimes you get people's attention
17 better with specifics.

18 THE MODERATOR: Would somebody like to start rewording?
19 Carolyn?

20 MS. CROFT: I will try.

21 THE MODERATOR: Toni.

22 MS. CROFT: Establish an education fund similar to
23 the renewable resources fund which dedicates a portion of
24 the permanent fund towards long terms educational needs.

25 MR. DeLISIO: I don't think we should worry about

1 dedicating, because if everybody had stood back like
2 everybody agreed to in the beginning and said we aren't
3 going to dedicate anything, we are all going to management,
4 when you chip off the piece here in the interest and you
5 chip off the piece here. If this isn't a piece chipped off,
6 there may not be a piece to chip off.

7 THE MODERATOR: Every one in agreement? Do we have
8 any other changes in education?

9 THE MODERATOR: What did we find out.

10 MR. VAN DOREN: The scholarship loan fund moneys are
11 available to all universities in the State. What was
12 declared unconstitutional was the direct service payments
13 to the schools that were owned by religious organizations.

14 MS. GUESS: Which meant that AFU could offer the
15 courses at the same price as the University of Alaska and
16 the State subsidized the AFU the same difference.

17 THE MODERATOR: Okay, so ours statement.

18 MS. CARPENTER: Scratch that.

19 THE MODERATOR: Any other statements on education.

20 THE MODERATOR: Carolyn your statement was to
21 increase the loan fund and moist is and, if possible, the
22 individual applicant ceiling amount of the scholarship loan
23 program. That part you still want left in, right?

24 MR. DELISIO: Yes. It's a different thing altogether

25 THE MODERATOR: The only thing we scratched was and

1 the moneys would become available for public and private
2 institutions. Okay, anything else on education.

3 MS. CARPENTER: Don't even ask. Okay, don't ask.
4 That's it.

5 MR. ELLISIC: The State -- actually, it's in two parts
6 and it could be separate.

7 MR. GORSUCH: Why don't we separate it?

8 MR. ELLISIC: First part is the State shall invest its
9 surplus and permanent income inside the State to extend the
10 opportunity for investment in Alaska.

11 THE MODERATOR: Period.

12 MR. ELLISIC: That's the first part. The purpose for
13 that is historically we have always been the treasure chest
14 for everybody else. They came in here took gold out and
15 all the money went outside. First, timber and then oil.
16 And finally the State got a piece of the oil income. The
17 State has invested the money all outside or has given it to
18 ours banks which has taken it all outside and almost none
19 of that money has found its way into any kind of investment
20 here.

21 THE MODERATOR: That leads me to the second part.

22 MS. GUESS: Could we just talk about that for one
23 minute. I think, then, we are talking about a policy. And
24 we are talking about a policy that doesn't necessarily
25 maximize the dollar. And I think that's very, very

1 important. If we feel strongly that the State policy does
2 not have to be to maximize the dollar, but to best serve
3 the interest of Alaskans.

4 Mr. DELISIO: That's why the second part interrelates
5 so much, because the philosophy of this thing, if you take
6 it as a whole, is basically we have a huge sum of money
7 investment capital. The rest of the nation is being
8 victimized by high interest rates, and it can't expand. It
9 can't grow, as long as that economic condition exists. We
10 are in the same boat because we are getting out of the same
11 pie. Now, the State can generate a return on its capital
12 in numerous ways. It can -- it can get 18 percent interest
13 or on the other hand it can build an atmosphere in the
14 community, which we are talking about in terms of capital
15 investment, program investment. Where you build jobs, you
16 build jobs, you build opportunity, you build a variety of
17 different things.

18 My idea here is that if we made moneys available
19 on low interest basis for people in a sound financial
20 venture, whether it be that I want to finance a house,
21 build a new home and use my house as collateral, and I've
22 got a flow of income that I can pay back, when I build that
23 house and when a hundred other people like me build a house
24 in Anchorage next year, there are going to be jobs created
25 that don't exist right now. When I build a building or if

1 I decide to build a cannery, if I want to build a cannery
2 in Bethel for seven percent interest, whereas at 10 percent
3 it may not be feasible for me to do and I cannot compete
4 with the existing cannery. But if I can get 7 percent
5 money and build a cannery and provide jobs for people that
6 live in Bethel and provide -- or if I can build a system
7 for marketing fish in the State of Alaska by borrowing loan
8 interest money which might not be otherwise available. If
9 I want to buy a hundred million dollars resource at
10 someplace near Mt. McKinley and attract tourists as the San
11 Moritz of the northern hemisphere, that's going to generate
12 jobs and it's going to generate economic opportunity

13 THE MODERATOR: Could you read it again.

14 MS. GUESS: I would like to make an observation. I
15 think if we are going to adopt that statement, it should
16 also be consistent. That the investment is consistent with
17 other goals. I.e., if people are going to get seven or six
18 percent. It's better energy efficient, businesses, better
19 energy efficiency. I just think we are --

20 MR. DELISIO: I didn't want to get it too complicated.

21 MS. GUESS: I understand that. But I think it's got
22 to be consistent.

23 THE MODERATOR: Could you read it one more time?

24 MR. DELISIO: The State shall invest its surplus
25 income in the permanent fund inside the State to the extend

1 the opportunity for prudent investment exists in Alaska.
2 money shall be loaned at low interest rates to anyone who
3 had his a financially sound investment opportunity subject
4 to the availability of adequate security and the borrowers
5 demonstrable ability to pay the loan.

6 THE MODERATOR: Are we talking about Alaskans or are
7 we talking about somebody coming up from the Lower 48, "For
8 you, I've got a deal. I've got this amount of money and I
9 want to build a project out in Dillingham."

10 MR. DELISIC: I would say anyone in Alaska. Frankly
11 we run into problems again.

12 THE MODERATOR: Residency.

13 MR. DELISIC: It really is a problem. I would like to
14 be able to say you can borrow here 3 percent if you lived
15 at 20 percent and 7 percent.

16 THE MODERATOR: We are in court over something like
17 that.

18 MR. DAVIDSON: I have real reservations about this. I
19 think there is some merit of having some of that permanent
20 fund money invested for its highest return and to keep its
21 equity. We've got inflation going on and you have to make
22 a good investment just to keep its value. Then we get into
23 the area of business investments in Alaska. To me, I can't
24 personally go along with investment. I don't believe in
25 business for business sake and growth for growth sake. If

1 somebody wants to come along and build a new bar important
2 a go cart ranch, I don't particularly want my share of the
3 State's money going for things like that. I would feel
4 more comfortable if those loan programs were identified for
5 more needs.

6 Housing is certainly one, development of renewable
7 resources, any number of things, but saying any investment
8 that might pay its way, just personally I have trouble with
9 that.

10 THE MODERATOR: I will go along with housing.

11 MR. CORSUICH: I would also like to make a comment, I
12 think I find troublesome, and that is that the low interest
13 rates essentially a subsidy. That is you could earn 18
14 percent by having invested in a normal investment and you
15 are going to collect say only 13 percent, or, now, its ten
16 and a half percent to the existing State loan program. You
17 are subsidized when the person gets the loan by almost 8
18 percent. Now, that eight percent represents almost all of
19 ours money. It seems if you want the subsidy you've got to
20 get into and invest. If you want your share of the money
21 you've got to get in there and getting your share by
22 borrowing.

23 My sense is the large majority of Alaskans are
24 not going to be business people and they are not going to
25 be investors in the traditional sense. And their

1 percentage -- we are going to wind up with a very uneven
2 distribution of the benefits of that subsidy. The subsidy
3 is going to go to those who find the opportunity or seek
4 the opportunity of that increased investment.

5 THE MODERATOR: Need to, too.

6 MR. GORSUCH: I get back to the idea that need is, in
7 fact, important. I don't object to sort of going into with
8 a specific purpose in mind, but again, just the blanket
9 provision, I can see all kinds of potentially abuses.

10 Someone, for instance, let's say somebody wanted to go out
11 and buy one, just in hotels, and it was owned by an outside
12 company. And they said, "I will own the hotel now, so you
13 give me the interest at ten and a half percent because they
14 are paying 18 percent for their financing right now. So I
15 can buy the hotel, and I'm better off." Well, what are we
16 gaining, its not a new hotel. Its not creating more
17 additional jobs. All it does is give the new owner a
18 chance to get a lower interest rate and increasing
19 profitability.

20 So I am concerned a lot of the loan programs. I am
21 even concerned about ours existing housing program for the
22 housing mortgages. I am concerned that what happens is it
23 doesn't create new housing, people who are eligible go out
24 and refinance and get rid of their my interest rate to go
25 to a lower mortgage rate. If we do that, I would do it

1 more equitably. I am just concerned the way these devices
2 work that it ends up in a very uneven distribution of the
3 benefits. Its a false one, because all you are doing is
4 substituting ours dollars for outside dollars. As far as I
5 am concerned, I would like to get as many as outside
6 dollars invested in Alaska as we can, and add ours to it,
7 but not replace those outside dollars.

8 MR. COOPER: There was a valid point in regards to,
9 in effect, refinancing existing but I do believe that the
10 entire State benefits whether that new cannery is put in,
11 put on line to further be able to process existing product
12 within the State. That's a benefit not just to the
13 borrower, but its a benefit to the entire area, because it
14 is creating a more stable economic base for the people
15 within that particular area, wherever it might be.

16 So to say that a business loan is only for the
17 benefit of the particular borrower is not necessarily sole.

18 MR. GIBSON: I would like to support what he just
19 said, that there are benefits, true, to the individual.
20 But any investment we make, when things increase ours
21 economic independence come back to us many times. For
22 instance, if we had a good lumber yard on the Kuskokwin,
23 maybe the guy who is investing in that is getting a little
24 break, eight percent money instead of 5. But those of us
25 down river are saving bundles on transportation, and we are

1 starting to get away from our darn import economy for
2 everything, export our capital and start developing our
3 own economic independence which we've got to have. And
4 there may be some restraints that have to be put on that.
5 But I think that is a most sound policy, because never
6 before have we had venture capital come into this country
7 for anything but exploitive activities. The venture
8 capital that came in from the oil was to take out a
9 nonrenewable resource. And we have been hard put to get
10 venture capital.

11 Now, if we don't invest our own money up here,
12 the Arabs will be darn soon doing it, because they are
13 looking for places to develop and get returns on it. And I
14 think that's a very sound proposal perhaps with some
15 restraints on refinancing existing stuff.

16 THE MODERATOR: Do you have that worked out?

17 MR. DELISIO: Let me respond to a couple of things,
18 because I think -- I wish I was an economist and I could
19 explain the effect of this. Because if I could explain
20 this to you. I think you would understand.

21 MS. CARPENTER: There is a good explanation. I don't
22 know if you have had a chance to read the supplemental
23 papers. Its on the one on the permanent fund on page 15
24 and 16. What is economic growth and is it desirable.
25 Have we enough of it now? How can we get more of it if we

1 desire that? And on page 17 it explains it very well. I
2 found it quite instructive, talking about the multiplier
3 effect.

4 MR. DELISIO: Let's talk about outside money coming in
5 here. If we borrow outside money we have to pay interest
6 to outside people. The outside money goes back.

