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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

**Sheraton Anchorage Hotel
Anchorage, Alaska**

**Legislative Reference Library
Legislative Affairs Agency
Pouch Y State Capital
Juneau, Alaska 99811**

**Reported by: Robert C. Steeves
CSR #2147**

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EPSILON GROUP PROCEEDINGS

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

THE MODERATOR: Ladies and gentlemen, I think we're about ready to begin Epsilon Group. My name is Dick Maddox. I'll be your facilitator for the meetings the next few days. I'm on Senator Hohman's staff, and as I see it, my function will be to assist you in any way I can with whatever expertise I have at my disposal. I have assisting me three of our legislative interns who are far more knowledgeable than I going through a crash course in how to be an administrative assistant. They're all just graduating at this point.

Where is Amy, Amy Adams? It looks like I've been deserted again. In any event, they'll be here to assist you, your concerns, in particular, for example, in your book of white papers if you're dealing with that problem, our interns are available to track down the appropriate person of the author of that article or another expert witness and literally subpoena them, to bring them here to amplify it or to argue with you with why they took that particular tack with regard to that issue.

Now, this is not going to be an easy process. This is a working conference, although tonight will be our

1 one big break listening to Buck Fuller. But this is a
2 working conference. All of us are charged with two
3 responsibilities. The primary responsibility is to
4 determine what sort of Alaska we want, the goals of Alaska
5 need to be known. Until we know where we want to be ten
6 years from now it's virtually impossible to order our
7 priorities. You have to know where you're going to get to
8 before you plot your course on the map. That's our overall
9 goal. Our second goal of equal importance is to come up
10 with solid recommendations for legislative action during
11 the coming session, and those recommendations should deal
12 with five primary subjects. This, of course, is light of
13 the unanticipated revenues that our speakers talked about
14 this morning. Three and a half billion dollars this year
15 and probably over the course of the next ten years
16 somewhere in excess of 30 bill Monday dollars in
17 unanticipated revenues will be at the disposal of the State
18 Legislature. How they spend it is largely going to be
19 determined by your consensus here. We have the financing
20 of Alaska to consider. The permanent fund is the key issue.
21 What do you want to do with it? We need an oil and gas
22 policy, a very solid oil and gas policy. We need to
23 develop our transportation system, our educational system
24 is in need of revamping. That's four. And our primary
25 renewable natural resource, our fisheries needs to be

1 addressed. Primarily the bottom fish industry.

2 There are a couple of countries in the world,
3 Iceland and Fairwell Islands, for example, who have a
4 single item. Fisheries, fisheries are all important to
5 those two places as they are going to be all important to
6 us. The judicious harvesting of bottom fish can make
7 Alaska anatomically autonomous. Our oil is going to run
8 out some day, we all know that. One thing we do have going
9 for us in the energy field is the fisheries. We have the
10 richest fisheries in the world. What we do with those five
11 things, financing, i.e. the permanent fund, oil and gas
12 policy, the development of our bottom fish industry,
13 transportation and education are your five primarily
14 responsibilities, solid recommendations in that area.

15 However, this morning, to start out our meeting,
16 I think the best place to start and all the groups will be
17 starting at the same point is to develop a philosophy; that
18 is, the subject of the first section of the book you were
19 given, Alternative Futures for Alaska, and simply because
20 they're in the book doesn't mean those are the only
21 alternative futures. Those are the things we're going to
22 have to develop.

23 In a short while, a questionnaire will be
24 distributed to each of the groups, and that's going to take
25 up a good part of our time. In the interim, while we're

1 waiting for the questionnaires to arrive we can probably
2 kick off with a discussion of what we see as alternative
3 futures for Alaska.

4 To start it off, I'd like to give you a quote
5 from Alpha Group in 1969. This is one that appeals to me
6 greatly and I think that might give you the inspa.iration
7 to parallel their reference.

8 MS. WOKL: Before we start off, maybe the members of
9 the panel --

10 THE MODERATOR: Yes, I'm going to read this one quote
11 and ask you to introduce yourself. This is the summary
12 from Alpha Group the Brookings Conference.

13 "Alpha Group invisions a future for Alaska as:
14 One which maintains, as we have agreed on, a harmony
15 between natural environment, with strict controls on
16 pollution and environmental degradation...

17 "One on emphasis is on living, not just making a
18 living...

19 "One which places technology and the material
20 development in the service of man, not vice versa...

21 "One where ethnic, racial and cultural diversity
22 is a proud and cherished accomplishment....where
23 discrimination has been eliminated and minimized and where
24 the individual or minimized and where all men are truly
25 brothers...where the individual is freed from the terrible

1 psychic burden of feeling "superior" to his fellow man for
2 reasons of race, creed, wealth or position...

3 "One where good health is assumed as a right and
4 men are not expected to compete to achieve it...

5 One where the arts, the contemplative life and
6 our cultural pursuits receive equal attention with material
7 activity...

8 "One where the political process achieves a
9 deserved respect through participation of an alert, active
10 citizenry."

11 That's one that Alpha Group envisioned in 1969,
12 and I think we're coming down the home stretch to achieve
13 those goals.

14 Now, if I could ask you to identify yourself by
15 name and place as we go around the room starting with Jeff.

16 MR. STEPHEN: My name is Jeffrey Stephen, Manager of
17 United Marketing Fishermen's Association in Kodiak, and
18 we're primarily involved with the fishing industry, and as
19 equally involved with community development in the City and
20 Bureau of Kodiak.

21 MR. CHITWOOD: Jeannie Chitwood, Alaska Municipal
22 League.

23 MR. MONTAGUE: Richard Montague, Director of the
24 Alaska State Division of Tourism.

25 MR. WOODS: Just a fisherman of Bristol Bay.

1 **MR. HERMANN:** Gerald Herman, fisherman, Bristol Bay.
2 **MS. WILKE:** Jennifer Wilke, Department of Education in
3 Juneau.
4 **MR. WHITE:** George White, Superintendent of the
5 Northwest Arctic School District.
6 **MS. STOKES:** Wilma Stokes, Adult Basic Education
7 teacher.
8 **MS. WIESE:** Marian Wiese, business owner and
9 housewife.
10 **MS. EASLEY:** Paula Easley, I'm Executive Director for
11 Resource Development Council, a statewide citizens group in
12 orderly development of Alaskan resources.
13 **MS. CONVERSE:** Maria Converse, A good teacher in
14 Anchorage.
15 **MS. SANDE:** Jeanne Sande. I'm a housewife and part-
16 time writer and I'm Chairman of the State Land Disposal
17 Study for the League of Women Voters and I'm from Ketchikan.
18 I'm State to know I'm a businessman in Alaska and vice
19 president of our corporation. And I sit on the Unitis
20 advertise Board for the Development of Fisheries for bottom
21 fish.
22 **MS. TROLL:** I'm Kate Troll, I work for the Alaskan
23 Division of Parks and I've also just started my own
24 business in trees transportation.
25 **MR. TIPELMAN:** Dennis Tieplman, President of Maunel,uk

1 Association, a non-profit corporation.

2 MR. WELTZIN: My name is Jeff Weltzin. I'm an
3 instruct technician in Fairbanks.

4 MR. SWAIN: Michael Swain from Bristol Bay Borough
5 Assembly.

6 MR. URCHITEL: I'm Bob Urchitel, I've got a
7 construction company here in Anchorage and I'm Chairman of
8 the Board of Multi-Divisions, Communications, Cable TV and
9 I'm also Chairman of the World's Fair here that we're
10 talking about called Alaska 1984.

11 MR. GARVIN: John Garvin, Director of Alaska
12 Children's Services, private residential child care and
13 President of the Alaska Association of Homes for Children,
14 Anchorage.

15 MS. YAMASHIRO: I'm Jane Yamashiro, Research Associate
16 Institute for Social and Economic Research.

17 MS. WROL: Rosita Wrol, Commission on University of
18 Alaska, Anchorage and also AEDIC.

19 MS. STACHELRODT: I'm Mary Stachelrodt. Owner of
20 Sunworks, I'm from Bethel but recently moved to Palmer.

21 THE MODERATOR: Ladies and gentlemen, I suggest that
22 we have a very fine representative sample of Alaska's
23 population around this table in terms of occupation and
24 place of residence and I call my home Bethel, too.

25 Now, two things I'd like you to do. As you speak,

1 please ask the chair to be recognized and introduce
2 yourself again by name so we all become familiar with one
3 another.

4 I'm going to turn over the chair to two people to
5 moderate this session.

6 This is an arbitrary choice on my part simply
7 because I know something of the two people personally and
8 feel that they can handle the job. One for the morning and
9 one for the afternoon.

10 If you find that noses are getting bloody and
11 we're coming down to a hard case, feel free to elect new
12 moderators. I'm going to suggest that Bob Tiepelman share
13 that responsibility.

14 Is that all right with you, both of you?

15 MR. TIEPELMAN: Sure.

16 THE MODERATOR: With that, I'll turn the chair over to
17 you and you can start sailing on alternative futures.

18 One other thing. I would like to introduce the
19 three legislative people who are assisting us, Crystal, Amy
20 and Mali.

21 MR. UCHITEL: Well, first of all, can I see a show of
22 hands of the people that read the first section that we
23 just talked about. Has anyone read it entirely? I did.
24 Anybody else?

25 MR. STEPHEN: Partially.

1 MR. UCHITEL: I'm sorry. I'm speaking of this book
2 and I'm just -- can I see a show of hands so I can get a
3 feel for it?

4 Well, I guess I won't go into it too much because
5 I just read it yesterday on the plane and everybody here
6 hadn't seen it. The thing that I got out of it the most is
7 that we have a lot of very talented people here in Alaska.
8 We have a lot of people here that have a lot of good ideas.
9 I think sometimes we all have a tendency to sit on the
10 sidelines and wonder where the good ideas are going to come
11 from much less than how we're going to implement them.

12 In the observations that I've seen in the recent
13 months we have some talented people, some people that care.
14 We don't have to go too far to find the questions and the
15 answers. It's a matter as I see it of implementing them.
16 And this is the purpose of this conference. I think it's a
17 shame personally that in 1969 when the Brookings Conference
18 was, had taken place that I had never heard about it until
19 we talked about this one. The PR hadn't gotten out. They
20 may have gotten 75 percent of their things done but they
21 did it very quietly, and I think to a certain extent I
22 personally would like to see a little bit more, a bit more
23 of what we do know in general and it's not implemented
24 every ten years and apply a fashion, but the people
25 throughout the State are much more involved in what we do,

1 and so what I was going to start off is by saying that in
2 terms of the goals that we perceive our State needing for
3 the future, I'd like to ask notwithstanding all the good
4 things we've heard about, does anyone have a comment before
5 what we haven't accomplished yet and where you feel we're
6 quite weak and where we might want to look to first in
7 terms of a goal that either we haven't thought about or
8 haven't been able to implement as yet? Does anyone have an
9 idea with regard to that? I'll bring one up.

10 MR. WELTZIN: My name is Jeff Weltzin. I think what
11 will happen with .5 billion, the centralization, this
12 isn't making progress in Alaska and the wealth that is
13 concentrated in Juneau and the State government will have a
14 tendency to make people less aware or responsible for their
15 own environment and their own decision making process, and
16 my biggest fear is the alienation of the average person
17 towards his own responsibility for the State of Alaska.

18 MR. UCHITEL: What you're saying is what's been left
19 in the sidelines is the individual, the spirit of the
20 person here.

21 MS. YAMASHIRO: I'm Jane Yamashiro. One of my
22 concerns is when we look at the recommendations for the
23 future, that we're really facing at this time the situation
24 that many developing countries are going through, and we
25 need to look at what is happening to our human resources,

1 the fact that violence is so high, we're hit with all the
2 top numbers in areas of help, and I think we need to
3 consider the safety of the people as well as some of the
4 other resources.

5 MR. TIEPELMAN: I'm Dennis Tiepelman. Some of the
6 statements made of these two people so far, I'd like to
7 give a different perspective of what may be a better
8 attitude of why those things might occur. One is the
9 centralization of the State government. I think we're
10 talking about money and we're talking about a geographical
11 area in Alaska that in some way is going to preclude that
12 from happening in these workshop groups. For instance, the
13 centralization of the government can be precluded from
14 occurring and be a negative factor if we look at the
15 possibilities of those geographical areas in the State of
16 Alaska as being vital and determining some of their own
17 affairs as far as how the money can be better spent, and I
18 think the other thing, too, is they all have their unique
19 individual needs and they represent geographical areas
20 because they do have certain ways of doing it themselves so
21 that we don't have to be too overly concerned about whether
22 or not this money will decrease individual responsibility
23 because I think the statement of the conference ten years
24 ago delivered the concept of revenue sharing, and that's
25 still a viable way of doing it. However the decision of

1 low revenue gets spent once it reaches the areas, I think
2 these workshops will give the legislature an idea of what
3 different ways it is important and there will be priorities
4 only after the groups have gotten together, and there's not
5 going to be a consensus until that report to the full body
6 is made.

7 The other thing, too, is I disagree this morning
8 with Merdes and the groups at the podium for my personal
9 reasons that I don't think you can unify all of Alaska and
10 say that we're going to meet here as one body, one group,
11 and one mind. All of us represent provisional and
12 territorial areas that have our own interests and because
13 we have certain interests and how we wish to express to
14 make those interests work for us, then, it's at the end of
15 the conference where we can note a movement of unity and
16 how it may come about.

17 MR. UCHITEL: With regard to that unity, I think we
18 have to establish and I'll play the devil's advocate here.
19 There are economies of scale on these things. If somebody
20 would like to talk about besides the individual is lost and
21 we know that, and putting that aside for the moment, are
22 there other things that are lost by centralization?

23 MS. SANDE: It seems to me after reading the book and
24 listening this morning, the people talking to me, it seems
25 to me Alaska faces a lot of divisions. Fear of government

1 seems to be an almost overriding thing in my area. Native
2 versus white is one of the issues that we face in the
3 future. The whole idea of the economic differences in
4 these areas, transportation differences, it seems to me
5 that communication has got to be the key and maybe we have
6 to through education, through communication, somehow we
7 have to understand what the other guy's problem is so we
8 can even discuss on equal terms.