7 MR. GORSUCH: Wait a minute.

8 MR. DELISIO: You said would you like to attract as
9 much as outside money and add ours on top of it. We borrow,
10 when you go to the National Bank of Alaska, you are not
11 borrowing just money that's Alaskan money, you are
12 borrowing money that's from outside as well. In fact most
13 of our businesses and homes are financed with money that
14 came from outside. For one reason, because we changed our
15 interest rates to make them much more attractive than in
16 the general market than most places were than when we moved
17 ours floating ceiling and stuff.

18 But if you borrow \$100 of outside money and you
19 have to pay 18 percent interest on it, you pay back in one
20 year 118 Alaskan dollars to pay back \$100 from outside.
21 Now, you are sending wealth out of the State, you are not
22 bringing it in.

23 The second problem that you have is--

24 MR. GORSUCH: In other words, if you want to borrow
25 that money, you can borrow it from the State or from a bank

1 here, and the money will come right back. You are talking
2 about something below the interest rate, but anybody can
3 borrow any business. I mean I know of no business, as long
4 as they can afford to pay the prevailing rate, they can't
5 get money in Alaska.

6 MR. CARPENTER: No.

7 MR. DELISIO: A, that's not true, and B, the problem
8 is when you say get it in Alaska, what do you mean by that?

9 MR. CORBUSH: You've got a sound business venture,
10 and you will go down to the bank and they will finance it.

11 MR. COOPER: Not today.

12 MR. DELISIO: The bank does not finance it. The bank
13 goes out into the money market. They go to the Teamsters
14 pension fund in Cincinnati, Ohio or go to the First
15 National Bank in New York City or they go lower Albuquerque,
16 New Mexico, and that's where the bulk of the money comes
17 from, because we don't have venture capital in the state.
18 We never have. It's borrowed from outside and then we pay a
19 higher rate so they take off their piece and they get paid
20 back off what's inside.

21 The business is if we refinance, what happens if
22 I refinance my house and I am paying ten percent interest
23 and now I am paying seven percent. I have three percent
24 money left over to do something else with, to spend in this
25 economy, that stimulates economy.

1 MR. GORSUCH: Why should you do that rather than a
2 person who has a home mortgage.

3 MR. DELISIO: What about the person living in an
4 apartment, who is paying \$500 for an inadequate amount have
5 to get 75 percent to build a house who now pays \$400 on
6 their payments and upkeep of their house. That person has
7 an extra hundred dollars in his pocket plus he's got an
8 investment that's growing. What about we talk about all of
9 the expenditure of moneys that we are talking about in
10 services, you know, everything we have been discussing.
11 Why should we spend my share of the investment money to
12 build your dock? Why should you spend your share of the
13 investment money to build my air field? I mean that's --
14 if we get into that kind of a thing, we get down to the
15 basic question why should we spend it on anybody because
16 somebody is getting some benefit that I am not getting.

17 MR. GORSUCH: As long as you look at it as an
18 expenditure and not an investment, that's fine.

19 MR. DELISIO: This is an investment. It creates A,
20 new wealth. B, it creates additional opportunity; C, it
21 creates new jobs; D, it stimulates the economy. A person
22 looking for wages today, if he has the opportunity to earn
23 or get a low interest loan, he may be able to open up his
24 janitorial business, he may be able to go into the wood
25 cutting business and succeed.

1 THE MODERATOR: We have gone into a subject that we
2 really didn't cover and we are going to have problems, so I
3 would suggest that we cover those items that we did cover
4 as a group first. And if it has to come out as a report
5 under somebody else's, we better get on with what we have
6 accomplished ourselves. And I think, Carolyn, are you
7 ready?

8 MS. CULLEN: Yes, the energy statement is being passed
9 around.

10 MR. DELISIO: One page.

11 THE MODERATOR: Go.

12 MS. GUESS: The firms, in attempting to put this
13 together in some meaningful way, we decided we needed a
14 long term goal and you will see the little squiggles. The
15 long term goal as the Beta group sees it should be:
16 Existing energy systems which depend on nonrenewable
17 resources should be converted as -- that probably should be
18 as practicably rather than L L Y, that should be A E L Y--as
19 practicably as possible to to systems which are based on
20 nonrenewable resources. On renewable resources.

21 THE MODERATOR: Any problem with that?

22 MS. CARPENTER: What do you mean by the word
23 practical?

24 MS. GUESS: You can't convert tomorrow

25 MS. CARPENTER: As suitable.

1 MS. GUESS: No, as practicably. You have financing
2 to consider, you have interest rate. You have the fact
3 that it may take seven years for hydro, wind power is not
4 considered firm power as far as integrating systems.

5 MS. CARPENTER: I think the meaning isn't clear, if
6 you say assume that it's practical.

7 MS. GUESS: Fine.

8 MS. CARPENTER: You are not talking about time.

9 MS. DICKSON: I think I can see what your question is,
10 your concern. Okay, as practicably as possible we are not
11 excluding. We are not excluding, within a time frame.

12 MR. GORSUCH: Cost should have something to do with
13 it.

14 MR. GUESS: That's why I used the word. I think its
15 semantics.

16 THE MODERATOR: Read it one more time, Carolyn.

17 THE MODERATOR: Okay, one more time.

18 MS. GUESS: Let's take a look at as practicably as
19 possible, because that's the hang up. But the long terms
20 goal. Exist energy systems which depend on nonrenewable
21 resources should be converted -- whatever phrase we want to
22 use -- to systems which are based on renewable resources.
23 But there are many considerations that must go into that so
24 that you have an orderly, effective, efficient transition
25 from today to tomorrow.

1 MS. DICKSON: Let's say orderly effective transition.

2 THE MODERATOR: Should be converted to systems which
3 are based on renewable resources as soon -- go ahead.

4 Carolyn, what you are were saying, as soon as efficiently.

5 MS. DICKSON: Can we just ask her what Carolyn just
6 said.

7 (The reporter read as requested)

8 THE MODERATOR: Could you please say existing energy
9 systems which depend on nonrenewable resources should be
10 converted to systems which are based on renewable resources
11 as soon as --

12 MS. GUESS: Practicable in an orderly, effective and
13 efficient manner.

14 MS. DICKSON: Transition as possible.

15 MS. CARPENTER: I don't know how the transition is
16 going to be orderly.

17 MS. GUESS: Its got to be because you cannot disrupt
18 your existing systems.

19 MR. DELLISIO: If you just added to that in an orderly
20 and effective and efficient transition, I think you've got
21 it all.

22 THE MODERATOR: In an orderly, effective and
23 efficient transition, okay. So it would read, "existing
24 energy systems which depend on nonrenewable resources
25 should be converted to systems which are based on renewable

1 resources in an orderly, effective and efficient
2 transition." Okay? Next paragraph.

3 MS. CULLEN: I don't think you can put a time on it.
4 BOB is concerned with the specific legislation, but I think
5 its an overall goal. I think to effect a goal, you have
6 ways to effect your goal.

7 THE FACILITATOR: Carolyn.

8 MS. CULLEN: Yes. Now, I am not liking exactly the
9 way the organization came out after this, but we struggled
10 to try and get something that the consensus from ours notes
11 would effect.

12 A means to accomplish this would be for the State
13 government to encourage the private sector, i.e., business
14 and individual, through tax incentives or tax penalties and
15 low interest loans to convert existing energy systems to be
16 as efficient as possible and to replace existing energy
17 systems and develop new energy systems that rely on
18 renewable resources.

19 THE FACILITATOR: Any objection?

20 MR. CLIBSON: I think that's beautiful, except it's
21 gutless.

22 All right, look, this is nice, but the private
23 sector will not be encouraged to convert with mere little
24 carrots out here when they've got a plant that's going to be
25 run out of renewable resources in 20 years and then pack up

1 and go south anyway. We have not once called for the
2 Legislature to take any policy action whatsoever in the
3 form of legislation. So I think we need to be stronger.
4 My gosh, how long have we known there is an energy crisis.

5 MR. CULSS: Well, there are people today that do not
6 believe there is one.

7 MR. CIBSON: Exactly, a lot of them are in the
8 Legislature.

9 MR. COOPER: Let's qualify that. We say there is an
10 energy crisis, but an energy crisis in what respect, maybe
11 with certain particular forms of energy. But there is not
12 an energy crisis per se.

13 MR. CIBSON: There is a crisis in ours dependence
14 upon the depletion rapidly of a single nonrenewable
15 resource. We are on the petroleum manna up here.

16 MR. COOPER: That's what you stated, but that is not
17 what the program says. We are not running out of energy.
18 We are running out of potentially for a single source. And
19 that is what ours concern is, but not energy in all forms.

20 MR. DELISIO: Madam Chairman in the interest of getting
21 something done here, all this says is this is a means. It
22 doesn't say its the only means. Maybe we could state
23 something stronger than we do. But to be very candid with
24 you, when drafting up the sessions that I was trying to
25 draft up, was drafting newspaper language that I thought

1 would meet a consensus of this group, but maybe that ends
2 up being less gutsy than some of us would like to be or all
3 of us would like to be. But I wonder if we would
4 accomplish more than that.

5 MR. CROFT: It says among the suggestions, if you have
6 certain ones you that you would like to see in there.

7 MR. GIBSON: Not really, I don't want to hassle about
8 it. But I just feel that this is just like saying be nice
9 and do something about it when you get around to it and
10 recognize that we really have a problem.

11 THE MODERATOR: Okay, can we go on to the suggestions
12 and come back to that, to that paragraph later. Carolyn.

13 MS. CUESS: Okay, these are a couple of suggestions
14 that we pulled out. Energy efficient improvements for
15 both residences and businesses should not increase the
16 value of the property for taxation purposes but should
17 reduce the property tax.

18 THE MODERATOR: Uh-huh.

19 MS. CUESS: Mr. Fison made that recommendation and I
20 think there is a lot of merit in that.

21 And the second concern I had heard articulated
22 not as strongly in energy but in other areas was regional
23 planning, you know, the people in the local areas
24 understand what would work, that the State should encourage
25 the creation of regional energy counsels to respond to

1 grass roots concerns and ideas to develop alternative
2 energy sources, you know, being, like the man who spoke
3 about all the wood.

4 THE MODERATOR: Okay, any objection to that?

5 MR. COUSUCH: I would simply like to point out there
6 is real danger in regionalizing something as vital as
7 energy. One of the problems that we have confronted in
8 looking at the program like Avak is that once the southern
9 community split off to their separate power authority,
10 their rates were lower. But because their rates were lower,
11 the remaining rates were higher. Then as you take the
12 central Alaska rates and make them a central regional
13 authority, their rates are lower and then the rest of
14 Alaska rates are higher.

15 MR. CARPENTIER: You are talking about planning and
16 getting ideas. You aren't talking about authority or
17 system. Its just a way of getting input.

18 MR. COUSUCH: My only concern is in the utility field,
19 you want to get a rate equalization going at least to some
20 extend, otherwise you end up with exorbitant rates in some
21 areas and low rates in others, and as in the case of the
22 telephone, and there is a definite limited effort to try to
23 afford those basic utilities on a regional basis.

24 My only concern about planning regional authorities is
25 that this groups tend to follow and I think they get locked

1 into a very efficient and very inefficient system.

2 MR. GUESS: Rate equalization I thought was rejected
3 by this group so, I didn't put it in. I heard rate
4 equalization come out. But I did not hear the support for
5 it.

6 MR. CIESOR: I think the problem is we do not have a
7 single power monopoly in the State. I would suggest it
8 would not be a good idea. Where as we do have a single
9 communications power.

10 THE MODERATOR: Do you want to keep on that one.

11 MR. GORSUCH: I don't object, but it just bothers me.

12 THE MODERATOR: Can we go on to the next.

13 MS. GUESS: The next one was trying to branch the
14 long terms goal with the short terms crisis. And so this
15 was ours lead in, nonrenewable resources used for energy
16 systems are in State of transition, transition requires new
17 problem solving techniques. And that's a very ambiguous
18 statement. The traditional approaches won't work, but we
19 have to realize that and policy makers are going to have to
20 address that. We've had to change some of ours thinking,
21 in other words. Human energy potentially should not be
22 diluted by polarization and provincialism, but must
23 acknowledge the immediate challenge that today's energy
24 crisis brings. We took the concern of the group about
25 regionalization, about polarization. We lifted it and we

1 put it here.

2 The cost of diesel fuel role. In rural Alaska
3 is a crisis both in financial and emotional terms.
4 Survival and economic development at present in rural
5 Alaska is dependent on the availability and price of diesel
6 fuel. Until the primary goal on energy system dependency
7 on renewable resources is accomplished and a specific time
8 limit should be established, the State should be prepared
9 to assist the people in rural Alaska to acquire and pay a
10 reasonable price for diesel fuel.

11 Now, this goes right with the paragraph. This
12 was a concern of Earle's when he dropped by. Any State
13 program should promote the stated energy goal, In no way
14 should a government program foster business as usual which
15 provides no incentive to convert to other alternative
16 energy sources.

17 THE MODERATOR: And then.

18 MS. GUESS: Then the next one, it appears logical and
19 appropriate that the moneys received by the State from the
20 increased revenues from its petroleum resources should be
21 used to accomplish the long terms energy goals and short
22 terms immediate energy crisis, period. We don't need "facing
23 us today."

24 MS. CARPENTER: To accomplish the long terms goals
25 and do what to the short terms price is: You don't want to

1 accomplish the short term crisis.

2 MS. GUESS: You are right. Address.

3 MR. CHOIT: So, you want to be more optimistic

4 MR. GORSUCH: Familiarate.

5 MS. GUESS: That sounds bureaucratic. I will go
6 with them, if Toni wants to solve them. I am for that.

7 The last thing I put in was all I wanted to make
8 sure that you know that I believe all State agencies better
9 work together including my shop. What I didn't tell you
10 and what I should have upon reflection is what is
11 desperately needed in this State is a coordination of
12 energy policy and program. You have the UPUS. You have
13 the division of power. You have the Alaska Power Authority.
14 You have the Department of Transportation and Public
15 Facilities. Unfortunately, there is no communication. Its
16 difficult to crack. Its a desperate need and I think
17 people are aware of it.

18 MS. DICKSON: Can we put anything in here about that
19 specifically?

20 MR. GIBSON: We can't even recommend a 19 or 2,000
21 conversion target, get a target to shoot at.

22 MS. DICKSON: Up here we can make some more specifics
23 recommendations.

24 MR. GORSUCH: Hire Schlessinger as the energy Czar.

25 THE MODERATOR: So the only thing they had problems

1 with were the second paragraph. And has anyone come up
2 with a solution to that or have you acquiesced?

3 MR. CONSUCH: It wasn't objectionable. It should be
4 stronger

5 THE MODERATOR: Has anyone come up with any wording?

6 MR. COOPER: I like the way it reads.

7 THE MODERATOR: You like the second paragraph.

8 MR. COOPER: Yes. You can't get so specific about
9 something that we are not, we don't know what its going to
10 be.

11 MS. DICKSON: Can we make a broad terms statement to
12 say that we encourage specific legislation or legislation
13 dealing specifically with time tables, what Bob has been
14 talking about.

15 MR. FAIRBANKS: Relating to Gibson's energy paper,
16 like you were just saying, all the other groups seem like
17 they are keeping it very low key and not doing anything
18 specific. I think we should mandate some time tables.
19 Let's say by this time let's be self sufficient in energy.
20 We can do it.

21 MR. FISON: You mean we can say it.

22 MR. FAIRBANKS: No, we can do it.

23 MR. COOPER: By the year 2000, we can be self
24 sufficient in energy certainly.

25 MS. DICKSON: Civing yourself a time table.

1 MR. COOPER: We are self sufficient in energy today
2 if we so desire. But I think ours whole conversation or
3 ours whole discussion has been the concern over what kind
4 of energy are we self sufficient on. Certainly we produce
5 more than enough oil, for instance, to produce all of the
6 energy that this State needs, today or tomorrow.

7 MR. DELISIO: Or the world in kind if we just use it.

8 MR. COOPER: So reasonably what we are discussing is
9 a theory or a practical point at which we would no longer be
10 dependent upon oil as a nation or as a portion of the
11 imported product coming from foreign nation. But we as a
12 State are certainly energy behind.

13 THE MODERATOR: Okay, it's 10:20. If we are having
14 trouble with that second paragraph, may I make a suggestion
15 that somebody meet tomorrow morning for breakfast and get
16 this ready by the nine o'clock meeting. Because we still
17 have other papers to go through.

18 MR. DELISIO: The second paragraph.

19 THE MODERATOR: That's the paragraph that people seem
20 to be having problems with.

21 MS. CARPENTER: Can we just state the State
22 government should to convert the energy systems.

23 MS. DICKSON: I think the second sentence says its
24 fine. I think we need to make another suggestion down here
25 under the suggestions of the Beta group, and number 3, we

1 encourage specific legislation.

2 MS. CROFT: By a certain time.

3 MS. DICKSON: That lists -- specific legislation
4 emphasizes time tables. Put some punch into it.

5 THE MODERATOR: Okay, you want to encourage specific
6 legislation emphasizing.

7 MS. DICKSON: You try and accomplish a goal, you set
8 yourself a time table of accomplishment. Why can't we say
9 this here. Can't somebody else help me?

10 MR. FISON: You are talking about goal setting, if
11 the State set goals and then set out to implement that goal,
12 rather than just sort of let it go as whenever it might
13 happen. It may happen and it may not, which seems wordy

14 THE MODERATOR: I don't see how you can read. I was
15 thinking encourage specific legislation emphasizing the
16 conversion to what and by when. We don't have anything
17 that definite.

18 MS. GUESS: Pardon?

19 THE MODERATOR: We really don't have anything that
20 definite. What are we converting to.

21 MR. CROFT: The third one on Mr. Gibson's papers. By
22 1982, the plan shall be developed which will provide that
23 all technologically and economically feasible public
24 utility system providing electrical power within the State
25 shall be converted to the use of renewable resources by

1 1995. That's a plan by '82.

2 MS. GUESS: Its too short of time frame. We don't
3 even have an energy plan for the State of Alaska.

4 MR. GIBSON: How do we get it?

5 MS. GUESS: It's in the budget for next year.

6 MR. COOPER: I would like to point out in ours
7 discussion of renewable resource and nonrenewable resource
8 that the bulk of electricity in the State of Alaska today,
9 I believe, is generated by renewable resource, methane gas.

10 MR. GIBSON: Its a permanent generation for the whole
11 state?

12 THE MODERATOR: Let's go back. Now, is that second
13 paragraph so obnoxious to anyone? Okay, can we go with it.

14 MR. GORSUCH: Yes.

15 MS. GUESS: Try this for number 3. Specific
16 legislation should be effected to accomplish the goal
17 within a specific time frame. I frankly don't believe I
18 have enough acknowledge to say it should be 1985 or 1995.

19 THE MODERATOR: Then you are not saying anything.

20 MS. GUESS: You are saying to the legislature that
21 there's got to be a specific time frame.

22 MS. DICKSON: Let's give them a time table to get
23 that time frame. By 1982 there will be specific
24 legislation.

25 MS. GUESS: I'm sorry, I don't think 1982 is

1 realistic.

2 MS. DICKSON: A plan, to come up with a plan

3 MS. GUESS: We are not going to have an energy plan
4 until 1982. I say 1985.

5 MR. GIBSON: Oh for gosh sake.

6 THE MODERATOR: I would suggest we go on. It's almost
7 10:30. And I know someone else is getting awfully tired.
8 And I would even venture to say would you even consider
9 coming back at 7:30 tomorrow morning. I think its in the
10 best interest of every one. I think we should. We should
11 call it a night?

12 MS. CARPENTER: We can do ours little scratching on
13 them.

14 THE MODERATOR: We have been going some of us since
15 eight o'clock this morning.

16 MR. DAVIDSON: Could we perhaps get the transportation
17 one? First, before we leave this one, could I mention one
18 word? I don't believe anything is said here about
19 conservation and all we are talking about is converting.
20 Maybe we should think overnight about that and put
21 something in the morning.

22 THE MODERATOR: One last word on transportation.

23 MR. DELISIO: Where are the copies.

24 MS. CARPENTER: We are going to work at it at
25 breakfast, after we get a few words from everybody.

1 MR. DAVIDSON: I would like to read this quickly.

2 MR. DAVIDSON: It shall be the policy of the State
3 that a transportation system be developed in a manner that
4 serving the economic and social needs of all Alaskans and
5 the areas in had which they reside. An integrated syster
6 of transportation shall include facilities necessary to
7 accomodate the mode of transportation which best fits the
8 need and desires of the particular area or areas to be
9 developed. Regional representatives must participate in
10 the planning process -- no -- and to help -- yeah, regional
11 representatives must participate in the planning process
12 and to help facilitate their involvement must establish
13 regional advisory committees which shall have
14 representation on the statewide board that guides State
15 transportation policy.

16 Priorities of an integrated transportation system
17 are included, one, careful assessment should be made of all
18 social, cultural and environmental impact involved with
19 proposed transportation projects. Two, airport facilities
20 in rural areas will be improved to assure the safety of
21 users and provide adequate public, medical, safety and
22 service support. Particular attention should be paid to
23 improving and upgrading airport facilities to accommodate
24 critical needs such as the transportation of fishery
25 products.

1 3, all excision transportation facilities shall
2 be upgraded to standards which assure traveler safety,
3 minimal freight costs and minimized maintenance costs. And
4 that's about what we have.

5 MS. CARPENTER: Okay, you didn't mention the urban
6 mass transit.

7 MR. DAVIDSON: That's right.

8 MR. FAIRBANKS: We didn't get any interests yet.

9 MS. CARPENTER: The urban mass transit was mentioned
10 by several people.

11 MR. DAVIDSON: Excellent, excellent.

12 MR. DELISIO: Also, alternative modes of
13 transportation.

14 THE MODERATOR: He is trying to find someplace for us
15 to meet at 7:30 in the morning.

16 MR. FAIRBANKS: Alternatives modes.

17 THE MODERATOR: Alternative modes of transportation.

18 MR. COOPER: How about innovative instead of
19 alternative.

20 MR. DELISIO: Mr. Fuller was suggesting that the next
21 great leap forward would be transmission of the
22 communication by what.