9 MR. UCHITEL: My question is what's really wrong with
10 centralization? You talked about how we might implement it
11 but why is it bad? Because if we're going to come out of
12 this meeting this morning or make a statement, we've got to
13 get on with it and no more questioning about it. So I
14 think it's important that we address the problem of
15 centralization.

16 THE MODERATOR: I'd like at this point to introduce the
17 questionnaire. I think it will be helpful to solidify your
18 thinking and it will take about twenty minutes to go
19 through this and the questions are designed to elicit two
20 things. A profile of you as a cross-section of Alaska and
21 to elicit clearer thinking on your part as you address
22 these issues. So if I can now ask you to do that, I'd like
23 to read the instructions. Is that all right with you, Mr.
24 Moderator?

25 MR. UCHITEL: I guess so. I would say this: Since

1 people are starting to talk, maybe if we can hang onto that
2 just a second, people are saying something now, and I don't
3 want to lose that.

4 MS. WORL: First of all, I have two things I'd like to
5 talk about. One is in terms of organization of our panel
6 here, and my feeling is that we should have at least loose
7 ground rules, and I think that the Moderator, might best
8 act as a moderator and if the Moderator would want to
9 participate as a participant, there should be some
10 mechanization for that participation. But the thing I'd
11 like to talk about and we've heard some references to it
12 this morning. We always hear about cultural plagiarism or
13 the necessity of protecting the rights to have cultural
14 differences of those societies.

15 We speak of them in high ideals. However, we
16 never do anything structurally to allow for the protection
17 and the survival of the different cultural groups that we
18 have, and I think we need to address ourselves in terms of
19 how do we go about developing government to protect the
20 cultural diversity, the cultural groups that are in Alaska,
21 and I think the most immediate thing we have to face is the
22 matter of representation. We see in Alaska we're going to
23 be going through reapportionment and we see that in Alaska
24 representation is going to be coming from a very specific
25 locale, and I think if we're going to talk about survival

1 of cultures and groups and individuality in this State,
2 then, I think we need to look at the mechanisms that allow
3 for a broader, greater participation of all people in
4 Alaska in our government. I'm speaking specifically right
5 now of Legislature. I think we need to address the problem
6 of reapportionment and how that's going to affect our
7 participation in our government.

8 MS. STRINGER: Sandra Stringer from Fairbanks. I
9 think centralism is going to be the main topic here. It's
10 something that concerns me greatly. I think government is
11 more and more centralized. We're having problems with
12 maintaining the cultures in various areas, but what
13 concerns me in Fairbanks at this particular time and having
14 lived here for the last 17 years is an increasing economic
15 centralization. It seems to me one of the things we ought
16 to discuss is to make arrangements with the State outside
17 the greater Anchorage area adequately viable.

18 MR. UCHITEL: Now why don't we go ahead?

19 THE MODERATOR: These are the instructions for the
20 questionnaire. I'll just read it verbatim. "A
21 questionnaire has been prepared for each delegate to
22 self-administer now. It will take about 20 minutes for you
23 to fill it out. After completing the questionnaires, the
24 data will be tabulated and we will report back to you
25 tomorrow on the results.

1 "The questions were drawn from the ideas,
2 conclusions or proposals put forward by the three-dozen
3 papers prepared for this conference. If you have not read
4 all the papers, you may find it difficult to understand, or
5 answer, some of the questions. If that's the case, please
6 leave the question blank and go on to the next question.

7 "From time to time, the name of the writer from
8 whom the question was drawn is also mentioned, for your
9 reference.

10 "Please circle the appropriate numbers for each
11 question, as you proceed through the questionnaire. In
12 ranging questions, 1 is always the lowest rank, and 5 or 10
13 is usually the highest ranking.

14 "The responses to question 25 should be one,
15 cooperative, or two, develop an independent plan.

16 "In question 72, we mean intercommunity roads,
17 that is roads between Alaska communities; in question 74 we
18 mean intracommunity roads, that is roads inside the
19 community.

20 "Some questions ask for an open, volunteered
21 remark, but feel free to write in anything you want on any
22 question. Please make a clear mark on the questionnaire so
23 we can code and process them simply and rapidly," and then
24 we'll collect them up and take them to our data processing
25 center.

1 MR. HERMANN: Of these questions that you have, it
2 seems if we went through them, people have them ready one
3 to ten. I can start sitting down and putting numbers down,
4 but I don't know how you think or she thinks. I think if
5 we went through them as a group. We're asking for an
6 individual response, and what we're going to do in the data
7 processing center is put together a picture of how the body
8 seems to feel as a group. They will be ranked in that
9 order.

10 MR. HERMANN: It seems that we always do this, and
11 when we make a statement to sit here and talk and we send
12 them to Portland, but the thing that goes in precedes that
13 and not every time is what the group feels in the
14 discussion, it's what's going to be put down in here.

15 THE MODERATOR: No, if there is a minority position
16 that is going to be spelled out, too, very clearly. You'll
17 see later on we prepared recommendation forms both for the
18 minority fee and majority position, and I assure you that
19 this conference will go the long way around to make sure
20 that everyone's attitude is carefully represented.

21 MR. WOODS: My question is this essentially tests our
22 attitude going into conference?

23 THE MODERATOR: That's correct.

24 MR. WOODS: What tests our attitude going out of it?

25 THE MODERATOR: We may devise one during the course of

1 this conference. That's a distinct possibility. Let me
2 pass these out, take a few minutes to look them over and
3 get going on them.

4 I think you'll find it useful.

5 MR. HERMANN: I hope so.

6 MR. WOODS: Do you want names on this thing?

7 THE MODERATOR: No, completely anonymous, please.

8 MR. UCHITEL: You said these are anonymous?

9 THE MODERATOR: They're completely anonymous, please.

10 (A short recess was taken for the purpose of filling
11 out the questionnaire, and the following proceedings were
12 had:)

13 MR. UCHITEL: Excuse me. May I interrupt this so that
14 we can get on with it. Apparently at twelve o'clock we
15 break for something.

16 THE MODERATOR: For lunch.

17 MR. UCHITEL: And we come back at one. So perhaps
18 some of you that aren't finished, perhaps you can finish it
19 at lunchtime --

20 THE MODERATOR: No, I'll need them now.

21 (Noon recess.)

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1 that we think is long enough or appropriate to feel
2 comfortable with.

3 The other chart that we have with the big
4 question mark, the yellow pad, is the discussion areas as
5 they are proposed in the yellow hard out book that you have.
6 Item I was the alternative futures and then Roman Numeral
7 II, III, and IV, resources is item IV listed there, and
8 within the discussion of resources, we have those broad
9 areas, and I don't think they're necessarily limited to
10 that area, but it serves as a starting point for some
11 discussion to determine what direction we think this group
12 is heading. And some other groups throughout the next
13 couple of days will also begin with those issues and I
14 think the general report might indicate what happens from
15 there on out. I'm not familiar if there are any other
16 things to be made. Do we have any more remarks or
17 instructions to this group?

18 MR. MADDOX: No, you're doing fine. Thank you. My
19 role here is to interfere as little as possible unless you
20 come to loggerheads over something or the information.

21 THE MODERATOR: The Group's discussion, then, on
22 resources, just in the order of priority, we have oil and
23 gas policy. I think how the discussion goes and in what
24 areas should be discussed, does anybody want to make
25 beginning comments at this time on their feelings? I think

1 some, Kobita Worl, what we need to know is whether there's
2 a general pattern towards how the rest of the conference
3 will go based on how we feel comfortable right now. Why
4 don't you make your remarks.

5 MS. WORL: Mr. Chairperson, we are going to begin our
6 discussion on oil and gas, I assume? Was that your
7 decision? .

8 THE MODERATOR: It's not my decision. If there is no
9 objection, we might go with what we have listed of the
10 order of things that have to be discussed, what we're given
11 as the areas of issues that we feel comfortable in
12 discussing.

13 MS. WORL: Mr. Chairperson, before we get into a
14 discussion of the topics, I would like to for a few moments
15 discuss the questionnaire that we just took, and I
16 understand we're going to be taking it again.

17 It is my feeling that the questionnaire should be
18 used solely for the purposes of discussion, but not to
19 reflect the position of any individual or as the material
20 is interpreted as the position of the group. I have
21 serious difficulties with the questionnaire, and I think
22 that rather than getting into a whole lot of discussion
23 about the questionnaire itself, I would just like to either
24 make that recommendation or make that note that it be used
25 solely for purposes of discussion, but not to reflect the

1 position of individuals or interpreted as a group decision.

2 Mk. MADDOX: Mr. Tiepelman, may I speak to that?

3 Mk. TIEPELMAN: Yes.

4 Mk. MADDOX: It was never our intention to allow the
5 questionnaire to be reflective of the Group's issues. This
6 was strictly for in-house analysis of where the delegates
7 were coming from, where they were when they arrived. Our
8 final product will be your recommendations, and that's the
9 only group concensus that we're looking for, your final
10 recommendations on the issues that you're going to deal
11 with. The questionnaire will have no bearing whatsoever
12 and it was never intended that way.

13 MS. WORL: Mr. Chairman, I'm really being a researcher
14 myself in knowing how questionnaires are used. I want to
15 make that as part of the record that it not be used as a
16 reflection of anyone's position.

17 THE MODERATOR: Those will be noted as part of the
18 transcripts that will be available. Frank?

19 MR. WOODS: I feel the same way she does.

20 THE MODERATOR: Let me ask this question: Is there
21 any way that this group is going to have, say, an
22 indication of any portions of the questionnaire as far as
23 how the attitudes are reflected without say --

24 MR. MADISON: You'll get a report tomorrow, and it's
25 being analyzed right now.

1 MR. WOODS: Let me comment on your list here. A
2 reason of mine is that during the oil and gas, I don't
3 think that's really the thing we're looking at. We're
4 looking at renewable land, timber, fisheries, and game and
5 agriculture. It seems to me the only discussion we want to
6 talk about is oil and gas. I think oil and gas is
7 secondary. I notice on that list, you've got oil and gas,
8 and on this list we've got oil and gas.

9 THE MODERATOR: The way it's listed, I took it off the
10 order of agenda, and that's why I didn't put any numbers as
11 far as priorities.

12 MR. WOODS: You mentioned the priorities, the first
13 one is oil and gas. Myself personally, I'm prejudiced.
14 I'm a fisherman. I don't think of it as a priority.

15 THE MODERATOR: Any members want to respond on
16 resources?

17 MR. WELTZIN: I would say that it's not important to
18 me, but it has far reaching implications on the State as a
19 whole and the one issue concerning the oil and gas issue is
20 the rate that we use and exploit these resources, and I'll
21 start out with the statement that I think the state of
22 Alaska should take a slow pace towards oil and gas and
23 exploration in the future because of the 3.5 billion
24 dollars sitting around right now, and we should really
25 preserve some of these for use in the future.

1 MR. McCUTCHEON: I'll add to that. We have to go slow
2 because the oil and ground report is going to be produced.

3 MR. MADDOX: Would you identify yourself, please.

4 MR. McCUTCHEON: Jerry McCutcheon.

5 MS. TROLL: One thought I've had about oil and gas in
6 regard to the taxation is I would like to see some of that
7 tax going directly into alternative energy programs and
8 kind of like a transition tax used in renewable resources.
9 It's not a renewable with resource, it helps carry us over
10 to the renewable state. So it would be some kind of a
11 transition tax that would go directly into ongoing projects,
12 energy out in the bush and put it in the programs here in
13 Alaska.

14 MR. WOODS: Would that include such things as small
15 hydro projects in the southeast?

16 MS. TROLL: Yes, because I think the insight I've
17 gotten into in the alternative energy program, there's a
18 lot of effort that's being generated, and when one
19 generation gets small hydro projects or something like the
20 Alaskan Resources Project, to put that money into
21 alternative projects.

22 MR. McCUTCHEON: A lot has happened to Alaska from the
23 renewable corporation which is a non-profit corporation
24 probably a decade or so. At some juncture, it will produce
25 energy which is cheaper. We're discussing the Susitna

1 Project and the Alaskan Renewable Resources Corporation and
2 the Alaskan Renewable Resources Corporation as I understand
3 it has to be a profit making venture and something like the
4 Susitna Project is going to produce low cost power, and it
5 may be a decade or so before it will be able to pay its own
6 way, but at some point it will present a ceiling as to what
7 the power costs will cost us in the rail belt area, and at
8 that juncture it will then turn a profit and so on for the
9 next 500 years.

10 THE MODERATOR: This is Dennis Tiepelman speaking
11 again.

12 Let me give you a scenario and see whether or not
13 there's opinions you can react to and this involves not
14 only the resources category but it gets into the specifics
15 of probably the implication of oil and gas policy as well
16 as fisheries, and this happens to be in the area of say
17 coastal zone management. We're talking about fisheries
18 competing with the need for further oil exploration to be
19 developed on the offshore basis, and what's happening right
20 now in this State is the pending Beauforth oil lease sales
21 that are to be next week, and at the same time, there is
22 the lawsuits filed to prevent that from occurring. So that
23 both sides of the issues can be argued, and on the one hand,
24 you have the people in those various communities expressing
25 the need that certain kinds of life-style and resources

1 such as the whales and the coastal areas need to be looked
2 at a little closer. And on the other hand we have the
3 energy crises of the oil companies and other people needing
4 to address that situation.

5 In the area of competing resources, what opinions
6 from the various group discussions here can we state to try
7 to see whether or not here's a better understanding of how
8 that's going to affect the long range Future Frontiers'
9 concept of looking at it with also the thought in mind that
10 in some ways financing or legislative action has got to
11 address that whole area.

12 Does anybody wish to respond? Rosita.

13 MS. WORL: Rosita Worl. I would like to throw out a
14 recommendation that come from this body and also throw it
15 out for discussion.

16 I recommend that no state oil and gas leases be
17 let until the coastal zone management plan for each region
18 has been enacted, and I'd like to just discuss that for a
19 few moments, if I may.

20 THE MODERATOR: This is Dennis Tiepelman. As a
21 further clarification of that recommendation, can you state
22 the basis of why that recommendation would be made for
23 clarification of other people that might want to know the
24 issue. For instance the CZM law versus OCS strategies.

25 MS. WORL: I don't understand all of the legal

1 implications of it all, but I'll share with you what I know
2 or what someone else knows about it.

3 As I understand it, there is a federal law that
4 is called the Coastal Zone Management, CZM, and under that
5 law, communities, and that's undefined, are allowed to
6 develop or allowed to develop a Coastal Zone Management
7 plan. And under that plan, they develop an inventory of
8 their resources both in terms of its natural resources such
9 as fisheries or in some areas, subsistence resource areas.

10 Anyway, the local community defines what is
11 important to them and how do they want to plan for oil and
12 gas development.

13 So the communities meet, they discuss, they
14 formulate plans that protects their interests as a
15 community. And then some may act formal, if they're
16 organized as a bureau government, they formalize a plan or
17 ordinance plan that's adopted by their local government,
18 their bureau government. That plan goes to -- I'm not sure
19 an order, a coastal zone council which is a statewide
20 council. That council reviews the local plan and has the
21 opportunity to respond or change, amend, and I'm not too
22 sure of the order. It may go back to the community. There
23 is further negotiations. Then it also goes to the
24 legislature. The legislature also reviews the plan.

25 Well, the purpose behind this plan is to develop

1 local participation, local input, and local decision making
2 however that, you know, there are two levels that it must
3 go through. I think it's a federal law that's already been
4 enacted.

5 here in Alaska, we pit ourselves between national
6 interests, state interests, and local interests, and I
7 think all of us who are from Alaska know that we are tired
8 of being ruled from a government that's somewhere farther
9 away from us.

10 So the concept of local government, local
11 management is basic and an inherent part of this Coastal
12 Zone Management. And like our Fairbanks delegate said, oil
13 and gas is here and if we're going to have develop -- we
14 are going to have development, there is absolutely no doubt
15 about that,, but at least what we can insure is that we
16 protect our interests at the local level, we insure
17 ordinary development, and we insure some protection for
18 Alaskans.

19 And so my position is that all communities, local
20 communities should have that option. That plan should be
21 in force before oil and gas development occurs in that
22 local area.

23 THE MODERATOR: Does anybody wish to express an
24 opinion about clarifying that further or give another
25 viewpoint that is not the same as what Rosita has expressed

1 at this time?

2 MR. McCUTCHEON: Almost look at the report. I'll
3 second it if it's a motion.

4 MR. MADDOX: Mr. Chairman, with regard to the oil and
5 gas issue policy, I would like to call your attention to
6 who is here. It's people simply with respect to oil and
7 gas policy, but he is here and available to address you.

8 THE MODERATOR: Would you like to make some
9 introductory remarks based on the discussion?

10 MR. LIPTON: No, I don't feel impelled to interject
11 personal opinions or responses, but I'd be delighted to
12 answer any questions that you would like to --.

13 THE MODERATOR: As we go along, then, I think we can
14 expect you to be a resource person that can share some
15 perspectives.

16 MR. LIPTON: If I can, I will.

17 MS. TROLL: I have worked as a consultant in the
18 development of a few coastal management plans. So while I
19 really support the notion that was presented down there,
20 there are some general problems that I will share with you
21 and that is the whole notion of what does consistency mean?
22 That is kind of like the carrot which local planning
23 initiatives get started, because there's a consistency
24 clause that said federal and state agents or management
25 actions must therefore be consistent with the local coastal

1 management plan.

2 Well, I did a little bit of reseach in trying to
3 find out what does that consistency mean, and there's a
4 couple of loopholes about national security and the
5 nation's best economic interest and there's a couple of
6 special stipulations that regulate to oil and gas leases.
7 So the real question is consistency and what it means for
8 top and local government is yet to be determined, and I
9 think we're going to see what happens in this rural case
10 right now. So the question of being able to enforce an act
11 to direct oil and gas policies has yet to be resolved. It
12 is going to be resolved in the courts.

13 MR. GARVIN: John Garvin. I would like to ask Mr.
14 Lipton to respond to what might be the implications of this
15 resolution that's before us.

16 MR. LIPSON: Let me just say that the resolution that
17 I just heard, the proposal that was laid before the group
18 bears upon one of many aspects of what is essentially the
19 potential conflict of interest, this being resource
20 development and other values the state might have whether
21 it's coastal zone, whether it's environmental protection,
22 whether it's balancing the need elsewhere in the United
23 States with a maximum contribution of oil and gas from
24 Alaska versus Alaska's own interest perhaps in delaying it.
25 All of these things from different aspects represent

1 conflicting interests, and it seems to me that the basic
 2 problem that you're struggling with here now in choosing
 3 the values and the directions of policy for Alaska over the
 4 next ten years is on what basis you make this selection
 5 between conflicting interests. You will always be faced
 6 with the problem do we want to threaten our environment or
 7 do we want to produce oil and gas for export? Do we want
 8 to produce oil and gas for consumption at lower costs or if
 9 that be the case -- (Inaudible). I suspect that the major
 10 problem you have in looking at Future Frontiers is not so
 11 much the specific judgment. Do you hold up all state
 12 leasing until every area of the state has enacted its own
 13 Coastal Zone Management programs and accepted it at every
 14 level, but how does the state go about balancing these
 15 conflixtions? And this is a run through of aspects of
 16 leasing policy, of tax policy, how much money to spend or
 17 can you wait until later on?

18 So it's difficult to respond to the complications
 19 of this one thing, this one aspect of what will be the
 20 continuing, and the choices you will make over the next ten
 21 years will have a broader range than you've ever had before.
 22 When the resources are going up, you have wide choices you
 23 can make. So I can't answer that specifically. All I can
 24 say is is that this problem doesn't stand in isolation.
 25 It's part and parcel of the continuing resolution that the

1 state of Alaska will have to make between the alternative
2 interests which are in conflict, one with the other.

3 Mr. McCUTCHEON: McCutcheon. I didn't understand the
4 lady at the end of the table to say that all oil and gas
5 leasing was to be held up until all the coastal management
6 plans were in. I understood her to say that where the
7 leasing was to take place offshore; that the coastal
8 management plan would be in place. Am I correct?

9 MS. WORL: Yes.

10 Mr. McCUTCHEON: And that's substantially different.

11 Two, somehow it's been presented that the
12 national policy that's in the best interest of this country
13 to produce all the oil and gas that we can at this time,
14 and I most whole heartedly disagree with it. Since we are
15 at the end of the oil and gas era of the United States, I
16 would suggest that maybe we ought to hang on. It's like
17 saying we will need oil and gas today but not tomorrow and
18 that's not so true. Well need oil and gas just as much
19 tomorrow that somebody has to say to the federal government
20 that hey, you better think about tomorrow, not just today.

21 THE MODERATOR: By way of additional information, two
22 weeks ago, there was a work shop held in Anchorage by
23 members that are involved with Coastal Zone Management as
24 it applies to Alaska and the CCS leasing schedule that
25 addresses the exploration of oil development in those areas

1 of the coast and there was also representatives from those
2 rural areas that are immediately impacted or soon to be
3 impacted, and there was a discussion of the issue of
4 Coastal Zone Management and outer-continental shelf leasing
5 schedules where the issue really came down to the idea that
6 we won't know for sure where a consistency lies until it's
7 been tried in the courts because the interpretation of both
8 sides in what I would call the political arena, you have
9 competing interests for what unfortunately in this instance
10 is maybe a conflict of how that coast is going to be used
11 and that until the lawsuit gets some sort of a judgment,
12 both sides of group discussions will center around what is
13 more appropriate than what is consistent, and I think those
14 of you that are representatives from different areas should
15 feel comfortable in expressing their opinions both pro and
16 con because I don't think anybody denies that there are two
17 sets of the issue and that is the purpose of this group of
18 people to lay out some additional opinions that either can
19 be clarified or someone can come forward and say I disagree
20 for those reasons and more than anything else, the purpose
21 of this is to take a look at those various perspectives
22 that we call in a lot of cases the conflict.

23 Does anybody else wish to respond to the
24 recommendation have no leasing until the applicability of
25 that that Coastal Zone Management as it applies to bureau

1 and CCS is kind of still to be decided.

2 MS. STRINGER: I'm asking a question which is really
3 very basic because my own background in this area is
4 negligible. However, in listening to your discussion, that
5 it seems to me that those of us who have very limited
6 background may address this: Whatever we want is to decide
7 that the federal government supersedes state's desire,
8 which is likely to take precedent. It seems to me we're
9 back into an almost state's rights situation which in
10 rationale was in certain respects a few years ago.

11 MR. MADDOX: It's axiomatic in language of the general
12 systems theory, that that's society. That socio-cultural
13 system which would harness the greatest amount of energy
14 per capita per annum will prevail. I will suggest we're
15 214,000 strong. We can harness that energy and enforce our
16 resources politically and intelligently. We may very well
17 be able to prevail to that situation.

18 MS. STRINGER: It seems to me that indeed to harness
19 the energy we might, but control it is my question. Do we
20 need to control it? If it is decided by the remainder of
21 the population of the United States that national interest
22 requires that the United States get that energy out over
23 the next ten years rather than say the State of Alaska
24 might decide it would be valuable to us that the stuff stay
25 in the ground where it accrues, not only interest in terms

1 of dollars, but that we might have it for future
2 generations. We can harness, but do we control. It's very
3 basic to the discussion.

4 MR. MADDOX: That's a political question.

5 MS. STRINGER: If we don't discuss that, we can make
6 resolutions from here to eternity.

7 MS. WORL: I know that the topic is of a much broader
8 topic than my resolution addresses. What we're talking
9 about is oil and gas development, what are our policies,
10 national interest, state interest, and maybe local interest,
11 and also maybe one might discuss the merits of the Coastal
12 Zone Management Act. I agree that those are all very
13 important topics. However, this one, you know, this one
14 resolution just addresses something that is already enacted.
15 It is a federal law. The federal law is saying to the
16 state and to the local area, you develop your Coastal Zone
17 Management Plan and then however it's enforced is something
18 else. But at least we start off with a plan. We start off
19 with local government, local citizens participating in the
20 development of a plan. That's all this resolution is
21 talking about, just one specific tool. We may want to
22 broaden the resolution to talk about state interests or
23 local interests versus national interests which this
24 resolution is part of that, but all this resolution that I
25 have proposed is saying that let us use this one tool that

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1 we do have, just this one, however small it is. You know,
2 I know that there are all kinds of problems with it. You
3 know, whether we want to discuss the merits and pros and
4 cons of the Coastal Zone Management act, you know, maybe we
5 might want to do that. All I'm saying in this resolution
6 is calling for the adoption or the implementation of a
7 federal law that already has been enacted, but not
8 implemented. And I'm just saying let us implement those
9 plans before oil and gas development. Let us have the
10 opportunity to plan for whatever kind of development we
11 have because it does give the communities the opportunity
12 to assess their resources, their human resources, their
13 natural and physical resources before they start making the
14 plan and before development proceedings.

15 THE MODERATOR: By way of information, to the rest of
16 the participants here, is there anybody here that's
17 knowledgeable or can give us a summary of the application
18 of OCS and how it's derived as far as federal law and the
19 method or manner of how it comes to mean the
20 intercontinental shelf leasing schedule? Because I think
21 so far, we've addressed the applicability of a federal law
22 called the Coastal Zone Management Act of whatever year
23 that was and its application is how it's been put together,
24 but the North Slope Borough as a local government and its
25 relationship to how they perceive OCS to be in the North

1 Slope Borough because it still needs interpretation under a
2 law. It's gone to a lawsuit, but is OCS leasing schedule a
3 result of a specific act as of such and such a date?

4 Mr. LIPTON: No, the leasing schedule, the federal
5 leasing schedule from the outer-continental shelf was
6 determined by the administration. It was determined
7 pursuant to the decision to accelerate the speed at which
8 the potential resources on the federal jurisdiction should
9 be tested. And there was nearly an elaborate evaluation of
10 the oil and gas potential, and then in the Department of
11 the Interior there was devised a schedule for leasing. It
12 does not have, it does not have a force of statutes that
13 was determined by act of Congress, but it was determined by
14 the administration as the pace at which it shows to explore
15 the potential resources in the inter-continental shelf.

16 THE MODERATOR: So that begins from the Coastal Zone
17 Management to enact up to Congress and the issue to be
18 tested then is the impending lawsuit and how it gets
19 interpreted.

20 Other comments?

21 MR. NAUGHTON: My name is Ed Naughton.

22 Can anybody here tell us what we're talking about
23 in terms of potential gas and oil leases? Are we talking
24 in terms of not leasing? In other words, what besides the
25 North Slope are we talking about? Are we talking about

1 some potential in the area or are we talking about
 2 potential leases in the Fairbanks area? Are we talking
 3 about the potential leases for the Laska Pass? What are we
 4 talking about when we say don't lease?

5 MR. MADDOX: I think what we're dealing with here is
 6 the potential conflict between the expediency of providing
 7 our principal nonremovable resource to the Lower 48 States
 8 and other parts of the world against the development of our
 9 principal renewable resource, our fisheries, and this is a
 10 direct head-on confrontation between these two basic energy
 11 sources, protein energy and petroleum energy. The needs of
 12 the country are such that the schedule is being stepped up
 13 at the most rapid rate possible from their point of view.
 14 At the same time, we're concerned with the impact of that
 15 development on our fisheries and so we're -- we are talking
 16 about oil leases in Yakutat and Kachemak Bay and Bristol
 17 Bay, in the Bering Sea. We're talking about the
 18 exploration of and drilling for oil and gas in what is
 19 potentially the richest fishery in the world. This is the
 20 source of the conflict as I see it.

21 MR. NAUGHTON: Is what? That's why I'm seeking to
 22 find out what we're talking about because the United States
 23 nationally doesn't particularly care about fish. In fact
 24 the attitude in the national capital is that God put the
 25 fish out there so the foreigners could catch them and put

1 them back to put dollars in to sell bonds with. I want to
2 get a better look at what we're saying because there's a
3 lesson in the reading of the oath, whether it's better to
4 bend a little bit with the national interest rather than
5 try and draw a line and say absolutely nothing beyond this
6 because you can get run over so quickly when you're dealing
7 with the national government.