23 MR. FAIRBANKS: Radio waves.

24 MS. CARPENTER: A number of points where I think you
25 can use examples where there is really a need for docks and

1 larges, the plan that George Selites (phonetic) presented
2 in Bethel, where there is presently not any really good
3 freight provision.

4 THE MODERATOR: I think when they were talking about
5 transportation, we were talking about airports, docks,
6 roads, harbors. I think we were trying to.

7 MR. COOPER: It would seem to me that the statement
8 that was read and integrated transportation system
9 certainly would have to include docks and related
10 facilities as well as airports or --

11 MR. GORSUCH: I would like to ask that if the group
12 doesn't disagree that the statement incorporate the idea
13 that when the plan -- when transportation projects are
14 proposed that their full operation maintenance expenses are
15 built in as a part of the decision and the commitment to
16 undertake the project. I say that because my concern is
17 the State increasingly sort of has taken a project. Well,
18 the Haul Road is the best example. And all of a sudden
19 they say here is a big project they say they don't have
20 enough money to operate and maintain and its not kept up to
21 standards. Or the same would be true of a lot of existing
22 bush airports. It doesn't seem to make a great deal of
23 difference to me a commitment you are not willing to stick
24 by and build in enough assurance that are willing to
25 operate and maintain in the few you are a lot of public

1 facilities such as water system. The systems are not only
2 technologically inappropriate. But you wind up with people
3 who can't afford the user charges. A lot of money is spent
4 consistent and at one time it winds up being shut down and
5 everyone is dissatisfied.

6 THE MODERATOR: I think we have a phrase under health
7 that would cover water and sewer.

8 THE MODERATOR: Did you find a room for us for
9 tomorrow morning.

10 THE MODERATOR: 1, 12, 16 at 7:30 tomorrow morning.

11 MS. CARPENTER: Where there is a difference is that
12 in western Alaska, it is the only area that doesn't have
13 anything right now. The other places do. They either have
14 a railroad, they have a road, or they have a subsidized
15 ferry system. western Alaska doesn't have anything of
16 those things. The only access we have right now is
17 inadequate airports and barge and dock facilities are
18 totally inadequate. So to even meet minimum standards, I
19 think we've got to mention that particular, the airports
20 and port facilities be made available for western Alaskans
21 communities to meet basic freight and transportation needs.

22 THE MODERATOR: Lee.

23 MR. GORSUCH: Madam Chairman, I wanted to suggest
24 adding something to our initial energy statement, is that
25 the states public facilities and communities be integrated

1 as apart of the community system. I know in the past there
2 is a big yes about whether or not, whether, for example,
3 the State supported schools will have their own generators
4 independent of the generators in the community. Its
5 probably one of the least sufficient ways of integrating an
6 independent, integrating a system. I think the State needs
7 to participate with the community in affecting an
8 integrated power

9 THE MODERATOR: Everybody 1216 for 7:30 tomorrow
10 morning.

11 MS. GUESS: For those of us who can not be here.
12 That's fine. Lee, I put it in because that's my pet
13 project; I can say better, but it will offend people. And
14 that is wherever there are State facilities within a
15 certificated purchase area, they shall purchase power from
16 a utility.

17 MR. GIBSON: Absolutely I think that is wrong.

18 MS. GUESS: I know you do.

19 (Discussion was had off the record).

20 MS. GUESS: Does anybody object to this additional
21 statement to take care of the concern for a time frame in
22 energy. An Alaska energy plan shall be developed by 1982
23 which includes a realistic time table to accomplish the
24 long terms energy goal? What I am telling you is that
25 there is no Alaska energy plan right now. And they've got

1 the draft of a plan that's going to go to public hearings,
2 and then there will be a plan.

3 THE MODERATOR: Okay, we finished education last night.
4 We snagged on energy, but we did finish to a degree.

5 MR. COOPER: I think we finished with what's on the
6 paper other than needing to be cleaned up a bit. But we
7 did not agree on additional language.

8 THE MODERATOR: But that should be coming in this
9 morning, if there is additional language. Okay. Then the
10 next thing we have is health. And Earle, do you want to
11 read that?

12 MR. COOPER: I will just read it for what it stays.

13 THE MODERATOR: And we will pick from that.

14 MR. COOPER: I want to emphasize, I did not try to
15 get specific on it because I don't think its something that
16 we can get very specific in.

17 THE MODERATOR: And the fact that there was Earle, his
18 wife and myself, and there wasn't any other input. So feel
19 free.

20 MR. COOPER: Health services, which include family
21 planning and counseling, mental alcoholism and drug abuse
22 health need to be made available to all areas of the State
23 from the pars medical, nurse practitioner in the rural
24 level to the fully sophisticated that fills in the central
25 urban areas with adequate means of transportation as is

1 necessary.

2 I tried to say a whole lot in a brief sentence,
3 but I believe that that is where our main health care
4 problems are falling apart is not in the ability to take
5 care of someone once they get to a large urban area, but to
6 deliver a health care out in a rural area and to expect to
7 be able to attract doctors into all of those remote areas
8 is not going to happen, if we have experienced trouble
9 getting doctors into small communities.

10 MS. DICKSON: Should we just read through the whole
11 thing first?

12 MR. COOPER: An adequate curriculum be added into the
13 school system at an early age to help school children
14 become aware of health care needs. Now, there is some
15 health as such certainly talking of schools, but I think
16 that's the best place to start.

17 Alternative methods need to be considered for
18 future water sewer systems to insure the practicality of
19 the operation from a maintenance cost standpoint.

20 MS. DICKSON: Right.

21 MR. COOPER: Catastrophic health care should be
22 available to all Alaskans with a mandatory participation
23 requirement sufficient to prevent abuse.

24 THE MODERATOR: We can strike out the 20 degrees.

25 MS. DICKSON: Abuse of what, of the system.

1 MR. COOPER: If its free, the people that want to
2 have their hand held are there, which is what destroys the
3 government provided health care.

4 MS. DICKSON: I don't quite understand mandatory
5 participation requirement, what you mean by that.

6 MR. COOPER: You have to pay 10 percent or 20 percent
7 of the cost so that rather than you being faced with a
8 \$20,000 bill.

9 MS. DICKSON: All right, when we come back to it, but
10 maybe we should put somewhere in there that its a personal
11 reimbursement to the system at the ability of the person to
12 deal with it. Its just kind of -- it says like.

13 MR. DELISIO: Why don't we say with a mandatory
14 deductible.

15 MR. COOPER: That would do it.

16 MR. DELISIO: Yeah, that would be recognized.

17 THE MODERATOR: Okay. Go ahead.

18 MR. DELISIO: And maybe instead of staying 20 to 30
19 percent.

20 THE MODERATOR: We instruct that out completely

21 MR. COOPER: State needs ways for health education
22 and media, ours TV newspaper and radio should have specific
23 information about preventive health measures, only when
24 ours communities are more concerned about health will we
25 improve ours children's health and consequently about the

1 welfare of future generations.

2 MR. FISON: On the second paragraph, we already have
3 in the school system, I think it is mandatory, a health
4 course that people have to take. When I spoke to this, I
5 mentioned about the early detection and retraining programs
6 that go for children that are overweight and had high blood
7 pressure where they come an hour early to school. In other
8 words, it is not just educating the people that now here is
9 something that you've got to be careful about, but it is
10 taking the kids that have approximate and provide getting
11 them there an hour early.

12 MR. COOPER: Where is that available?

13 MR. FISON: It is not available in the State now.
14 but I just heard this week of one State that's doing this
15 now and how successful it is being.

16 MR. COOPER: I think that's what we had partially in
17 mind.

18 MR. FISON: I don't think that from the statement as
19 it stands it indicates that, so I am saying I know that's
20 what we discussed.

21 Now, for instance I would suggest to add with
22 that a comma after needs and with early detection and
23 training opportunities for correction. How would that be?

24 THE MODERATOR: With early detection.

25 MR. FISON: With early detection and training of

1 early detection of problems, health problems, early
2 detection of health problems and training opportunities for
3 correction; how's that?

4 MS. DICKSON: How about if we inject that above, okay,
5 where an adequate curricula.

6 THE MODERATOR: Should be be curriculum.

7 MS. DICKSON: Be added into the school system of
8 stressing early detection.

9 MR. FISON: And training opportunity.

10 MS. DICKSON: And training opportunity. So as to
11 help school children become aware of health care needs.

12 MR. FISON: Well, to become aware, is not it? Its
13 actually to provide a correction in the direction of, for
14 instance, if somebody is having overweight problems as an
15 early kid, they are going to have them all their lives not
16 if not careful. So its try to retrain.

17 MR. DELISIO: What you might want to say is stress on
18 early detection.

19 MR. FISON: Early detection and training
20 opportunities for correction. That seems to be something
21 that's new is the training opportunities available, not
22 just telling the kids or even the parents, you know, this
23 kid has got a problem, but it is providing something that
24 will bring a correction to that, to that problem.

25 THE MODERATOR: Okay, so sentence would read an

1 adequate curriculum be added into the school system
2 stressing early detection and --

3 MR. FISON: Maybe providing training opportunities
4 for correction.

5 THE MODERATOR: Providing training opportunities to
6 help school children become aware of health care needs.

7 MR. DICKSON: I have a concern in here is that
8 nowhere in this statement has the concept of the holostic
9 approach to health care learning. We need to put in in
10 here. This was discussed quite lengthily.

11 MR. FISON: I think the idea that so many illnesses
12 are brought on by stress, it starts off as an emotional
13 problem. If we could work at that end of it a little more,
14 put more attention to try to have people have a good self
15 image so they won't feel they have to sedate themselves
16 into alcohol.

17 MR. DELISIO: Maybe its a simple sentence to the
18 effect that the holostic approach to health care shall be --

19 THE MODERATOR: Considered.

20 MR. DELISIO: Shall be preferred or urged.

21 THE MODERATOR: Would we want to put it here or down
22 here or at this statewide health education.

23 MR. DELISIO: I think its a separate statement.

24 THE MODERATOR: What was that, the approach.

25 MR. DELISIO: Let's see. The holostic approach to

1 health care.

2 MR. FISON: Does that automatically imply prevention.

3 MR. DELISIO: Shall be emphasized.

4 THE MODERATOR: Shall be emphasized.

5 MR. DELISIO: Does that do it?

6 THE MODERATOR: Okay.

7 MR. DELISIO: There was one other thing here that I
8 think should be included. You do talk about paramedical
9 and nurse practitioner in the rural area, but the
10 suggestion was much broader than that. If we are going to
11 bring health care costs down or really impact them at all
12 we really need to expand the roll of paramedicals and
13 health care nurses at all levels of delivery. That is one
14 of the things by licensing, by practice in the industry.

15 MR. FISON: The medical profession can't go against
16 it.

17 MR. DELISIO: You may be in the office of a doctor
18 right now, you will see the doctor for three minutes and
19 its the nurse that spends the rest of the time you are not
20 waiting. And if you wait, you have a way to pay the nurse
21 for what she is doing.

22 THE MODERATOR: We have a thing like that.

23 MR. DELISIO: I know paramedics are able to work as
24 doctor's assistants.

25 THE MODERATOR: There is three nurses in the Anchorage

1 area, that opened up an office. I don't know what kind of
2 service it is.

3 THE MODERATOR: Would that be included in your
4 paraprofessional.

5 MR. DELISIO: Here what I said. Expansion of the
6 role of paramedics and nurses shall be encouraged at all
7 levels of health care living.

8 MR. FISON: I don't know how to say it. But I think
9 one of the greatest things on the health problems is
10 unrelated to health in a sense that if a person can get
11 himself or herself into a situation where life is
12 meaningful and they are active and doing something and feel
13 good about themselves and feel good about life, you are not
14 going to have as near as many problems. And we are
15 addressing the cure most the time.

16 MR. DICKSON: Well, I think that incorporated into
17 the concept of the holostic approach towards health is the
18 concept of wellness, is that if you are well to begin with,
19 then -- and you maintain your body, this is, I think, what
20 the concept is.

21 MR. FISION: In your mind.

22 MR. DELISIO: A whole person is not as prone to mellow.

23 MR. DICKSON: It's the whole person wellness. Maybe
24 we should define.

25 MR. COOPER: I think we are getting so nebulous

1 because a person can be, can be just the opposite rather
2 than being healthy and then able to function as a, in a
3 good job situation, just the change of a job sometimes is
4 sufficient to cure a person's health. They don't (pause)

5 THE MODERATOR: There is any situation or any other
6 real changes that you can see here.

7 MS. DICKSON: I do have a concern about this very
8 first paragraph. I think that I would feel more comfortable
9 if somehow we can -- its nebulous somehow. It doesn't flow
10 properly. I think this business of adequate means of
11 transportation as is necessary is what's bogging me.

12 MR. FISON: A question mark around what does that
13 mean. I think I know what it means, but I am not sure.

14 MR. DELISIO: Getting to and from health care places

15 THE MODERATOR: Especially out in the bush.

16 MR. FISON: Isn't what we are talking about here
17 transportation instead of a delivery system.

18 MS. DICKSON: Its getting people out in an emergency
19 situation.

20 THE MODERATOR: We are not talking about building
21 sophisticated facilities in every small area in the State
22 of Alaska.

23 THE MODERATOR: You have to have some means of
24 transportation to get that patient out.

25 MS. DICKSON: So how about if we say here, health

1 services which can or which includes, among others,
2 something like that, family planning counseling, mental
3 alcoholism, drug abuse, health education.

4 MR. DELISIO: Or did you cover health education.

5 THE MODERATOR: You have health education already.

6 MS. DICKSON: Need to be made available to all areas
7 of the State from the paramedical/nurse practitioner level
8 in the rural area.

9 MR. DELISIO: Slash might not be a bad idea. The
10 comma is kind of confusing.

11 MR. FISON: Shouldn't that be singular, include.

12 MS. DICKSON: Including paramedical and nurse
13 practitioner approach.

14 MR. FISON: I mean the first health services which
15 include, rather than includes.

16 MS. DICKSON: Yeah, okay. Now, need to be made
17 available to all areas of the State from the -- not from
18 the, but stressing including. See, if you say from the
19 paramedical nurse level it, in a sense, brings it --

20 MR. DELISIO: That suggestss your minimum standard is
21 all.

22 MS. DICKSON: Here it kind of indicates that this is
23 less valuable than say a doctor.

24 THE MODERATOR: Its the only thing that happens.

25 MS. DICKSON: But its not less valuable.

1 MR. DELISIO: That's not what its saying. What you
2 are saying is the full gamut of medical services and the
3 bottom of that gamut.

4 MS. DICKSON: Has to be high quality.

5 MS. COOKE: It sounds like it will exclude the
6 doctors.

7 MS. DICKSON: What I am saying is paramedical nurse
8 practitioner levels are actually a high degree.

9 MR. FISON: Take out. Put a colon after State and
10 then it would read need to be available to all areas of
11 this State, the paramedical, nurse practitioner in the
12 rural level to the fully sophisticated facilities. Would
13 that solve the problem?

14 THE MODERATOR: Okay, that's it.

15 MS. DICKSON: And then put a period after areas. And
16 then I think we should say adequate means of transportation
17 are necessary.

18 MR. FISON: That's better. By putting a period there,
19 that makes it a little clearer.

20 MS. DICKSON: Transportation in communications.

21 MR. FISON: be provided or available.

22 MS. DICKSON: For emergency and routine. Without
23 getting it too bulky.

24 MR. DELISIO: You don't want to have adequate means of
25 transportation for routine.

1 MS. DICKSON: For emergency, then.

2 MR. DELISIO: Somebody has got a boil on their behind,
3 I don't think you want to send help out for medical care.

4 MS. DICKSON: Do we want to say adequate means and
5 transportation and communications. We haven't addressed
6 the communications issue appropriately.

7 MR. DELLISIO: That might be important.

8 MS. FISHER: I think it needs to be said in here. I
9 think communication goes hand in and hand with
10 transportation.

11 MS. DICKSON: So transportation slash communication.

12 THE MODERATOR: Adequate means of transportation and
13 communication is necessary.

14 MR. FISON: As necessary.

15 THE MODERATOR: Is, is necessary.

16 MS. DICKSON: Yes, increased, not just adequate, but
17 I mean we want to stress that.

18 MR. FISON: You can say -- I don't know, maybe there
19 is a better word -- but to augment the program.

20 MR. DELISIO: The point is if you have adequate means
21 of transportation and communication, then that takes care
22 of the problem. You don't need luxurious and you don't
23 need more than adequate, you need adequate and the problem
24 is you don't have adequate now

25 MS. DICKSON: Right, if we just used the word,

1 adequate, it doesn't seem to be strong enough at this point.

2 MR. DELISIO: If you say more than adequate. People
3 will say, "Why do you need more than adequate?" We had
4 problems in the urban areas.

5 MR. FISION: Take out the as and you have adequate
6 means of transportation and communication where it
7 necessary.

8 THE MODERATOR: Period.

9 MR. COOPER: I am afraid if we get these things too
10 wordy, they get lost. If we try to make them too specific
11 we then get shot down because people find faults.

12 MR. DELISIO: One of the problems is that there is
13 really not enough time to really hammer these things out
14 like they need to be. That's one thing I hope we don't
15 forget to do here. I would like to see us come up with a
16 very strong statement that we have had grossly inadequate
17 time to do more than a superficial review, and if this kind
18 of format is used again that it ought to be spread over a
19 period of time with repeated meetings so that there is
20 plenty of time to really thoroughly discuss these issues.

21 THE MODERATOR: Or the groups be assigned different
22 topics.

23 MR. FISION: Last time. We had 16 to 20 days, it was
24 about four important five days each over a period of at
25 least four months.

1 MR. DELISIO: It may have been three days a time. I
2 was thinking it was two days a time.

3 MR. DELISIO: It was Thursday, Friday, Saturday and
4 Sunday each time.

5 THE MODERATOR: Dick, is there any way we can get back
6 together in a month?

7 MR. HISON: The problem is once this is done in a
8 booklet form, who is going to take that and really go
9 through with a fine tooth comb and see how this happens?
10 Are you going to be the one?

11 MR. VAN DOREN: The organization that's the staff,
12 that's behind this, will be doing that. We are each going
13 to be assigned various areas to report on.

14 MR. HISON: That seems to me to be something missing
15 last time there wasn't any implementation program.

16 THE MODERATOR: There is anything else? Do we have
17 any papers that we would like to take up now.
18 Transportation is still.

19 MR. DELISIO: I've got justice and government services

20 THE MODERATOR: I don't have a copy.

21 MR. COOPER: How did you do that? It's four pages,
22 five pages. One page was given out earlier and I've got it
23 stashed someplace.

24 MR. DELISIO: The one page is the one that I wrote up
25 the government services policy statement that the questions

1 should be asked. That's the first to -- unfortunately,
2 these were typed up rather hurriedly and they were out of
3 order, so I will have to read them to you. I have coded
4 them in the margins.

5 MS. DICKSON: Can I just for one second? Can we go
6 back to health? I would like to suggest that we take the
7 last paragraph and make it be the first one. Its a very
8 well stated -- a need statewide is for health education and
9 media, our TV, radio and newspaper should have more
10 specific information about preventative health measures
11 only when ours whole community is more concerned about
12 health will we improve ours children's health and
13 consequently the welfare future generations.

14 MR. COOPER: Basically what was thought there was its
15 kind of hard to educate adults.

16 MR. FISON: That's a conclusion

17 MS. DICKSON: Is it.

18 MR. COOPER: But if you can get them to bring home
19 the, bring home from school, it sort of trickles up through
20 the rest of the family.

21 MR. DELISIO: Sure.

22 THE MODERATOR: Okay, do you want to start with first,
23 the policy statement is number 1.

24 MR. DELISIO: Okay, government services, number 1, I
25 thought that sort of set the stage for the rest of it. And

1 I won't read it because think we talked about it quite a
2 bit and you all heard it.

3 THE MODERATOR: Why don't you read what you have
4 following that?

5 MR. DELISIO: Okay, following that. C 2 is actually
6 two statements that appear on different pages, pages 1 and
7 3, the first statements on each would it read combined
8 revenue sharing funds to local government shall be
9 increased. The State shall share revenue with no strings
10 attached. Disposition to be controlled at the discretion
11 of local government.

12 MR. FISCH: I see C 2.

13 MR. DELISIO: You've got the original there anyway.

14 THE MODERATOR: The pages are numbered on the bottom.

15 MR. DELISIO: That is an extra copy? I can give you
16 the original now.

17 MR. FISCH: Okay.

18 MR. DELISIO: The problem was that they got typed out
19 of order. These are the two -- no, wait a minute, you've
20 got all the ones here. This is all page one that you gave
21 him. Look on my copy for the time being.

22 (Discussion was had off the record)

23 THE MODERATOR: Okay, Steve, what do you mean by --
24 understand the no strings attached, disposition to be sold
25 at the discretion of the local government, as to how they

1 are going to be allocated.

2 MR. DELISIO: We are explaining what we mean by no
3 strings attached. In other words if revenue sharing goes
4 to the Municipality of Kenai, then the municipality can
5 spend it on going to the races if they want or they can
6 spend it on something useful, but the government does not
7 tell them how to do it.

8 MR. COOPER: Let the local area make the decision on
9 what is most needed.

10 THE MODERATOR: Okay.

11 MR. DELISIO: I guess the idea is, you know, we had an
12 abuse a few years ago where the benefit didn't go to the
13 tax payers, with the surplus that was given them after the
14 fact so the Legislature passed a law that you have to do
15 what we tell to you do it. And really the best way is to
16 go in and point out your local government people is wasting
17 your money and get rid of them. We culled that one with a
18 steamroller.

19 Then C S 3 (a). If the unorganized areas of the
20 state are compelled to organize into burroughs, they should
21 be limited to small contiguous areas with common needs

22 THE MODERATOR: Good.

23 MR. COOPER: Actually, your Burrough Act pretty well
24 specifies that. When the Legislature has created burroughs,
25 they have done violence to the very, the very law that sets

1 up the criteria for each borough.