8 THE MODERATOR: The immediacy of OCS right now is in
9 some ways in conflict with the North Slope Borough plan and
10 the need for exploration in the outer-continental shelf.
11 However, the OCS leasing schedule, a five-year plan
12 indicates that these are the areas coming up for
13 nominations for tracts that also includes the Kodiak area,
14 the St. George Island, the St. George Basin and the Norton
15 Basin in the Nome area. So those are not so much being
16 discussed as being so immediate as to not create a conflict
17 right now.

18 However, the Coastal Zone Management Act at that
19 period of time might have a plan as far as how the two
20 competing resources might decrease each other's potential
21 conflict and disaster, so to speak, and so what we've
22 discussed so far is the recommendation and its application
23 for future utilization of resources in Alaska is only
24 compounded by what we have going in the North Slope Borough.
25 Frank?

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1 MR. WOODS: Well, maybe to answer the question --
2 Frank Woods, Bristol Bay. It seems to me we're talking
3 about oil and gas but if you look at the history of the
4 United States, they've been dealing with what you call oil
5 money for years and the dollar itself is down. The United
6 States has never dealt with resources like agriculture and
7 fishing which is protein and also people. They've dealt
8 with oil money all the time. That's one of the problems.
9 I don't think we want to be in that same situation twenty
10 years from now, 30 years from now, but once it has gone, we
11 don't have anything. If we leave it there, we know it's
12 worth money. What it is is how do you get the two to work
13 together? And I think the federal government itself is
14 saying instead of repeating on our mistakes, let's honestly
15 look at this problem between the two.

16 MR. McCUTCHEON: I think Rosita's position is a very
17 defensible position and one which I don't think we would
18 get run over from the federal government. It's simply a
19 position that is asked let's simply see what we know what
20 we are doing before we do it and I think that's what she's
21 saying there, and I think this is the same thing we find if
22 Congress is mandated and that is the federal, that is, the
23 administration which is now in conflict with a law of the
24 federal government, and I think politically we have the
25 resources; that is, money to campaign and prevail if we

1 really decide to do it and I don't think from her position
2 or there may be some more positions, but I don't think we
3 could be run over from the position that she has taken.

4 MS. STKINER: Sandra Stringer, Fairbanks again. I
5 can agree with this particular position that was enunciate
6 had by Rosita earlier if I were fairly aware of how much
7 progress has been made on the coastal zone management plans
8 because if the plans themselves were being either
9 forestalled or local people decided for some reason or
10 other to progress, peace with them. A decision -- if we
11 back up the resolution like this and we can assume
12 attention will be paid to our resolution. A decision could
13 be made by delaying the plans if no action is to be taken
14 to the plans or plans formulated, then, that makes the
15 decision. That bothers me. I'd like to see it brought out
16 more.

17 MR. MADDOX: I'd like to call your attention to the
18 fact that we've been debating this particular issue now for
19 approximately 50 minutes, and I would like to suggest that
20 you attempt to resolve it within the next ten so we can
21 take a five-minute break and attack something else.

22 THE MODERATOR: Let me try to conclude with the
23 following remarks: The courts are going to interpret the
24 OCS an ocean management as it applies to the North Slope
25 Boroughs Coastal Management Plan and that the

1 recommendation is not out of line in the sense that for the
2 next ten years we need to keep that perspective as they
3 develop because in that same period of time, I think both
4 areas will try to achieve consistency, and something that
5 both sides can work with and as time permits throughout the
6 rest of these sessions we can bring out specifics on this
7 matter again but it's not out of line for this
8 recommendation to go as a group based on discussions that
9 what we said so far is appropriate and that it, the frame
10 of events that are still going to occur now is the result
11 of activities that in some ways we have expressed our
12 opinions of how those people should interpret it and view
13 it but we can't guarantee that they will racket to that
14 under our assumed rationality of we've achieved this
15 recommendation.

16 Getting onto if next portion, let's talk to some
17 degree about fisheries because in some ways --

18 MR. McCUTCHEON: are we going to wind it up. Can we
19 either go to accepting her recommendation at this time or
20 not?

21 THE MODERATOR: I have heard no recommendations to it.

22 MS. WORL: Whatever form we decide to take --

23 MR. McCUTCHEON: You put the motion and I'll second it.

24 MR. MADDOX: Our court recorder here will be
25 summarizing your statements and stating the recommendations

1 as you have given them on a sheet here which covers the
2 general area, the category within that states the specific
3 recommendation and provides information as to the
4 background that led to that recommendation from the group.
5 This will be available on an expedited basis. We have an
6 electronic miracle here that feeds it into a computer and
7 get a printout immediately.

8 MR. McCUTCHEON: Can we vote on it or assume that it's
9 been accepted.

10 MS. SANDE: Did you read that?

11 THE MODERATOR: The major topics of discussion will
12 have the following as an interpretation of recommendation.
13 Then it will mention a general area, the category, and then
14 the specific recommendation which we've discussed for about
15 45 minutes, maybe half an hour. Then there's a listing
16 here of major factors or considerations leading to the
17 specific recommendation. Again, those are the discussion
18 items that have gone back and forth and allowed various
19 individuals to speak up on. The portion here is financial
20 impact, item number 14-FY-81. Item number two is the
21 projected need for the next ten years. That is still
22 subject, I think, to interpretation because we haven't
23 applied that specifically to our recommendation in
24 discussion right now, and then the very last thing here is
25 the timing.

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is that the length of timing, too?

MR. MADDOX: No, not necessarily. That would be your time frame for effecting the recommendation if you make it.

MS. SANDE: What exactly was the recommendation?

THE MODERATOR: Kosita, repeat the recommendation.

MS. WORL: No oil and gas state leases until the local, and that's not defined, local or regional Coastal Zone Management plan is adopted and implemented.

MR. STEPHEN: Is that just dealing with State leasing or State recommendations on federal leasing?

MS. WORL: State leasing.

MR. McCUTCHEON: I'd like to second it and then I'd like to make an amendment to a concluded basis.

MS. SANDE: Only dealing with oil and gas?

MS. WORL: Just oil and gas.

THE MODERATOR: Just a minute. We have a gentleman here. There was the motion to accept the recommendation, it was seconded by him. Because he has the floor, he can make the amendments which at that time if somebody would like to discuss the amendments further he can second it for discussion. That way there's a formality and process of how people can effect the main motion and whatever amendments. When it comes time to vote on it, then, nobody has an unclear idea as to what the vote's going to be.

MR. McCUTCHEON: For about three seconds --.

1 THE MODERATOR: I'll allow you to do the second and
2 state the amendment as well.

3 MR. McCUTCHEON: My name is Jerry McCutcheon, I'll
4 amend Kosita's second motion and then an amendment to read,
5 to include also, also include any federal leases because
6 there's not much point in sewing up the state. You may not
7 be able to block the state -- we may not be able to block
8 the federal government, but the state and they should go
9 together.

10 THE MODERATOR: Is there a second to that discussion?
11 Stephen?

12 MR. STEPHEN: Second.

13 MR. McCUTCHEON: Can I speak?

14 THE MODERATOR: Jerry McCutcheon.

15 MR. McCUTCHEON: One of the reasons I want to bring
16 out something here. Back in 1975 when I did, there were
17 four million state acres that were leased out on shore and
18 there were four million acres in Alaska, four million acres
19 state and federal government leased out Alaska in which
20 there was no production, no exploration, no production or
21 exploration. And in the United States at that time there
22 were 75 million acres which were neither for production nor
23 for exploration. There's a hell of a lot of land out there,
24 and maybe it's not worth much, but two things ought to
25 occur first before we go and jeopardize resource. They

1 either ought to give the lease up or get on or off the pot.
2 This is, you know, the state of the country says they need
3 this. We're going from here to there to somewhere else.
4 For example, today, for every barrel of oil that we produce,
5 we render two barrels of oil unrecoverable. It's because
6 we're dropping the pressure. We're not maintaining the
7 pressure on the reservoir. It's kind of idiotic to go to
8 gutting one reservoir and gutting and gutting and say it's
9 national policy when as a matter of fact the way we have
10 adjusted our tax laws, general rates, this very type of
11 thing. So the question is what will we do with --

12 One of those two barrels which are renting
13 unrecoverable back again. They do recover it by late
14 pressure and special things to the reservoir. So I think
15 we're really in a comfortable position to argue our case.
16 At least I think it's our case. What they need to do is to
17 maximize the recovery from the reservoirs they've got to
18 maximize the potential --

19 THE MODERATOR: Let me cut in by making the following
20 statements: You have made a motion to amend, to include
21 CZM and OCS schedules to be applicable to both state and
22 federal uses and it has been seconded. Without trying to
23 limit it to too much debate, let me ask you are you ready
24 for the question on --

25 MR. MADDOX: This is a public forum. You are a member

1 of the general public, not a delegate here. I would like
2 to hear a second from that amendment coming from a delegate.
3 Members of the general public are not to vote on these
4 issues. These are the ground rules.

5 MS. ROWLEY: I'll second it.

6 THE MODERATOR: Are you ready for the vote? All those
7 in favor of the amendment to have OCS to apply to both
8 federal and state leases signify by saying aye.

9 Are you ready for the main motion which is to
10 recommend the leasing schedule under CZM applicable laws
11 and its consistency?

12 MR. GARVIN: Question.

13 THE MODERATOR: The question has been called. All
14 those in favor of the main motion signify by saying aye.
15 All those opposed signify by saying nay.

16 MS. STRINGER: Sandy Stringer from Fairbanks, and I
17 have a motion to offer as a companion motion to this and
18 that is in order to facilitate evaluation of possible state
19 and federal oil leases in Alaskan and coastal areas,
20 coastal management plans in various communities be
21 expedited.

22 THE MODERATOR: Let me make the following statement.
23 I think that by law it is already, is a definite schedule
24 and that the five year OCS schedule is subject to
25 interpretation as far as some of those leases being

1 postponed or so that the consistency of OCS or YZM is less
2 severe.

3 MS. STRINGER: I don't feel I understand your answer.
4 The motion hadn't been seconded yet. So you responded to
5 it before it was seconded.

6 MS. STATON: I'll second it.

7 MS. TROLL: Kate Troll. Under the Coastal Zone
8 Management right now, there are time requirements in there
9 to incur for the expediting of coastal management plans.
10 The catch is that I think you have five years from the
11 enactment of the act to initiate your plan. If not, the
12 state will come in and do a plan. So there's an
13 insensitivity already built in the Coastal Zone Management

14 MS. STRINGER: Let me direct a question. I think that
15 answers the question that I had, and the reason that I
16 brought this up because as I said I have no objection to
17 the resolution which we just passed as long as it was not
18 being used as a means to forestall leasing indefinitely by
19 forestalling the development of Coastal Zone Management
20 plans indefinitely. So I withdraw my resolution.

21 THE MODERATOR: The motion for that recommendation has
22 been withdrawn.

23 Fisheries, getting back to the subject of
24 fisheries. Rosita.

25 MS. WORL: Am I to assume that our discussion on oil

1 and gas has been tabled until a later time? Because I
2 don't think that takes care of oil and gas.

3 MR. MADDUX: Could I suggest a five-minute break?

4 THE MODERATOR: Okay. A five-minute break.

5 (Short recess)

6 THE MODERATOR: There is a tremendous amount of
7 discussion, and dynamics warrant that we would have to
8 impose instruction or rules that some of you do not
9 appreciate, but I'm trying to represent to the group to get
10 together.

11 Now that my speech is finished, the next subject
12 that we're trying to get on is fisheries. We have a couple
13 of people here that have expressed that they have an
14 interest or come from the background of being fishermen, so
15 perhaps to kick off some areas of discussion, Frank Woods
16 here can maybe express a couple of opinions, and don't
17 forget that we have both delegates and public members, and
18 once certain things are done, I encourage everybody to
19 express an opinion or ask a question. I know that so far
20 some of us or some of you have not spoken up whether it's
21 your nature to be quiet or whether you feel that some of us
22 are imposing go our will more so that it does not ask you
23 to speak up, and I will ask some people to speak up and ask
24 a question so that at least you'll be given a chance, and
25 if there is no discussion after that, I don't think anybody

1 can site for me ramroding some of the proposed
2 recommendations if, in fact, those things come up. You're
3 from the Bristol Bay area; right?

4 Mr. WOODS: Fisherman. Frank Woods from Bristol Bay.
5 We talked about the 3.5 billion dollars, how to use it. If
6 you look at the national level which is called the domestic
7 level, the consumer, the domestic consumes about 35 pounds
8 per capita while Japan does almost four and a half times as
9 great, but if you look at the domestic market, the federal
10 and state government has been almost zero. The Japanese
11 has come in here since 1968, took over the canneries, and I
12 think it's about time that the federal government and the
13 state take a really good look at what we have which is
14 fisheries. It produces about three billion dollars worth
15 of industry, and the problems we have in Bristol Bay has
16 been the spillover effect from the southeast, the problems
17 of local participation. I'm talking about getting good
18 boats, getting good gear. The northern part of the state
19 from Kotzebue all the way down to Bethel is having what you
20 call a Bristol Bay spillover. They don't have good
21 equipment, they don't have good gear.

22 My feeling is that before it happens in those
23 areas, my feeling is the state and the federal government
24 should participate in this industry by putting dollars into
25 the thing. If you look at the economics compared to beef

1 and fish in the Lower 48 or the domestic market, you will
 2 find out the beef is going to keep going up because you've
 3 got to feed the animal. Fish you don't have to. They
 4 return every year. If you look at the consumption rate, it
 5 tells you it is already four and a half times as great as
 6 the domestic market. The domestic market does not even
 7 know what a salmon is. Whose fault is it? It's the
 8 federal government and the state. We know for a fact that
 9 the cost of the product can be reduced to two-thirds to the
 10 consumer on the other end without going to the controlling
 11 factor of Japan which is 80 percent. We know we can do
 12 this, but we don't have any help. We don't have any help
 13 from the state or the federal government. That's one
 14 reason I express my feeling compared to unionable resources
 15 is what we're talking about, gas and oil. We should talk
 16 about protein, people. We have a lot of problems with our
 17 fishing industry because I don't think the state and the
 18 federal government really took a good close look at it as
 19 far as economics. But what really supported the state
 20 before and after we became a state was the salmon industry
 21 and it's still here, but we have so many problems. We
 22 can't deliver our fish, but we dump 200 thousand fish a day.
 23 There's got to be some mechanism where this has got to
 24 change around and it is going to cost money.