2 MR. DELISIO: Okay, then G S 4 the bottom of of page 1
3 and continuing on page 2, State activities effecting the
4 local area shall not be undertaken without local
5 consultation. Various levels of government participating
6 in the same program shall develop effective means of
7 coordination..

8 (Discussion was had off the record)

9 MR. DELISIO: Okay, then G S 4, I think I read that
10 one; didn't I. Okay.

11 THE MODERATOR: Without local consultation.

12 MR. DELISIO: G S 5. Means should go found to
13 constitutionally administer at least some State benefits if
14 a longevity basis.

15 THE MODERATOR: Five years, 1 percent, ten years.

16 MR. DELISIO: I didn't think we should get specific
17 about it. But, of course, there are Constitutional
18 problems.

19 MR. DELISIO: Means should be found to
20 constitutionally administer benefits on a longevity
21 residency basis.

22 MR. COOPER: You left out carrier pigeons.

23 (Discussion was had off the record)

24 MR. DELISIO: G S 6. Legislative reapportionment
25 shall be implemented so as not to effectively eliminate

1 rural representation.

2 C S 7, the size of the Legislature shall be
3 increased.

4 THE MODERATOR: You can't do anything now.

5 MR. COOPER: I don't think that would accomplish
6 anything in increasing the size.

7 MR. FISON: We don't need to tell them.

8 MR. DELISIO: That was one of the suggestions made and
9 we just wrote it up.

10 THE MODERATOR: I don't want to see that.

11 MR. COOPER: I would be opposed to that.

12 THE MODERATOR: It won't accomplish anything.

12 MR. DELISIO: It will accomplish one thing.

14 THE MODERATOR: Vast chaos.

15 MR. FISON: We have a mandate so we increased.

16 MR. DELISIO: C S 8, there should be placed in 1980
17 general ballot whether to hold a State Constitutional
18 convention.

19 THE MODERATOR: No.

20 MR. FISON: I don't really see that we need to
21 address that unless we have something that we feel that
22 from the group needs to be addressed to the constitution
23 convention. And did that come out? I don't recall.

24 MR. VAN DOREN: May I say one thing. David, when you
25 weren't there the other day at one time when you had to

1 step out, the only thing they mentioned is its mandated
2 that it has to be on the ballot in '82. The reason why
3 they said to put it on the ballot in '80 was so that they
4 could do it before legislative reapportionment

5 MR. FISON: I see, well, in that case.

6 MR. DELISIO: Then someone else pointed out that if
7 you put it on in '80, it gets on in a year which is not a
8 general election, you won't get as many people voting on
9 the issue in a general election.

10 MR. VAN DORP: That's not true. The 1980 ballot
11 would be a general election ballot.

12 MR. DELISIO: You don't have any sexy statewide raise.

13 MR. VAN DORP: Sure you do. You've got the Cravel
14 (phonetics) race.

15 MS. FISHER: Maybe we should state the reason
16 suggested along with that that makes it more reasonable.

17 MR. DELISIO: The real question with that is whether
18 it wants to go on as a statement.

19 THE MODERATOR: I would rather not.

20 MS. DICKSON: I think the feeling of the group as a
21 whole was that we didn't want it brought up. Its just
22 opening a can of worms that we didn't want to bring up.

23 MR. DELISIO: C S 9 I think I stated it the way, the
24 raw fish tax on fish processors shall be increased. That
25 is what she wanted?

1 THE MODERATOR: I don't know.

2 MR. COOPER: They have already addressed that.

3 MS. DICKSON: We have an increased raw fish tax that
4 came up, it was proposed at 6 and came down to 4. I think
5 what she is getting at is the State needs to be working
6 with the federal government to get more revenue.

7 MR. FISON: That sounds a little better.

8 MS. DICKSON: Off of the 200 mile limit area.

9 MR. FISON: This is extremely specific in one way but
10 it is not in any way stating the problem.

11 MR. DELLISIC: That's the problems, that was all that
12 she said or all that ours notes indicated and I don't know
13 enough about the issues.

14 MR. COOPER: We are going to make her.

15 MS. DICKSON: So rather get into the entire fisheries
16 issue at which I can expound at great length we should
17 maybe drop that one.

18 C S 10. There shall be established a local income
19 tax which shall be deducted from the tax paid State income
20 tax liability.

21 THE MODERATOR: No, no.

22 MR. FISON: Once you get something like that, you
23 never get rid of it, and then they come on and up the State
24 tax in some other fashion, and all you've got is another
25 income tax to fill out.

1 MR. DELISIO: I have got my petition here to abolish
2 the income tax.

3 MR. COOPER: I think income tax is one of the most
4 unfair.

5 MR. DELISIO: G S 11 appears on the bottom of page 3,
6 and that's not a government range by the way.

7 MR. FISON: This abolishes the State income tax.

8 MR. DELISIO: That's a petition. That's not on ours
9 program. That is something separate.

10 MR. DELISIO: G S 11, the adventure education program
11 shall be made available to all Alaskan youth.

12 THE MODERATOR: Yes.

13 MR. DELISIO: That was the program in the movie
14 yesterday.

15 Okay, I think that's all of the government ones,
16 the government services.

17 THE MODERATOR: Who is going to fund the Alaskan
18 education program.

19 MR. DELISIO: Well, again the concept would be we
20 should be self help as much as possible, sort of going back
21 to ours original G 1 statement.

22 The next thing then is -- are there any feelings
23 about those that we left? We have deleted 7, 8, 9 and 10.

24 MR. COOPER: I have a problem with the last one but I
25 am not articulate enough to be able to say what it is.

1 MR. FISON: Well, is it this is good. But if it
2 could mean that the young person really not into that and
3 never learned to read and write, how do you offset? The
4 other has to be there, too.

5 MR. DICKSON: What about stating this?

6 MR. DICKSON: As an adjunct to the regular education
7 curriculum or something.

8 (Discussion was had off the record)

9 MR. DELISIO: As an adjunct to the regular curriculum.

10 MR. DICKSON: I think it should be made as a part of
11 the whole system.

12 MR. DELISIO: The regular school curriculum.

13 (Discussion was had off the record).

14 MR. COOPER: Some, but I guess what I am saying is
15 that the individual families have responsibilities for
16 their children. And the more we ease up those
17 responsibilities, take over those responsibilities, the
18 less pressure there is that they will do it themselves.

19 MR. DELISIO: But Earle, I think again when we read
20 these things, if we go back to the statement number 1, that
21 you start off by saying if you want the government to help
22 you, then number 1, there really is a need for help.
23 Number 2, if you exhausted other means of getting the job
24 done.

25 Now, this, I think really what this statement in

1 effect does is to say this adventure education concept is
2 extremely valuable to help young people, you know, find
3 themselves.

4 THE MODERATOR: Say that.

5 MR. DeLISIO: You want to say it that way?

6 THE MODERATOR: I would rather say exactly what you
7 you have just said. That is valuable.

8 MR. DeLISIO: The adventure education program is
9 extremely valuable to Alaskan youth--

10 THE MODERATOR: Not finding themselves.

11 MR. DeLISIO: --in achieving towards self confidence
12 and a sense of purpose.

13 MR. COOPER: Helping them achieve.

14 MR. DeLISIO: Or helping them achieve, yeah, self
15 confidence and a sense of purpose. Does somebody have
16 that/ I didn't write that down.

17 MS. DICKSON: The adventure education program is
18 extremely valuable to Alaskan youth.

19 THE MODERATOR: In helping achieving.

20 MS. DICKSON: In helping to achieve.

21 MR. DeLISIO: Self confidence and a sense of purpose.

22 MS. DICKSON: Self confidence and a sense of purpose
23 in developing maturity.

24 MR. DeLISIO: That's implicit from the other two, I
25 think.

1 MR. DICKSON: And shall be made available to all
2 Alaskan youth as an adjunct to the--

3 MR. DeLISIO: Regular school curriculum.

4 MS. DICKSON: Regular school curriculum.

5 MR. DeLISIO: Okay.

6 MR. FISON: Has anybody addressed this from the
7 standpoint--has the school administration addressed this?
8 Could this bring havoc to the school system, I don't know.
9 If you--

10 MS. DICKSON: I don't think it could if it was--

11 THE MODERATOR: At the discretion of the local level.

12 MR. DeLISIO: Well, again, I think we have taken the
13 local level thing. I think we've got that dealt with.

14 Okay. On communication.

15 THE MODERATOR: We are back to page 1, communication
16 number 1, Broadcasting of State government activities shall
17 be under the control of an independent board with regional
18 representation.

19 As I recall, the concern about this was that you
20 don't want the Legislature spoon feeding what they are
21 wanting to issue out of legislative sessions. You don't
22 want our Governor manipulating the counsel conference
23 situation.

24 MR. COOPER: Never happen.

25 MR. FISON: When you use the word, "broadcasting," are

1 you talking about the word media or what?

2 MR. DeLISIO: That's the only thing I can think that
3 it will apply to here.

4 MS. DICKSON: Where is it?

5 MR. DeLISIO: On page 1, second item, C-1 on top of
6 page 1.

7 MR. FISON: Broadcasting, you mean dissemination of
8 material?

9 MR. DeLISIO: What does broadcasting mean to you?

10 MR. FISON: Well, broadcasting usually limits it to--
11 when I think of broadcasting, I think of radio and
12 television.

13 MR. DeLISIO: Right.

14 MR. FISON: What about the newspapers?

15 THE MODERATOR: All right.

16 MR. DeLISIO: There are ways they can manipulate the
17 newspapers. But the newspapers have to allow themselves to
18 be manipulated, but on the air--

19 MS. DICKSON: This is too much like sensorship. That's
20 sensorship. Under the control of the Board under regional
21 representation. If one community doesn't hear it and they
22 say they don't want it, then you are not going to hear it.

23 MR. DeLISIO: That's not the idea. If you don't want
24 it, you can turn off your switch, you don't have to listen
25 to it. The idea here is you don't want the news of the

1 Legislature and the news of the Governor of the executive
2 branch being manipulated by the Legislature and the
3 executive branch.]

4 What you want is an independent body which is
5 responsible for--okay, are going to show tonight on a
6 legislative form, are we going to show what went on, on the
7 health and safety committee or are we going to show what
8 went on on the floor of the House where everybody was
9 posturing?

10 MS. DICKSON: I see what you are getting at, but who
11 would it be under, the control?

12 MR. DeLISIO: It's under the control of the
13 legislative executive right now. The idea is to take it
14 away from them and give it to an independent board.

15 MR. COOPER: Public radio and television in this State
16 are controlled by-- and I personally think that it's a
17 dangerous thing-- and it should never have been allowed to
18 get to this point.

19 MS. DICKSON: It's dangerous the other way, too, if
20 it's exclusively the other way.

21 THE MODERATOR: How?

22 MS. DICKSON: Control of an independent Board of
23 regents.

24 MR. DeLISIO: Maybe we ought to say an independent
25 public board.

1 MR. FISON: How about appointed by the Governor?

2 MR. DELISIO: There is one thing about that process.

3 The Governor appoints people to serve on the judicial
4 council who screens candidates for judges. But, once they
5 get on the judicial council, they are no cat paw, and all
6 of a sudden they realize, "By god, we are going to do this
7 thing. We are going to do it this way and we don't care
8 what the Governor wants."

9 MS. DICKSON: I appreciate the concept. It's
10 censorship one way and censorship the other way.

11 MR. DELISIO: Why don't we insert the word public, an
12 independent public board, so we get away from the idea
13 that it's NBC or Bob Atwood?

14 MR. FISON: That makes it a little more
15 understandable.

16 MR. DELISIO: C 2, any expansion or improvement of
17 public education must be preceded by a careful evaluation
18 of the ongoing as well as start up costs and who is going
19 to pick up the tab: Okay, C 3.

20 MR. COOPER: Basic need in the first place.

21 THE MODERATOR: That goes back on page one.

22 MR. DELISIO: C 3, government shall not interfere in
23 program content or availability. We skip over now to page
24 3, to C 4. C 4, development of communications systems shall
25 be -- that's on page 3. It's the second item -- development.

1 of communications systems shall be sensitive to the
2 resulting social and political effects. This was where
3 people were talking about culture and so on.

4 C-5, highest priority shall be given to upgrading
5 communications between rural communities and the rest of
6 the world.

7 C-6, career education shall be provided in the field
8 of communications.

9 C-7, the University of Alaska shall be provided the
10 means and directive to provide education throughout the
11 State via telecommunications.

12 C-8, VLF and microwave systems shall be developed as a
13 supplement to satellite communications.

14 MS. DICKSON: Hear, hear.

15 THE MODERATOR: That was what Gibson was talking
16 about.

17 MS. DICKSON: That's great.

18 MR. DeLISIO: And then, C-9, carrier pigeons--pigeons
19 are misspelled there, by the way, p-i-d-g-- shall be
20 utilized on a large scale basis as a back up for and
21 supplement to the existing modern communications system.

22 MR. VAN DOREN: I can see. There will just be silence
23 until they catch on.

24 MR. DeLISIO: Now, what I wanted to read, it was like
25 this: I wanted it to read "carrier pigeons shall be

1 utilized on a large scale basis as a back-up for and
2 supplement to the existing modern communication system and
3 as a dietary supplement.

4 MS. DICKSON: This is the whole stoic approach to
5 communications right there.

6 MR. HICK: Carrier pigeons are--

7 (brief discussion held off record.)

8 MR. DeLISIO: That's the end of communication.

9 Justice, which starts on the bottom of page 3,
10 J-1. Okay, are we all there?

11 "The State shall assure adequate basic law enforcement
12 facilities in rural areas to local government.

13 THE MODERATOR: Okay.

14 MR. DeLISIO: J-2, it's right after that, "Effective
15 means shall be provided whereby judges who are not
16 performing properly shall be removed from office."

17 This was in response to Letty's question. She was
18 saying that she supports the Missouri plan to get rid of
19 judges easier.

20 What she was misunderstanding was that the Missouri
21 plan is what we've got right now, and we can't get rid of
22 judges very easily out of the Missouri plan. So, I worded
23 it this way because I thought that was the intent.

24 MR. COOPER: Now about something to the effect that no
25 person, no person be appointed to the judge until he has

1 been in the real world long enough to know there is a real
2 world.

3 THE MODERATOR: I don't think we can act that in
4 there.

5 MR. DELISIO: Very astute observation.

6 MR. COOPER: I know a judge who has never been in the
7 real world.

8 MS. DICKSON: What do you mean by the "real world"?

9 MR. COOPER: He came out of a law school. Went from
10 the assistant AG office, went from there to the judge. He
11 has never had a client in his life. He has no concept of
12 cost, when he says, "bring me four copies of a 50-page
13 report."

14 MR. DELISIO: I say that a full third of our Superior
15 Court judges in Alaska are in that category.

16 MR. COOPER: That's correct. I ran into one of them,
17 so, I have a personal--

18 MR. DELISIO: I would say that probably close to over
19 well over half of our superior court judges are wet behind
20 the ears, even though they have clients. They haven't been
21 in practice long enough to have a mature feeling for what
22 the world is all about.

23 THE MODERATOR: Did you say superior.

24 MR. FISON: I have problems with our judicial system,
25 anyway. Most of it boils down to that the lawyer's task is

1 to win the case, not establish what's true.

2 THE MODERATOR: I think we could probably spend whole
3 weeks on that. So you next one is?

4 MR. DELISIO: The next one is J 3, publicly supported
5 legal services shall be expanded to meet the growing needs
6 of Alaskans lacking the financial means to hire an
7 attorney. I think that took care of the woman, minority
8 situation.

9 J 4, research shall be undertaken to evaluate
10 sentencing of offenders in crimes of violence against
11 females in comparison with offenders who commit similar
12 crimes against males.

13 J 5 is dropped down a little bit. Criminal
14 sentencing shall not reflect minority bias.

15 J 6, criminal justice to be effective must be
16 swift and sure in application.

17 MR. COOPER: Thank you.

18 MR. DELISIO: J 7, the Legislature judiciary executive
19 and private sector shall actively pursue programs,
20 incentives and public education to discourage the people in
21 Alaska from their increasing propensity to litigate and
22 shall encourage social amenity. I have to change the way I
23 wrote it there originally.

24 MR. COOPER: You mean you don't think I should sue the
25 woman across the hall with the dog that barked last night?

1 THE MODERATOR: Where do you go from there?

2 MR. DELICIO: That was the end of it. The only other
3 one I had was that financial policy which is not in the
4 government services report.

5 THE MODERATOR: Okay, what else do we have besides --
6 we are still lacking transportation?

7 MR. FISON: How are we going to know then where the
8 levity ends? Are they going to say there may be several in
9 here? Let's flip back. And then they might not notice that
10 it's a tongue-in-cheek thing.

11 (Discussion was had off the record)

12 THE MODERATOR: The only thing we are lacking now is
13 transportation. And has anybody heard from anybody in
14 transportation?

15 MR. FISON: They are working on transportation and they
16 are coming up as soon as they finish breakfast.

17 MS. DICKSON: May I say one thing about the energy
18 policy: Carolyn, when she phoned, asked if it was all right
19 with the group to state in here at some point that all
20 State agencies should coordinate their efforts. She will
21 phrase it. This is indicating that we don't want
22 overlapping redundant work.

23 MR. COOPER: Or counter-productive.

24 MS. DICKSON: I think ultimately if we had a State
25 Department of Energy to coordinate the entire thing, it

1 would eliminate the redundancy of different agencies, but
2 without stating it specifically at stabilizing it at DOE.

3 MR. VAN DOREN: JoAnn, just as a mechanical thing, I've
4 got to impart a few things to you all.

5 Okay, these recommendation forms of this type
6 which gives a recommendation to major factors leading to
7 consideration of the specific recommendations, we do not
8 have to use these for this morning's meeting. They've
9 changed their minds. But you are going to have to read
10 these, JoAnn, as the representative of this group. And so
11 you should have -- I don't know if we can get a typewriter
12 available real quick to get these out. And Sandra won't be
13 in for a while. But we need -- you need to be able to
14 read these and present them at this whole thing.

15 (Discussion was had off the record)

16 THE MODERATOR: Couldn't we have each individual
17 person read that that is familiar to him?

18 MR. VAN DOREN: If you want to do that, that's fine.

19 THE MODERATOR: I would much rather go that route.

20 Steve is knowledgeable at his, Earle at his.

21 MR. COOPER: No, I am not. Because I didn't write
22 down any of the changes.

23 (Discussion was had off the record)

24 MR. DELISIO: On this finance policy question, you
25 know, do we want to take it up? You know, I read you the

1 two sentence concept last night. First, the State shall
2 invest in the State of Alaska as much as possible and
3 second, that there would be low interest loans made
4 available.

5 It was kind of interesting after the discussion
6 last evening: I was shown this article that was written by
7 Bob Richards, who is the President of the Alaska Pacific
8 -- yeah, Alaska Pacific Bank. And he says in the article,
9 to summarize, the State faces a potential fiscal crisis in
10 the long run. The solution to this crisis consists in
11 holding back on expenditures and increasing the sources of
12 revenue through expansion of the economic base. The latter
13 can be aided through a reasonable tax and regulatory
14 climate and permanent fund infrastructure investments which
15 serve as a

16 (continued on next page)
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1 catalyst to investment by the private sector. So what he
2 is talking about here is in addition to tax relief and
3 regulatory relief that we need to start injecting some of
4 that State money through loan programs into the State of
5 Alaska.

6 THE MODERATOR: Okay, but in what areas are you going
7 to pass those loans -- like someone said last night, I
8 don't want to go-cart maybe in Kotzebue. It would THE
9 MODERATOR: Okay, but in what areas are you have to be
10 something that was structured to the needs of the
11 community, and who is going to make that decision.

12 MR. DELISIO: Well, the problem for a statement like
13 this, I think that this kind of a question is almost
14 appropriate to almost everything that we've approved here.
15 You can't come up with it. If we had three days just to
16 work on this, I think we could probably come up with a
17 super loan program. But we don't have it.

18 THE MODERATOR: I would go with the loan program if it
19 were for construction of new housing that was needed. But
20 there again, I am not in favor of going out and building
21 housing solely for the purpose of building houses and
22 wrecking the present system in any community. Then we
23 would be overloaded with new houses, and I don't do for
24 that either. There must be some type of restraint.

25 MR. DELISIO: Maybe if we were to add a clause on to

1 the end of it for projects which serve the -- the goals of
2 the State of Alaska.

3 THE MODERATOR: That is broad and vague.

4 MR. DELISIO: It is broad and vague, but somebody is
5 going to have to come along and implement the whole thing,
6 but the idea now is we are trying to give a guideline. would
7 This take into account, for example, Carolyn's idea if
8 somebody wants to borrow this money at low interest, then
9 they better have an energy efficient or an alternative
10 energy concept for their project. Your suggestion is there
11 shouldn't be something that is frivolous.

12 THE MODERATOR: Not frivolous.

13 MR. DELISIO: Or something that is counter-productive,
14 but something that enhances. Maybe that's the right word,
15 for projects which enhance the goals of the State of
16 Alaska. So with that amendment is that an acceptable
17 (pause)

18 THE MODERATOR: Read the first part again.

19 MR. DELISIO: Let me just write this change.

20 Okay, the State shall invest its surplus income
21 and the permanent fund within the State to the extent the opportunity
22 for prudent investment exists in Alaska. Moneys shall be
23 loaned at low interest rates to anyone who has a financially
24 sound investment opportunity subject to the availability of
25 adequate security and the borrowers demonstrability to

1 repay, the loan provided the project enhances a goal or
2 goals of Alaska.

3 MS. DICERSON: Could be system with the goals.

4 MR. COOPER: I think don't we want to put in who borrows
5 money. Are we inviting a lot of outsiders to come up and
6 borrow if we don't put in --

7 MR. DELISIO: I suppose we should say anyone in
8 Alaska.

9 MR. COOPER: I was going to say, I don't really have
10 any problem with where they come from, it's what they are
11 going to contribute after they get here.