25 THE MODERATOR: I think without getting into the

1 specific and in some cases, Frank here has brought up some
2 of the problems associated with the fisheries as it
3 currently exists and implicated in that process is the need
4 for more participation in which the state through its
5 investment of the billions of dollars can begin to look at
6 it and I think this forum here, then, does express some of
7 the methods and means of how that can be done, because
8 somebody has, at the most, expressed an opinion of where
9 those problems are right now. The other areas of fisheries
10 that I would like to invite other participants to express
11 an opinion on, is, say the 200 mile limit, the hatcheries,
12 the marine studies and marine biology that affect fisheries
13 and with that being said, would like to hear more opinions.

14 MS. SANDE: I would very much like to -- well, I guess
15 I'm proposing a resolution that the state invest monies or
16 increase state monies in primary processing facilities on
17 the shores of Alaska and in a hatchery program.

18 MS. STRINGER: second.

19 THE MODERATOR: The recommendation is, the remarks
20 that you have made, there has been a second. For further
21 discussion, state your name and add to your comments on
22 that matter.

23 MR. WOODS: I would, in fact, like to add on what
24 you're talking about. Processing plants. That doesn't
25 solve the problem. You can have a processing plant, but if

1 you can't get the product, you shouldn't have a processing
2 plant. The fishermen and boats and gear, I think they
3 should go hand in hand. You need all three of these. You
4 need boats, gear, and a processing plant. The fishermen
5 are always there. They live within that geographical area.
6 Our problem now is because of limited entry, our permits
7 are being bought upright and left and they're going into
8 the hands of teachers and doctors, dentists, you name it.
9 If you look at the percent rate that was issued back in 72,
10 we did have more Alaskans fishing in our water, but today
11 if you look at it again, we are being overridden by doctors
12 and I hate to say it, but it's true. There's lawyers,
13 there's doctors, there's teachers, there's dentists and if
14 we're going to have good equipment, we can show you time
15 after time, if you have two bad years you have to sell it
16 in order for you to survive.

17 MR. MADDOX: Mr. Chairman. That's, I think, a very
18 valid point and one that is being widely discussed all over
19 the state right now. The whole issue of limited entry
20 permits as commodities on the open market, I would like to
21 hear more discussion of that as an issue. The fact that
22 these permits have become a commodity with such a high
23 value placed on them, is a very clear indication that
24 Alaska's resource other than the people of course is the
25 fishing industry. I think that's a very fine point for

1 departure.

2 MS. SANDE: I think that is true and there are board
 3 officials meeting now and that's one of the topics they're
 4 discussing, but there's also a need for processing
 5 facilities, marketing studies and maybe I could amend my
 6 motion to add research and marketing studies for this phase
 7 of fishing, also. There are year loans that you can get.
 8 All these aspects do need work, but I think the processing
 9 facilities, there is really a need for them. The best
 10 example is in this book we got, was an article by Larry
 11 Cotter in which he went into the Ketchikan area and the
 12 Japanese are coming up with containers and taking out the
 13 abalone. Many of the people on the Prince of Wales Islands
 14 are saying, "Hey, they're being disseminated." And
 15 primarily they're going to Japan. There should be some
 16 primary process set up so that Alaska gets some income from
 17 it.

18 Mr. MADDOX: Essentially this is what you're talking
 19 about. What is the role of the state with regards to the
 20 fishing industry in general. Again, I'll make mention of
 21 the situation I talked about this morning. The two
 22 countries I referred to, Iceland and the Farrow Islands
 23 with their single based economy. Obviously the minister of
 24 fisheries in those places is the most powerful figure in
 25 the country. If, in fact, we agree that Alaska's fisheries

1 are our greatest resource then perhaps the state has a role
2 that is as of yet undefined and should be discussed here.

3 THE MODERATOR: Frank?

4 MR. WOODS: You mentioned that there is programs
5 through the state. The state, for example where I come
6 from, pretty close to 95 percent of our people do not
7 qualify for those loans, but they have their own houses,
8 but they have no track record. These kind of problems I'm
9 talking about and even if I did have what you call a basic
10 track record and I had to buy a boat for \$80,000 which they
11 cost now, I'm not going to tie up my house and my land and
12 put all of my eggs in one basket and go out for that loan
13 depending I might have a chance -- there must be other ways
14 you can do that without tying up your whole livelihood.
15 But we're tied down to the system so bad that we have
16 learned. We haven't been hit so hard before in the past
17 that they're people I know that have lost everything, just
18 because of one bad season, and I don't think that should
19 exist when there is a product that can be sold and lose X
20 amount of dollars. If you take Walter Hickel, they can
21 take your fish ticket and you're worth that much money.
22 There are ways to do it but the state and federal
23 government has not ever gotten into this system. Has never
24 run the economics of when that fisherman leaves the boat to
25 the consumer. There's always been a gap, and the gap, it's

1 a big gap, it's a 400 percent turnover rate. That's why
2 the consumer pays a high price for the product.

3 THE MODERATOR: The specific recommendations that the
4 participation and its use of funds to improve fisheries,
5 under discussion, I will consider the items as major
6 factors or considerations leading to this recommendation
7 and make your comments related to that and then we'll be
8 reminded before the conclusion of that portion of your
9 specific wording of the recommendation again. George, a
10 comment?

11 MR. MADDOX: Mr. Chairman, I'd like to call your
12 attention to Mr. David Allison from the Department of
13 Policy Planning and Development.

14 THE MODERATOR: We'll be taking that next, as soon as
15 George makes his comments.

16 MR. WHITE: I agree with Frank and his reasons what he
17 stated. There are some areas of Alaska where fishing is
18 not as lucrative where fishing is as Bristol Bay and it's
19 very difficult for the fishermen to make a living at times
20 and as Frank says, the result is that the teachers, then
21 doctors and people from outside end up with the fishing
22 permits, and I think that this is, in some cases, almost
23 disastrous to the local community, to the economy of the
24 community and eventually to the economy of the state, and
25 Mr. Chairman, I would like to offer an amendment to the

1 resolution that it include a direct subsidy to the
2 fishermen of the state.

3 THE MODERATOR: Is there a second to that amendment
4 for discussion.

5 MS. STOKES: I'll second that.

6 THE MODERATOR: You may make your comments in
7 relationship to the whole discussion now or tailor it
8 appropriately, but still we would like to hear from you.

9 MR. ALLISON: Dave Allison from Juneau. My specialty
10 is working in botton fish development. I think a couple of
11 the points that were raised, especially the questions about
12 markets apply across the board to all the fishery products.
13 The problem we've run into is that when people talk about
14 the fishing industry, frequently what they're talking about
15 is the fish processing plants. There was recently a
16 meeting in Juneau, a conference called jointly by the
17 speaker of the house and the governor and at that hearing,
18 the industry said no, we don't want the state involved in
19 marketing and no, we don't want the state involved in
20 quality control. They effectively told the state to stay
21 out of those areas, that they did not want subsidies in the
22 fisheries. If in fact that's not the direction that the
23 majority of the people of the state want to go, then, they
24 ought to do something about the people that are
25 representing their industry. Those are the answers that

1 came out, and I tend to agree very much with the statements
2 that are made here. I feel that the state may very well
3 have an appropriate role in assisting the industry in
4 establishing quality control standards in marketing, and I
5 think that might very well be some of the highest level and
6 most efficient assistance and incentives that the state
7 could offer. I would question direct subsidies that would --
8 that it would create a situation where you would draw
9 people who are not efficient fishermen, who are not good at
10 what they're doing. God knows we've got the best fishermen
11 in the world in the State of Alaska. And that's not just
12 hype. It's proven by every research that comes in. Our
13 shrimp trawlers that are out fishing on a per unit of
14 effort return. We're out fishing the big foreign trawlers
15 on botton fish resources. The potential is there. I guess
16 what I'm saying is maybe one of the things that could be
17 done is, this kind of a group that has a broad base, could
18 demand that there somehow, that there be pulled together
19 some truly representative group of the fishing industry or
20 recommend that these, that the Bristol Bay fishermen and
21 the Sand Point and Aleutian Island fishermen and southeast
22 fishermen come together and present a united front,
23 especially in the State Legislature, to go down and take
24 people like Jeff Stephen and take your representatives from
25 UFA, bring them together and get some kind of a coordinated

1 effort. I feel that this kind of thing through the state
2 assistance and through this kind of program might be some
3 of the most valuable assistance to the fishery. I would
4 hope that the group would address, at some point, the point
5 that was mentioned by Dick earlier, that fishery
6 development and fisheries in the state of Alaska is a
7 critically important industry. It is the single most,
8 highest potential renewable resource industry. The
9 government has repeated this time and time again. It
10 almost cost him, in some people's eyes, in the last
11 election for the support of the fisheries and yet in state
12 government right now, you don't have to see that emphasis
13 in the structure of the state government at the present
14 time.

15 I would just hope that you would move in that
16 direction and address some of those internal issues in that
17 industry and if there's some way that you can direct the
18 state or recommend to the state that they assist the
19 industry in that way, I think that might come out with the
20 highest level of benefit.

21 THE MODERATOR: The form for this conference dealing
22 maybe in some ways to specific recommendations might
23 present a different opinion as far as what other
24 conferences might have done, and I think it will be nice to
25 see how some of those might be resolved but nevertheless

1 because there is this form in expressing of certain
2 attitudes, the main motion or the main recommendation and
3 amendment to that recommendation will follow through with
4 those factors being considered as well. Other comments?
5 State your name.

6 Mk. STEPHEN: Jeffrey Stephen. Mr. Chairman, on the
7 subject of the content of the motion, if the state is going
8 to participate in any number of ways that it could
9 participate in the development of fisheries, I would have
10 to take issue with the part of the motion that deals with
11 more state participation in the hatcheries.

12 In the past six or eight months, I've been
13 involved in a number of meetings dealing with hatcheries.
14 And here recently in the last few days there's been quite a
15 bit of discussion on some meetings of hatcheries. And here
16 at the State Board of Fisheries we had Bob Royce in front
17 of the State Board of Fisheries, and we were there for a
18 number of hours answering some questions. And it seems to
19 be a feeling gaining more and more support that state run --
20 I'll make a distinction between state run and non-private
21 but state run hatcheries I think could approach being a
22 severe waste of the taxpayers' money. I think that any
23 added effort on behalf of the state to expand the hatchery
24 program would not be really wise. Just for instance, since
25 the inception of the hatchery program here there's been

1 over \$100,000,000 dumped in the hatcheries. And in that
2 time, they have produced about a million fish or less than
3 one percent of the state's total production of fish. And
4 the future outlook for the potential production of
5 hatcheries is not really good. I would say that the state
6 should participate in the enhancement of salmon. FRED
7 Division, for instance, takes approximately 50 percent of
8 the ADF and G budget, the fisheries part of the budget, and
9 in looking at all kinds of benefit ratios, it's really
10 nowhere giving any kind of a return. And I just -- I do
11 really seriously dispute suggesting that the state continue
12 funding any more hatcheries. I think they should reassess
13 what they're into now and possibly even cut back some
14 funding of the hatchery program.

15 As a matter of fact, in the last legislature, the
16 FRED Division was zeroed out in the Senate Resources
17 Committee, and that was just to bring the point to the
18 surface. Of course, it ended up getting money, but there's
19 a serious problem with hatcheries, and I just think there's
20 other places. There's only so much money to go around, and
21 I think maybe helping some people out who might have
22 problems in getting gear and boats, the money might be well
23 spent in that direction rather than in hatcheries, I think.

24 MR. TIEPELMAN: Some of the statements you've made
25 have also gotten into the area of where the State through

1 the voter bond issues has expressed by the elected people
2 need to develop more hatcheries and how that coincides with
3 your opinions you've expressed so far is also something
4 that further opinions can be expressed.

5 MS. SANDE: I write the permits for a non-profit
6 hatchery in Ketchikan, a Southern-Southeast Regional
7 Agriculture Association.

8 Basically what I was addressing in my motion was
9 the way that private non-profit hatcheries are set up.
10 They were given a loan, but the pay-back back period for
11 that loan was ten years. What they are finding is it is
12 impossible considering a non-profit to begin repaying back
13 that loan in ten years because not enough fish will return.
14 They're usually on a five to seven year cycle, and you
15 simply don't have a big enough return to start paying it
16 back at that point. So there needs to be some revision of
17 that particular part of the hatchery program. That's maybe
18 what I know professionally.

19 Personally, after being involved in it, it takes
20 now for three years in South Alaska, ADG and F has been
21 running the run for pink salmon, the run for pink salmon
22 has been very healthy. This year was not as good as last
23 year, but we've had a consistently good year for pink
24 salmon. Since we're representing trawlers, seiners, and
25 gill. When we start surveying and start actually getting

1 eggs, the cohorts, stocks are in very poor shape. Unless
 2 we start enhancing or doing something, there is not going
 3 to go a company host. There is one brood stock in the Knik
 4 River. There are no others. We have to take eggs there
 5 possibly. This year they didn't get too many because the
 6 run happened to be a slow year. Last year they got real
 7 good kings, but it depends on the run. We tried taking
 8 chum this year. The chum stocks are so low we tended to
 9 take 28 million eggs. We got 11 of which because chums of
 10 salmon died. The problem is that stocks which ADF that is
 11 fairly successful in our area which are kings. We have
 12 good runs, but in the other stocks of salmon which are coho
 13 chum and kings in our area we've almost faced, we're facing
 14 extinction to some of these unless something is done. And
 15 this is why I think we need to spend some state's money.

16 MR. TIEPELMAN: The original explanation was
 17 recommended and we also got into comments that are
 18 associated maybe in some ways to move from the main issue
 19 of those recommendations. However, the comments made so
 20 far are still appropriate and you may speak next.

21 State your name.

22 MR. STEPHEN: Jeffrey Stephen. I agree with a lot of
 23 what you said, and I'm not disputing what you said, but I
 24 think in a motion from a group like this it's going to be,
 25 I think, probably important here to -- somewhat of

1 importance -- I think, number one, it's important to
 2 distinguish so that everybody understands the difference
 3 between non-profit agricultural associations which have
 4 their own hatcheries and the State-run hatchery program. I
 5 agree with some of you that the coho stocks need some help.

6 However, what I'm speaking against is an
 7 expansion of any more hatcheries. I remember here the
 8 other day. They had a list of all the hatcheries in the
 9 State. There's 28 hatcheries I think statewide, and I
 10 think that I would not like to see any more hatcheries
 11 built, but I do feel that possibly the utilization of the
 12 present hatcheries would be in order.

13 Now, as far as private non-profit agricultural
 14 associations, you mentioned they're having a problem. Just
 15 again as a point of clarification, the private non-profit
 16 agriculture associations were set up using money, using a
 17 mandatory assessment on the fishermen in that area where
 18 the agriculture associations operate.

19 Now, since the Court challenges, that there's a
 20 real strong possibility that these agriculture associations
 21 will not have these monies coming in automatically because
 22 there's a court challenge to the fact that it is part of it.
 23 It is a type of a tax, and the State has no right to force
 24 a fisherman to pay three percent of his total gross into an
 25 agriculture association that he might not agree with. Let

1 me finish, please.

2 Now, the fact that if the State got into aiding
3 these private non-profit agriculture associations, what
4 you're going to be having is people in the whole State
5 through their tax money assisting a certain area of the
6 State and fish production there, and I have to take issue
7 with that. That's it.

8 MS. SANDE: May I clarify -- just answer --

9 MR. TIEPELMAN: Let me allow Rosita, who had her hand
10 raised prior to you.

11 MS. WORL: Mr. Chairperson, I'm wondering, we're
12 starting to sound like a fish and game board, and I know a
13 lot of us don't have the kind of expertise that we do have
14 present at the table here. I'm wondering if we might have
15 a general policy statement that we might all, that we might
16 all support rather than getting into a long wish list of
17 the kind of things that we all want.

18 MR. MADDOX: Mr. Chairman, could we address the issue
19 of the role of State with regard to the fisheries as a
20 whole.

21 MS. SANDE: Just to clarify, a court case was decided
22 and the Court case said no there is no mandatory assessment,
23 period. And the reason was only a government entity could
24 be taxed and they defined it as a tax, where any private
25 non-profit is not.

1 MR. STEPHEN: So therefore, the agricultural
2 associations need money and they're going to look to the
3 State to bail them out?

4 MS. SANDE: No, the courts have mailed out voluntary
5 assessment which is simply saying we volunteered to put
6 three percent in, but it is not mandatory.

7 MR. STEPHEN: I was in Juneau two weeks ago and I was
8 finding a lot of people running around looking for money.

9 MR. TIEPELMAN: Let me remind the people here that the
10 amendment to the main recommendation was made by George
11 White, and it might be an opportune time to reiterate what
12 you wish to add to that main recommendation. And if it's
13 appropriate after that, we can put it down as this group
14 sees fit.

15 MR. WHITE: The amendment was that the State can give
16 subsidy to the Alaskan fishermen.

17 MS. WORL: An issue seems to be whether the State
18 should be involved in financial support, and, you know,
19 maybe that's a major question here is how much financial
20 State support should we be giving to the fisheries industry?
21 Maybe we might establish that as saying that that is a
22 priority; that the legislature should assess, is to assess
23 the fisheries and to develop -- well, first of all, maybe
24 establish it as a priority, fisheries as a priority, and
25 the legislature should develop the plans to maximize the

1 benefits of fisheries, the fisheries industries for Alaskan
2 fishermen and women and workers, citizens, whatever. I
3 think maybe if we took that approach in saying what we want
4 to do is to have a state financial commitment to the
5 development of the fisheries or establishing fisheries as a
6 priority. And maybe that might be a substitute motion that
7 we might have and try to broadly state it rather than
8 arguing over private and state hatcheries.

9 MS. SANDE: I agree to that.

10 THE MODERATOR: The recommendation of subsidy, was
11 that applicable to the personal income of the individual
12 fishermen or subsidy of the fisheries program for fishermen
13 in the whole context, the group of fishermen?

14 MR. WHITE: True, individual fishermen.

15 MS. STACHELRODT: There was a motion on the floor, and
16 it was offered as a substitute, and I would like to have a
17 point of clarification. I would like it seconded first and
18 see whether the substitute motion will be acceptable.

19 MR. TIEPELMAN: Somebody remind me of the procedure of
20 a substitute motion, does that -- that takes care of the
21 main recommendation and the amendment so that a substitute
22 motion then is the next order of priority as far as the
23 whole thing should be considered. Would you restate your
24 substitute recommendation?

25 MR. ALLISON: The substitute motion comes first and if

1 that is past that replaces the original amended motion.

2 MS. STRINGER: Point of clarification. Might it not
3 be better if the originator of the original motion agree
4 that that substitute motion be --

5 MR. TIEPELMAN: Let's here your substitute
6 recommendation.

7 MS. WORL: May I make it flexible so we can insert? I
8 offer as a substitute motion and I move that the
9 Legislature adopt as the highest priority the development
10 of Alaska's fisheries for the direct benefit of Alaska's
11 fishermen and women and I don't know what else, citizens

12 MR. ALLISON: And Alaskans.

13 MS. WORL: And Alaskans.

14 MR. TIEPELMAN: The motion has been made. Is there a
15 second?

16 MS. STACHELRODT: Second.

17 MR. TIEPELMAN: State your name for discussion.

18 MS. STACHELRODT: Mary Stachelrodt

19 MR. TIEPELMAN: Any other people wish to make comments
20 on the second recommendation?

21 MR. WOODS: Frank Woods, Bristol Bay. My
22 recommendation, I hear something different from the
23 gentleman sitting in the corner. The way he says is that,
24 my understanding is that the state will take control over
25 the marketing. The state will take control over the

1 fishermen. I don't think it's the State's position to take
2 over the fishermen to control the marketing or the
3 processing. I think what the fisherman is looking for is
4 assistance in marketing. Where is it at? Where's the
5 economics of that product, and also they need dollars as an
6 individual fisherman. I think that's what.

7 MR. TIEPELMAN: Would somebody react to the
8 interpretation as far as the substitute motion? Continue
9 to state your name.

10 MR. ALLISON: Dave Allison. What you're saying is in
11 fact what I proposed, that the State's role is to assist
12 and to provide incentives but not, certainly not to take
13 over the control of the marketing or the fisheries.

14 MR. TIEPELMAN: Am I wrong if this substitute
15 recommendation is subject to the interpretation of the
16 legislature and session, then? We're just assuming that
17 they will do what they think is true and we're putting
18 faith in that it will be perceived as such?

19 MR. MADDOX: Mr. Chairman, I think if we can reach a
20 resolution on this issue of placing the highest priority on
21 fisheries, then the nuts and bolts can be dealt with. The
22 order of priorities can go around.

23 MR. GARVIN: John Garvin. I would like to offer an
24 amendment of this to insert the word after Alaska, between
25 the word Alaska and fisheries, the words "private profit

1 and non-profit fisheries" and if there's a second, I'll
2 speak to that.

3 MS. WOHL: Private and non-profit.

4 MR. GARVIN: Private profit and private non-profit.

5 (Inaudible.)

6 MR. GARVIN: Is there a second?

7 MR. TIEPELMAN: Is there a second?

8 MR. WOODS: I'll second it.

9 MR. GARVIN: My concern is that it be absolutely clear
10 to the legislators that this group does not want the state
11 involved in providing or doing or building; that it not be
12 the public sector that's involved in the fishing industry,
13 that the support of the development of this is for the
14 private enterprise system rather than a public enterprise
15 system, and if, you know, some of the hatcheries are
16 non-profit and some of the fishermen operate as non-profit
17 entities not by design, but that the development of it be
18 focused on the private development rather than the state
19 getting into the fishing business.

20 MR. ALLISON: Dave Allison, Juneau. I'm concerned
21 about that kind of inclusion in the recommendation because
22 I have yet to see the private industry willing to support
23 the enforcement vessels to pay for the fish ticket program,
24 to provide for the management of the fisheries and to
25 exclude from your priority the necessary infrastructure to

1 support the fisheries I can understand what you're wanting
 2 to emphasize, but much of the infrastructure, for example,
 3 the docks, the harbors, the air fields that are necessary
 4 for the efficient operation of the industry are, in fact,
 5 governmental responsibilities and should remain so even
 6 though most of those kinds of projects are eventually paid
 7 off by the fishermen and the process source through users'
 8 fees anyway. The State's front money is critical to get
 9 those kinds of facilities on line.

10 Again, it goes to incentives rather than
 11 subsidies. And I think to emphasize that it should be in a
 12 state investment in incentives for the fishing industry and
 13 assistance to the fishing industry rather than the state
 14 getting involved in the equity ownership of the portions of
 15 the fishing industry would be much clearer if you want to
 16 put some kind of a restriction on the general
 17 recommendation. I think there's enough of a feeling in the
 18 legislature to get the state out of active participation
 19 from the industry that that would probably go without
 20 saying anyway on the original motion.

21 MR. TIEPELMAN: The substitute amendment or the
 22 amendment to the substitute recommendation is, I'm sure,
 23 going to have a couple of sides to it, then, that's the
 24 involvement of state government where it's implied or be
 25 determined is that route. Have you got something to say

1 about that, Alcon, in relation to that gentleman's
2 statement? They have public works that can identify with
3 that.

4 MS. WOKL: Mr. Chairman. I'd like to speak against
5 the amendment, and in making the substitute motion, I was
6 trying to, from the discussions, develop a priority
7 statement without getting into all of the nuts and bolts,
8 and the amendment by itself speaks about enterprise he is.
9 And I'm very broadly speaking in a policy sense, I'm
10 talking about the whole range of fisheries from the
11 biological research to the whole area.

12 And as I understand the function of the
13 legislature, I'm sure the fisheries organizations are not
14 going to let legislature run away with whatever happens
15 here. I mean the idea is just a policy statement coming
16 from this group that the state adopt this as the highest
17 priority, focus some attention on it and how it's
18 implemented. I think that should be left up to more
19 specialized people, perhaps.

20 MR. MADDOX: Mr. Chairman, we've been on this one now
21 for 55 minutes. Let's take five minutes to resolve it and
22 have a close.

23 MR. TIEPELMAN: One more statement and then we'll act
24 on the amendment, vote it up or down and then we'll ask on
25 the substitute recommendations.

1 MR. GARVIN: withdraw the second or I will withdraw
2 the amendment.

3 MR. TIEPELMAN: Does the second to the amendment
4 choose to withdraw?

5 MR. WOODS: Yes.

6 MR. TIEPELMAN: Would you like to make a --

7 MR. NAUGHTON: My name is Ed Naughton. As I
8 understood the motion, we were talking about in terms of
9 fisheries. Quite often in legislature, that's defined as "tag
10 the fish", and I think we should be explicit here. We're
11 talking about the harvesting or processing and marketing of
12 the fish.

13 MR. TIEPELMAN: We'll let the record of the discussion
14 on this substitute motion include that reflection.

15 MS. WORL: My intent was not for just, not only the --
16 I don't know. Does the scientific research come in as well?
17 I mean is that -- not understanding the technicalities of
18 the word fisheries, the intent is not to limit it just to,
19 you know, just that.

20 MR. TIEPELMAN: We'll assume that's inclusive of the
21 substitute recommendation.

22 MS. WORL: Yes, I meant it to be broad range.

23 MS. WROL: May I voice a friendliness to the
24 substitute amendment?

25 MR. TIEPELMAN: That's your prerogative.

1 MS. WROL: Let's add that minimal requirements be
2 formulated to fisheries a loan in Alaska.

3 MR. TIEPELMAN: If I may express an opinion from the
4 chair that that's an interpretation or specific formulation
5 of why we're trying to keep the main motion substitute
6 recommendation broad to include items such as that.

7 MR. MADDOX: I believe that issue has already be
8 raised.

9 MR. TIEPELMAN: Are you ready for the question?

10 MR. GARVIN: Question.

11 MR. UCHITEL: When you say priority, are you talking
12 about within the resources?

13 MR. TIEPELMAN: Resources of fisheries.

14 MR. TIEPELMAN: All those in favor of the substitute
15 recommendation signify by saying aye. All those opposed
16 signify by saying nay.

17 The motion passes. Thank you.

18 Are there areas of fisheries that may or may not
19 have been brought up? Allow ourselves five minutes for
20 anybody to express an opinion and the next area we'll get
21 into is agriculture.

22 MR. TIEPELMAN: Does anybody wish to take a break?

23 MS. SANDE: I have one other thing that was brought
24 out to me in the articles that were included in the white
25 paper articles and that was the increasing the State's

1 jurisdiction over fishing done within the 200-mile limit.
2 There seemed to be a number of proposals concerned with
3 that. One was having the fishermen that fish for foreign
4 vessels, foreign vessels pay, well, they gave impact, I
5 think it was Pollack or black cod 600 a pound that U.S.
6 fisherman pay to foreign vessels. They say charge six
7 cents a pound for U.S. fish costs by foreign vessels was
8 one of the proposals. Another thing they suggested and it
9 was in the article by Mr. Potter, was to increase the
10 jurisdiction over conditions on foreign factory ships
11 fishing in U.S. water. So it would seem to me to keep with
12 the broad general motion I'd like to propose that the state
13 increase its jurisdiction over the foreign fisheries that
14 are fishing within our 200-mile limit.