12 MS. DICERSON: And what they are going to leave if they
13 go.

14 MR. COOPER: From the bush or the urban or from Miami,
15 if they are going to bring business.

16 THE MODERATOR: No, I don't want Miami to come in here
17 at low cost loans.

18 MR. DELISIO: What Earle is getting at is
19 suppose somebody comes to Bethel and says, "I know how to
20 process and market fish that are caught in this river to
21 the people of Anchorage, Fairbanks, and so forth, but I
22 need an interest loan to do it, and I am going to set up a
23 program and I am going to hire all the local people and we
24 are going to set up a transportation system and we are
25 going to sell fish from the river in Bethel to the people

1 in Anchorage." What Earle is saying, if that person came up
2 from Miami or came from Iran, as long as the person that
3 has got a project that enhances the goals of Alaska.

4 THE MODERATOR: And he has demonstrated that he is
5 able to pay the loan.

6 MR. DELISIO: There has got to be adequate security.
7 Demonstrability to repay the loan and it has to enhance the
8 goal or goals of Alaska.

9 MR. DAVIDSON: I've got some comments, partly the
10 things I said last night. I think the first part of it and
11 the second part of it are a little contradictory. The
12 first part says, we shall make prudent investments of the
13 money, then we will say we will make low interest loans for
14 these various purposes. And prudent investment means we
15 are meaning to maximize.

16 MR. DELISIO: That's not what prudent means at all.

17 MR. DAVIDSON: In terms of an investment. I know that
18 it doesn't have to.

19 MS. DICKSON: You get the intrinsic and extrinsic.

20 MR. DELISIO: If you spend \$1,000 on mental health in a
21 State, maybe you are not getting a dime back. In this
22 situation, you are getting interest back, you are getting a
23 tax base with income tax returns, property tax return, plus
24 social enhancement.

25 MR. FISION: Maybe it could be worded a little better.

1 MR. DAVIDSON: If that says everybody. To me, it seems
2 like it was saying we are going to make prudent
3 investments of these funds moneys and that seemed to be a
4 little bit different. There is a distinction for
5 investment for finance return and social return.

6 MR. DELLISIO: The idea here was that the reason for
7 using the word prudent was that I don't want to give
8 anybody the idea that this is some sort of a give-away concept. It's
9 just a let's throw money out the window thing.

10 MS. DICKSON: Steve, can you define the word prudent
11 consistently not to include social implications or
12 something like that, so as to --

13 MR. DELLISIO: For, let's see, the opportunity for --

14 MR. DAVIDSON: Now about for prudent investments, for
15 something like social as well as financial returns.

16 MR. DELLISIO: We could put a parenthetical.

17 MS. DICKSON: It might be necessary.

18 MR. DAVIDSON: If it's not necessary, I won't argue
19 about it.

20 MR. COOPER: We can get it so wordy.

21 MR. GIBSON: I think prudent in a broad context is
22 very well used here, because prudent means thought out and
23 wise, but not necessarily bio return. I think prudent is
24 an excellent choice of words there to me.

25 MR. DELLISIO: Maybe we should plainly say this is read

1 and that's what is intended.

2 MR. DAVIDSON: I don't know, I just pick out that more
3 than the other.

4 The other thing, I am still concerned about Lee
5 Gorsuch's comments about the economic rate and thinks some
6 dollars are pretty important. But I think I am saying for
7 the purposes of Alaska, which is it the goals of Alaska.

8 MR. DELISIO: Provided the project enhances the goals
9 of Alaska.

10 MR. DAVIDSON: how are those defined. Are these the
11 policies of the State government or a sort of general
12 public consensus of what the goals are.

13 MR. DELISIO: Whoever enacts this concept into law is
14 going to have to translate that into some meaningful
15 specifics. The difficulty here is if we try to list what
16 we mean by the goals, really what we are trying to do in
17 this whole conference is to identify the goals and to ask
18 the Legislature to implement those goals. The basic intent
19 is, you know, the language is broad enough to incorporate
20 Carolyn's idea last night that we want efficiency, we want
21 alternative efficiency so we can enhance those goals. You
22 were the one that brought up last night you don't want to
23 see a project which is really anti-Alaska or frivolous or
24 that works contrary to our desire to achieve certain things,
25 and so you would like to eliminate those kinds of projects.

1 The scope is broad enough to mean anything that anybody
2 wants to make it mean. But in acts of law, if this
3 somebody wants to implement this, they are going to have
4 to make it more specific. I don't know how to make it more
5 specific at this time.

6 THE MODERATOR: I don't think you can.

7 MR. DAVIDSON: The kind of thing I was hoping we would
8 come up with is real commitment to development of the
9 renewable resources.

10 THE MODERATOR: I think they will probably come out in
11 other groups, I really do.

12 MR. DELISIO: We sort of did that in energy, too.
13 We've got this thing that will convert from nonrenewable to
14 the renewable resources.

15 MR. DAVIDSON: I won't battle this any more.

16 MR. COOPER: We have almost ran out.

17 THE MODERATOR: We've got ten minutes to take on
18 transportation.

19 MR. DAVIDSON: Can't have two minutes.

20 Basically we have refined the statement we
21 started with last night and added some more specifics. It
22 shall be the policy of the State that a transportation
23 system be developed in a manner which serves the economic
24 and social needs of all Alaskans in the areas in which they
25 reside: An integrated system of transportation shall

1 include facilities necessary to accommodate the mode of
2 transportation which best fits the particular needs of the
3 area to be served. Regional representatives will
4 participate in all stages of planning and implementation.

5 And to help facilitate their involvement, there will be
6 established regional advisory committees which shall have
7 representation on a statewide advisory board that provides
8 statewide transportation policy. Priorities of an

9 integrated transportation system shall include the

10 following, 1, transportation systems to be developed must
11 have minimal adverse social, cultural and environmental
12 impact -- did I say must have minimal adverse social
13 environmental impact. 2, all transportation facilities shall
14 be upgraded to standards which assure traveler safety,
15 optimal freight rates and minimal maintenance cost.

16 Airport and port facilities in rural Alaska will be
17 improved to assure the safety of users and provide adequate
18 medical, public safety, and service support.

19 Particular attention shall be paid to improving
20 airport and port facilities and alternative transportation
21 modes to accommodate critical economic needs, such the
22 transportation of fishery products.

23 Number 4, when new transportation projects are
24 proposed, full operation and maintenance costs shall be
25 considered in the decision to implement the project.

1 Number 5, appropriate incentives should be given
2 to private enterprise to develop transportation facilities
3 in the private sector.

4 Number 6, the State of Alaska shall assist in the
5 immediate improvement and development of mass transit
6 systems in the urban areas.

7 Number 7, as part of a regional planning process,
8 the Department of Natural Resources shall undertake a
9 thorough assessment of transportation needs in relation to
10 development of Alaska's renewable and nonrenewable
11 resources.

12 Number 8, the Department of Transportation shall
13 explore innovative and alternative transportation modes
14 that may result in lower freight and fare costs and avoid
15 adverse social, cultural and environmental impact.

16 A criteria for evaluating new transportation
17 systems in both rural and urban areas shall be energy
18 efficiency.

19 Number 9, the Department of Transportation shall
20 give immediate attention to the development of
21 intraregional transportation systems which will not
22 necessarily link to urban areas. That's it.

23 MR. DELLISIO: I just have one comment about
24 subcategory number 1.

25 MR. DAVIDSON: Priority number 1, okay.

1 MR. DILLISIO: Yeah. It says the transportation system
2 to be developed must have minimal adverse social, cultural
3 and environmental impact. If it has minimal adverse impact
4 in one or more of those areas, it may not be possible, and
5 yet it may be desirable, so maybe what we could say
6 instead of minimal adverse, shall minimize adverse social.
7 The transportation systems to be developed shall minimize
8 adverse.

9 MR. DAVIDSON: I am happy with that.

10 MR. GIBSON: That's a good point.

11 MR. FISON: On number 6, there was a word.

12 MR. FAIRBANKS: Read number 6.

13 MR. FISON: In transportation. Read that again.

14 MR. DAVIDSON: The State of Alaska shall assist in the
15 immediate improvement and development of mass transport
16 systems in urban Alaska.

17 MR. FISON: There is a difference between mass and
18 rapid. But when you say mass transportation systems, does
19 the word mass have already full meaning to everyone?

20 MR. DAVIDSON: To me, it implies moving large numbers
21 of people through buses, trains, things like that.

22 MR. FISON: That could even mean also include rapid
23 transportation if the group wanted it or if the area wanted
24 it.

25 MR. COOPER: What is the difference between mass

1 transit and rapid transit?

2 MR. FISON: Usually rapid transit is like subways and
3 elevated.

4 MR. COOPER: But what I mean is: we are then getting
5 into a definition or a particular mode of mass transit.

6 MR. DELISIO: I think the idea of the masses is as
7 opposed to the one driver to one automobile configuration
8 that we currently have now, which is energy inefficient.

9 MR. FAIRBANKS: Urban mass transportation and
10 alternative energy efficient modes of transportation must
11 be developed.

12 MR. DELISIO: You've got the energy efficient thing in
13 one of your other priorities.

14 MR. GIBSON: That's in all of them.

15 THE MODERATOR: We've got enough town downtown. Is
16 there any real difficulty.

17 MS. FLEMING: I have a real difficulty after we are
18 through discussing transportation.

19 MR. FAIRBANKS: One thing, do you think there should be
20 a way to educate the people of the State about stressing
21 energy efficiency and environmental considerations. I
22 mean, people -- we've got to start educating people or
23 they've got to start saving stuff. If we don't teach
24 somebody something, they are still going to be buying
25 forever.

1 MR. LALLISIO: Did we have anything in the education
2 statement, because like you say, if we are going to be
3 energy efficient, we better teach people how to do it.

4 MR. DICKSON: I think it shouldn't in the energy
5 statement.

6 | Mr. COOPER: We have several programs now.

7 MR. FAIRBANKS: For instance, State educational policy
8 should stress efficiency and environmental considerations
9 in transportation.

10 MR. NELSON: You are talking about in the schools and
11 everywhere?

12 | **FI. FAIRBANKS: Everywhere.**

13 MR. ELLISIO: Why shouldn't we be trying to educate
14 the public in all respects, not just transportation, heating
15 your house, electricity?

16 MR. FAIRBANKS: Okay.

17 MS. LEMING: I would like this off the record, both
18 Pamela and Jay. Thank you.

19

20 (Proceedings Concluded)

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SCOMM

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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future frontiers

Thursday, December 6, 1979

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Anchorage, Alaska

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Reported by: Louise Mizzota, CSR

DELTA GROUP PROCEEDINGS

(December 6, 1979, 10:00 a.m.)

Yukon Room

(Introduction of delegates.)

MR. ECKHOLM: The format is that the delegates who have been chosen here are the official delegates. When it comes to votes and everything, those will be the people who will vote. But in terms of discussion, I think it's important to keep it as open as possible. Whether you're from the public or anybody who is in here, I think, unless it gets out of hand, should be able to contribute to the discussions. And I'd like to reserve that right for the staff people, too. Many of the staff people, including myself, have an interest in what goes on and would like to participate, since often we're precluded from doing that.

Today, this morning, we have a survey that's been developed from the issue paper book that was written. It takes most of the papers, the concepts, and reduces them down into issues and answers. And they're going to come in and start on that at some point in time, and it will probably take us half an hour to do it. I see the value of that tool as being a way to focus the issues and give us a base to start talking from.

This afternoon our group is going to talk about