15 MR. TIEPELMAN: Your motion is to -- repeat that again.

16 MS. SANDE: Increase the State's jurisdiction over the
17 fish caught within that 200-mile limit.

18 MR. TIEPELMAN: That's state jurisdiction and
19 enforcement, then, of the 200-mile limit?

20 MS. SANDE: Not necessarily enforcement, no.

21 MR. TIEPELMAN: Very broad. Is there a second to that
22 request to debate it further?

23 MS. WROL: I'll second it.

24 MR. TIEPELMAN: State your name as far as second go it.

25 MR. ROWLEY: Marilyn Dudley Rowley.

1 MR. STEPHEN: Jeffrey Stephen. Mr. Chairman, I think
2 I understand what you're saying. However, I think it's
3 against the law. The state only has jurisdiction out to
4 three miles, and I'm on the North Pacific Fishery
5 Management Advisory Panel, and we have debated this for
6 over a year, so-called joint ventures which is foreign
7 processing of American-caught fish, and the state has no
8 jurisdiction outside of three miles, and so it would not be
9 with the intent of the 200-mile limit law. The state
10 couldn't get involved in it. We just have -- unfortunately
11 we have no jurisdiction outside of three miles. The state
12 has no jurisdiction to regulate any type of industry
13 outside of three miles.

14 MR. TIEPELMAN: Next?

15 MR. ALLISON: Dave Allison from Juneau. I agree with
16 the letter of the law of what Jeff is saying. And I think
17 again this conference is designed to try to figure out how
18 to do this rather than determine what we cannot do.

19 One of the provisions in the Fish Reclamation and
20 Management Act of 1976 provides that among the factors that
21 must be taken into consideration in determining the
22 allocation of fish between the foreign fleets and the
23 domestic fleets is the socio-economic impact. One of the
24 ways that what has been suggested could be possibly
25 accomplished would be for the legislative and executive

1 branches to take a unified stand and presentation to
2 Congress and to the national fisheries officials; and tell
3 them that the state of Alaska off the coast of which 90
4 percent of the under-utilized species are located that the
5 state of Alaska says that it's time to start phasing out
6 the foreign fleet to start moving out the foreign fishermen.
7 There is a strong -- there is a strength in having those
8 resources located where they are. If the state of Alaska
9 does not cooperate in the harvesting and the processing and
10 in the management of these fisheries it's going to be a
11 long time before they're converted from foreign fisheries
12 to the domestic fleet, and I think that the state can take
13 aggressive action and start insisting that things be done.
14 If we're going to be told no, well, the feds have told us
15 no before and that hadn't always stopped Alaska. And I
16 think that we should take more aggressive assistance
17 especially if it's going to be a first priority for funding,
18 it should be a priority for effort.

19 MR. TIEPELMAN: Since the motion has been moved and
20 seconded I'll allow --

21 MR. ALCON: Approximately two years ago a fisheries
22 association was built and for myself I'd like to say thank
23 you for the resolution. I'm their new president. We and
24 some of the comments addressed here are definitely some of
25 our target areas. We've set three priorities, our first

1 target is the protective resource. Second is to protect
2 subsistence and third is to enhance the development of the
3 fisheries in western Alaska and villages. The economic
4 system is very, very low there, and we want to build it up
5 to where it will benefit all Alaska. When Alaska is
6 fishing Alaska gets its taxes back.

7 THE MODERATOR: Are you speaking in favor of the
8 motion

9 MR. ALCON: Definitely.

10 MR. WOODS: The thing I think he's talking about is
11 that you can't enforce -- well, you can, but the long
12 process is too long if any foreign country like Japan take
13 80 percent control of the industry now, the federal
14 government, we have explained to them when an entity -- and
15 when you put all your eggs in one basket which happens to
16 be Japan, it's very detrimental to the fishermen because
17 it's not the fishermen who produce the product, it's the
18 people that process the fish and buy the fish that is
19 controlling the price of that product when it hits the
20 consumer.

21 THE MODERATOR: Are you in --

22 MR. WOODS: I'm in favor for that reason is because
23 we've got to get involved domestic and get involved foreign
24 but at least split them up.

25 MR. STEPHEN: Could you restate the motion, please.

1 THE MODERATOR: The motion was to increase state
2 jurisdiction on fisheries' development or fisheries in
3 general?

4 MS. SANDE: I realize that means you negotiate with
5 feds but I think that means negotiate with feds to get some
6 jurisdiction.

7 MR. STEPHEN: Well, Mr. Chairman, I guess maybe I
8 don't completely understand. I agree with everything Dave
9 said, but as far as American fishermen delivering to
10 foreign processors isn't that what you were --

11 MS. SANDE: That was just an example.

12 MR. STEPHENS: And it aids in the development of
13 Alaskan bottom fish.

14 MS. SANDE: This was an example to give this point was
15 an exploitation tax, and he said this is one thing we can
16 do and I was saying let's make it more general and try to
17 increase the State's role in this fishery.

18 THE MODERATOR: If I can state it, the motion is an
19 expression of a philosophy that still has to be implemented
20 in some further details. On that motion is that sense of
21 direction. Are you ready for the question?

22 MR. STEPHEN: Question.

23 THE MODERATOR: All those in favor of the motion
24 signify by saying eye. Those opposed say nay. 2 motion
25 passes. We'll take a five-minute break and scream and

1 holler.

2 (Short recess.)

3 THE MODERATOR: I think the areas that we're talking
4 about, large steel, agriculture or large business, whatever
5 you want to call it has to be tailored with the Alaskans in
6 mind with your further comments that there is a need for
7 personal use and I guess in other areas we'll call it
8 appropriate technology as far as self sufficiency and
9 personal life style be available to other citizens. Other
10 comments in this area of discussion of agriculture? Mary?

11 MS. STACHELRODT: Mary Stachelrodt from Palmer. For
12 the first time this summer, I grew a garden. I grew it on
13 one acre, and I was able to sell to private, to people that
14 came by, sold some vegetables to them and also to the DNA's
15 supermarkets in Palmer. So I really believe that the small
16 farmer really has a future up there. And according to what
17 I've read in here about agriculture, the average farm size
18 is 75 acres. You can grow a lot of food on 75 acres if you
19 know what you're doing, and I grew a tremendous amount of
20 food on just one acre. But I would like to make a
21 recommendation that we encourage the state to provide
22 grants and low interest loans for the development of
23 organic fields, alcohol, for one from potatoes or grains to
24 fuel our farm machinery and so forth. I would also like to
25 see state grant low interest loans go to the small farmer.

1 THE MODERATOR: The motion for a recommendation has
2 been made.

3 Is there a second?

4 MR. GARVIN: Second.

5 THE MODERATOR: State name as far as seconded.

6 MR. GARVIN: John Garvin.

7 THE MODERATOR: Discussion?

8 MR. ALLISON: Dave Allison from Juneau.

9 The Delta Barley Project and the other
10 agricultural projects in the state have come under a
11 tremendous amount of fire from people who believe that it's
12 not economic; that it's not a worthwhile expenditure of
13 State funds either to invest in low-cost loans or grant
14 projects. It would seem that if the committee is going to
15 demonstrate a concensus that agriculture should be
16 encouraged that perhaps that should be a priority kind of
17 statement; that before getting into specifics again, that
18 it should be determined whether or not this group really
19 feels that agriculture is important enough in the State to
20 have that kind of focus. If I can speak to a couple of
21 other points, it seems that there are some questions about
22 the viability of agriculture as an economic base. If
23 that's the case, probably there should be the money in
24 research. The University of Alaska at Fairbanks has a
25 substantial facility that could benefit from support,

1 additional support from the legislature and from the
2 citizenry. There are some technological things that happen
3 that make it more feasible to work with that industry. The
4 value of the grains as feed stocks has been substantially
5 improved. There is some indication now that the
6 combination of crab waste with barley will provide the
7 equivalent of soybeans as feed. This kind of development
8 is the sort of thing I think that we need to look at, what
9 you mentioned initially there about the technological
10 change. If the state of Alaska is going to have a viable
11 base, I think it's going to come from the necessity of a
12 new technological approach and research and evaluation. We
13 are on the leading edge of a lot of potential industry. If
14 we're going to go into the '80's continuing as a frontier
15 state, the frontiers may just change a little bit and I
16 think this encouragement of farming is good. I think the
17 encouragement of small farms even recognizing that there
18 will have to be large sections of land set aside for the
19 production of feed and oil grains. The small truck farm is
20 feasible, and I would strongly support this. It may not
21 show a profit overall for some years to come, but that was
22 said at the first Future Frontiers or at the first
23 Brookings Conference about a number of things that are very
24 profitable today, and I think we can look at that.

25 MS. TROLL: Kate Troll, Anchorage.

1 In some of my land discipline plan studies that
2 I've done as a consultant, in mapping out suitable
3 agricultural land, what I've found to be the common case is
4 that if I added in the fact that fertilizer could be
5 provided, then, I was all of a sudden expanding my land
6 base of suitable agricultural land. And so because, you
7 know, the soils are good from the standpoint of drainage
8 and everything, but because of the glacial origin, there is
9 need for additional fertilization, and I would like to see
10 the state beginning to do some research into where we can
11 harvest those phosphates. I've heard mention of some
12 phosphates reserved up north, and there's also the
13 possibility of using fish wastes as fertilizer as well, and
14 I think we need to get some research into finding
15 alternative fertilizers that are economical for our farms
16 here, and then the agricultural base can expand accordingly.

17 MR. MADDOX: Point of information, Mr. Chairman, if I
18 may.

19 MR. TIEPELMAN: Go ahead.

20 MR. MADDOX: The State's policy with regard to the
21 utilization of our fisheries products comes under the, one
22 of the policies falls under the general heading of wanton
23 waste and one of the industries right now is the herring
24 industry. The herring industry is of primary importance
25 for the Japanese market where only the roe, only the eggs

1 are utilized. Something has to be done with the carcasses
2 of herring that are caught by our herring fleet that will
3 preclude the leveling of charges of waste. The state says
4 you simply can't throw them away, and yet only they want is
5 for the market is the eggs. Therefore, the reduction of
6 eggs utilizing to fertilizer becomes an important thing for
7 the agricultural industry of the State, and to the
8 fisheries because it provides an additional market for the
9 carcasses which would otherwise be wasted. The same is
10 true for the car residue in the Aleutian Chain and on the
11 peninsula. There are a number of sources of good
12 fertilizer to be derived from the fishing industry.
13 Therefore, the fishing industry and the agricultural
14 industry of the state have to go hand in glove.

15 MR. PIEPELMAN: I think it's important for this group
16 to realize the significance of a Future Frontiers
17 conference such as this because it begins to show the
18 interrelationship of maybe individual's personal priorities
19 and interests in two diverse areas that a lot of times
20 whoever thought that fisheries and agriculture are so
21 interrelated, but how simple it is for those two to enhance
22 themselves, and secondly the agricultural discussion of
23 encouraging small land disposal programs for agriculture
24 purposes also affects the future utilization of how
25 legislation and the State administration also gets into the

1 land disposal of putting it into the hands of the private
2 citizens, so to speak. After awhile, those problems are
3 not so difficult as to be insurmountable, and a form such
4 as this might be an expression of how those things might be
5 achieved. Not as successfully as an individual may desire
6 to see it, but because there is an interrelationship, there
7 are a whole number of parts.

8 MS. YAMASHIRO: Along with what you're saying,
9 then, is the importance of taxation on the land for
10 agricultural purposes as has been the trend in other places
11 in the nation, I'm noticing in the Palmer area where the
12 land is very suited for agricultural purposes that people
13 are subdividing because the cost of taxes and the upkeep of
14 land is not allowing them to continue to be agriculturally
15 based. Other states have passed some sort of legislation
16 to protect agricultural interests so that real estate
17 development interests do not supersede the need for
18 agricultural needs. The land, we have a lot of good
19 agricultural land in the State, and I believe that there
20 must be some sort of protection so that we can continue to
21 encourage agriculture and not be having suburban
22 communities as many other places have.

23 MR. TIEPELMAN: Any other comments?

24 MS. KOWLE: Marilyn Kowle, Fairbanks.

25 This hadn't been addressed yet, and I'm not

1 knowledgeable enough to talk about it, but I would like to
2 hear some reaction to freeing federal land and federally
3 regulated areas in Alaska because there is some. I've seen
4 some on the State maps.

5 MR. TIEPELMAN: Anybody that purports to have
6 expertise?

7 MR. MADDOX: Mr. Chairman, I sent a runner for the two
8 experts in the agricultural field. Maybe if they're in the
9 hotel, they'll be here pretty soon.

10 MR. TIEPELMAN: If you'll reiterate that when the
11 experts appear, we'd appreciate that.

12 The original recommendation addressed several
13 areas, I think. Are those the things that you listed there?
14 That's the basis of the recommendation, and it's a reminder
15 to you participants here that item number one is the small
16 scale utilization, the serial, grain, and SILAGE and the
17 truck crops, and item number four, the red meat husbandry.
18 That recommendation is on the floor and has been seconded.
19 We've discussed the item in and around that major
20 recommendation. Mary?

21 MS. STACHELRODY: I'd also like to add another
22 thing. The development of and the production of our
23 organic fuels, alcohol. I know there's a few people that I
24 know of in Palmer that are trying it right now that have
25 built a still, but I'm not really aware about what the

1 federal regulations are on alcohol production.

2 MR. TIEPELMAN: We'll assume that was part of the
3 main recommendation so we won't get into the parliamentary
4 semantics of motions and main motions. Discussions on the
5 appropriateness of the recommendations?

6 MS. STRINGER: As long as we're discussing organic
7 fuels, let's not forget methane. We might as well make
8 full use of the animal product.

9 MR. TIEPELMAN: We'll assume that that's part of
10 the organic fuel production. They have a lot of cows in
11 Fairbanks.

12 MS. STRINGER: Well, I don't know about that.

13 MR. TIEPELMAN: Any other discussion on the
14 recommendation?

15 MR. WELTZIN: Jeff Weltzin, Fairbanks.

16 Getting back to that point on the Mat-Su Valley
17 and the suburbanization of one of our prime agricultural
18 areas of the State. I think it's appropriate that we come
19 up with some type of a proposal to urge the State to come
20 up with a program of preserving agricultural land through
21 buying of the agricultural rights to certain prime acreages
22 and land so that farmers who are under pressure from subdevelopers
23 their land is given some type of a tax break or something
24 of a tax initiative break so they can fight the pressure to
25 subdivided their land and sell out to the nearest subdivider.

1 At one time, we had a real prime small scale farming
2 industry in Alaska, and in the last twenty years, it's been
3 completely subdivided, and basically it's really
4 non-existent as to compared to before.

5 MR. TIEPELMAN: A comment over here.

6 MS. SANDL: I think to some extent, the State is doing
7 that with a current land disposal program.

8 MR. WELTZIN: That's true.

9 MR. SWAIN: I think that the proper way to handle
10 what this gentleman suggested here would be to in the local
11 government, they're the ones who are assessing this tax.
12 So it would be up to your assemblies or your councils to
13 come up with resolutions which would accept agricultural
14 land or at least assess it at a lower rate of tax than
15 suburban developed land, and it should be done on the local
16 level.

17 MS. YAMASHIRO: In examining the kind of agricultural
18 development that has taken place and the urbanization in
19 other states, local initiative often lacks. And I think
20 that the important issue here is that there must be some
21 sort of State direction to local areas saying agriculture
22 is important, and therefore, by some sort of greenbelt
23 legislation or some sort of legislation that proper texts
24 agricultural interests, I think, you know, my interest is
25 to recommend to the legislature is that there is some way

1 that we can insure that local areas continue to encourage
2 agriculture.

3 MR. TIEPELMAN: Is there any more discussion on
4 the major recommendation of the subcategories for
5 agriculture? Are we ready for the question?

6 MR. GARVIN: Question.

7 MR. TIEPELMAN: All those in favor of the
8 agricultural recommendation signify by saying eye. All
9 those opposed say nay.

10 One other thing on agricultural that I would like
11 an expression of concern is the fertilizer research or
12 fertilization, and I'd like to allow you you to state your
13 position, name.

14 MS. TROLL: I would propose that the state government --
15 Kate Troll, Anchorage. I would propose that the state
16 government expend monies to research the /SKAOEUBLT of
17 making fertilizers economically available to the farmers in
18 Alaska and looking at alternative sources of fertilization.

19 MS. STRINGER: Second.

20 THE MODERATOR: There's a motion that has been made
21 and seconded by --

22 MS. STRINGER: Sandra Stringer.

23 MR. MADDOX: Mr. Chairman, if I could point out again,
24 once again, the interrelated ness of things that we're
25 dealing with, the suggest has been made that the petro

1 chemical industry be developed within the state, and that
2 possibly some of our royalty oils could be reduced to a
3 usable agricultural product. Petro chemical fertilizers.
4 There's an enter relationship, then, between our oil and
5 gas policy development, agricultural, and fisheries. Very
6 obviously, we're not going to be able to do any of those
7 things unless we talk very seriously about our
8 transportation system.

9 If we can't get our products to market, what's
10 the point of growing them, raising them, or producing the
11 chemicals that will make the crops grow? So this is just --
12 I would like to interject at this point, I would like all
13 of you to be thinking in holistic terms when you're dealing
14 with these issues, look for the enter connect he had ness
15 of the parts as a whole that you're dealing with here.

16 THE MODERATOR: And those comments will be made for
17 the record in support of that recommendation dealing with
18 fertilizer research.

19 Any more discussion on that?

20 MS. STRINGER: could we restate the motion, please.

21 THE MODERATOR: Would you restate.

22 MS. TROLL: That the state expend monies to research
23 the /SRAOEUBLT and marketing of fertilizers in making them
24 economically available to Alaskan farmers.

25 Mk. GARVIN: Question.

1 THE MODERATOR: All those in favor of the motion
2 signify by saying eye. All those opposed, say nay.

3 The motion carries.

4 Is there any other items on agricultural at this
5 time, knowing that we'll probably bring it up in reflecting
6 back on the next two days?

7 MR. STEPHEN: Jeffrey Stephen.

8 Mr. Chairman, in light of what our group leader
9 mentioned, it would be intended, then, or the intent of
10 that motion would include petro chemical related and
11 fisheries related fertilizers? There wouldn't be a motion
12 related specifically to that?

13 THE MODERATOR: Right.

14 tourism. The area of tourism as far as the white
15 papers kind of exhibits one component or one portion of how
16 tourism affects every part of Alaska, and I don't know who
17 in this group of participants would like to state further
18 opinions and additional racks to that, but I think Dick
19 Monday /TPHA /TKPWAOU, is it, if I remember right, you're
20 part of the State's participation, you're a Director of
21 Tourism. Month month that is correct.

22 THE MODERATOR: Why don't you lead off with some
23 introductory remarks, and we'll see how it goes there.
24 Month month there are two papers in your portfolio on
25 tourism. One by William she have field which is the yellow,

1 and mine in the blue book, and they summarize I think
 2 fairly well the attitudes of where the industry is today
 3 and what has happened.

4 Briefly, tourism is the second largest industry
 5 in the state. It brings into the state approximately \$200
 6 million a year. It is our only statewide industry. It is
 7 a none /KUPLT tive permanently renewable industry. It
 8 provides on an annual basis about 6,000 Alaskans, 20,000 in
 9 the summer, but if you average it 6,000 Alaskans. It
 10 contributes \$20 million to the state, and it has more than
 11 doubled in size in five years.

12 THE MODERATOR: I think also the other component of
 13 that, somewhere in Alaska there has been a negative
 14 attitude towards tourism as far as /KAOURS people moving in,
 15 the advent of Monday /PHEPBT'S being imposed by president
 16 /SHAL a proclamation and also that stuff being allowed in
 17 D-2 is an aspect of what people will be confronted with,
 18 and there is a need to take more positive attitudes in some
 19 areas because it has been largely negative, and the impact
 20 on it can be very beneficial, and I think expression of how
 21 it's impact go now can take on greater portions -- month
 22 month if the present trend continues which I think it will
 23 and it will probably only be axle rated, we will surely
 24 have a million advice stores by 1985. State state I think
 25 the tourism industry has a great help in south Alaska, and

1 we have new hotels: like you have here and we wouldn't have
2 it without the tourist money. I think we should go out and
3 support our tourism, and it has a lot to do with our
4 transportation which I think we should have some type of
5 recommendation because in southeast Alaska, we have a ferry
6 system. I live on an island, and the only way to get there
7 is by boat or by air. I can't get in my car and just drive.
8 I feel that southeast Alaska needs more help in the ferry
9 system.

10 THE MODERATOR: As we discuss further, well kind of
11 maybe reach some sort of recommendation as far as what we
12 can say as far as additional state participation or funding,
13 but it might be of our interest right now to reflect what
14 kind of state funding and other remarks that Mr. Montague
15 would like to make at this time.

16 MR. MONTAGUE: I would like to second what edge /THEUL
17 state to know just said in that for those of us who live in
18 Alaska, one of the major benefits of tourism or state
19 support of tourism or seeing the tourism sector of our
20 economy grow is that without growth of tourism, we would
21 all pay a much higher cost to live in Alaska.

22 You see the advice Senator industry makes the
23 difference between the profitability or the loss of our
24 airlines, and allows for the operation of the marine
25 highway system. If there were not the tourist industry,

1 you would not have Alaska Airlines, Western Airlines, North
2 Airlines, and Wayne Airlines in operation to Alaska because
3 there would not be a sufficient movement base of people to
4 support the continuation of that service.

5 So a tremendous benefit that we all get from the
6 advice Senator industry, an invisible benefit because it
7 isn't very apparent to most people is the fact that it
8 decreases our cost of living in Alaska because the tourism
9 industry is fundamentally a subsidy to the transportation
10 industry, and the logging industry. It's an indirect
11 subsidy and makes it possible for a hotel like this to be
12 here.

13 For example, if there was no tourism, this hotel
14 would never exist because there would be no way to pay for
15 it, and it is the movement of people through Anchorage
16 which makes a facility like this available. The very fact
17 that you and I can sit in here today in a world class hotel
18 which this is is directly responsibility and directly
19 related to the success of the advice Senator industry. If
20 you subtract the advice Senator industry that would exist
21 and the same is true with the captain cook, the same is
22 true with the Anchorage westward, with the Anchorage
23 international airport, and the many facilities that you and
24 I have come to enjoy, and if we went back, we wouldn't have
25 those things today.

1 THE MODERATOR: Yes, I believe we're seeing the enter
2 relationship of, say trans sation to tourism.

3 Next comment, state your name and before we get
4 too far along, I'm not sure what I heard the specific
5 recommendation of this lady was that you second, so we'll
6 get back to that after you make your comments.

7 MR. GARVIN: I didn't understand that to be a
8 resolution, so I was going to offer a resolution. Is it a
9 resolution before us?

10 THE MODERATOR: It is proper for you to continue.

11 MR. GARVIN: I would recommend that the state develop
12 that the tourism and the legs be encouraged to provide for
13 the future development of tourism as an industry.

14 MR. STEPHEN: Seconded.

15 THE MODERATOR: Before further discussion, Mr.

16 MR. MONTAGUE: I did not hear what state funding level
17 as far as tourism --

18 MR. MONTAGUE: in the last five years, the state of
19 Alaska has expended \$9.7 million of which two point
20 \$1,000,000 has been contributed by the private sector, that
21 is a record that is unqualified by any state of the union
22 and any state government, and there is no other industry in
23 the state of Alaska which involuntarily and without tax
24 contributes that sum of money to a state program, and that
25 is one of the reasons why that program is successful and

1 have in the visitor industry a money machine for all
2 Alaskans, and you can show mathematically that the amount
3 of monies that you invest in promotion immediately returned
4 to Alaska within 12 months in terms of visitor spending.
5 There is no where elsewhere we can put money into the
6 public sector where we can take a public sector, invest
7 that money and have an immediate return. It is far more
8 effective than Welfare. Bear in mind that visitor dollars
9 spent throughout the entire State and is the most widely
10 distributed across all Alaskans, not just fishermen, just
11 farmers or minors or loggers. The tourism dollar goes over
12 the entire State. It is our only Statewide industry.

13 THE MODERATOR: Based on that reflection of nine
14 million dollars, I think there is some idea that there
15 certainly can be more participation as far as the
16 unanticipated revenues, and we will not interpret how much
17 can be done right now, but there are a couple of people
18 raising questions. I'll allow Jane and then you.

19 MS. YAMASHIRO: Jane Yamashiro. I support the
20 promotion efforts of the tourist industry. However, as
21 being on the commission on the status of women, a number of
22 complaints came about as to how an Alaskan women were being
23 depicted in the promotion of tourist industry. I would
24 suggest that we keep in mind that in the promotion of
25 tourism which I am in support of that we keep in mind the

1 dignity of the people here.

2 THE MODERATOR: I will concur with your remarks as far
3 as minority, women being treated as minority as those
4 comments are part of the need to increase tourism trade.

5 MS. WORL: Was I next?

6 THE MODERATOR: No, I'll take him and then you.

7 MR. ALLISON: Dave Allison. I think that the
8 resolution is good as far as it goes. but I would hope
9 that maybe the panel could, especially in this case where
10 there's such a tremendous return on investment that the
11 panel might explore some of the ways in which tourism can
12 be specifically encouraged. Once this particular
13 resolution is resolved, I would hope there would be enough
14 time to consider some reference to proposals that have been
15 made in the State for a world class exposition of some kind.
16 We can -- we're talking about incremental development that
17 has been occurring on a regular basis through the efforts
18 of the Department of Tourism, and that incremental
19 development will continue, but I think there is potential,
20 especially if there is any up side to the D-2 land issue,
21 this is it, and this could provide an opportunity with the
22 new lands, and with the alternative energies and
23 alternative resource utilization that Alaska has or has
24 access to. We could have a quantum jump. This could be
25 truly one of the major tourist destinations recognized

1 throughout the world if the State of Alaska at some time
2 does direct its efforts towards these kind of major
3 significant efforts.

4 THE MODERATOR: I think as a separate issue, we should
5 get back to the possibility of how we can influence our
6 State of preference for, say, a proposed world's fair.
7 Kosita, and then I'll take the lady on my right and keep
8 raising your hands because this is generating interest.
9 I'll try to make sure that everybody has something to say.

10 MS. WORL: I have a couple of -- I'm not too sure
11 where we are in terms of our motion, but I do have a couple
12 of things I would like to add.

13 first of all, everyone thinks that everyone else
14 in this room is in favor of tourism. I would like to say
15 that I have some very grave concerns about tourism and
16 while I will not speak against tourism, I will speak to
17 constraints on tourism or at least constraints on the
18 State's or perhaps some direction for the State.

19 I feel like I'm being, you know, talking about
20 agriculture, fisheries, and now tourism and then I'm
21 reminded that don't forget, you've got to develop roads. I
22 feel like we're moving ahead very quickly without thinking,
23 without developing a policy for ourselves in terms of what
24 does all of this development for us in terms of future
25 developments for the State, and I think we should bear that

1 in mind as we are addressing or developing our motions. I
2 don't think that we've developed an overall philosophy. It
3 seems like if we have one, you know, the unspoken one is
4 that we are talking about developing Alaska quickly. I
5 don't mean to look at you as saying you're doing the
6 (inaudible) but the two major concerns that I have with
7 tourism, very often being an object of tourism, I have very
8 negative attitudes about the problems with the industry.
9 And while I know that we can't alter the tourists, what we
10 can do, first of all, is one, develop mechanisms to ensure
11 that we, that the tours are promoted with cultural
12 sensitivity, and I'm not too sure the mechanism that we can
13 develop. Kotzebue seems to be doing very well in terms of
14 developing their own, but that was where you had local, you
15 know, it was initiated from the local level. So what I'm
16 saying is we need some sort of mechanism to make sure that
17 the cultural integrity and cultural sensitivity is adhered
18 to in developing these promotional tours. The second thing
19 is the direct employment from tourism.

20 Now, we can talk about, all about the number of
21 jobs that have been created, but I can tell you from rural
22 Alaska that one of the major problems is employing local
23 people, and I think those are the two issues that I would
24 like to see incorporated in the development of your tourist
25 model.

1 THE MODERATOR: I think that speaks for local
2 initiative in a lot of cases where, reach a responsibility
3 to determine how fast or how much they want to do is
4 compatible with the State's overall system. I have a lady
5 here on my right that is waiting to speak up.

6 MS. TROLL: Kate Troll, Anchorage, and I am wondering
7 if this group would be amenable to the interpreting,
8 encouraging future tourism efforts to also apply to the
9 role of the State in encouraging in State tourist travel.
10 By that, I'm speaking of the role of the State park system.
11 We service, the State park system service the tourists here
12 in State, and there is a lot of money that is being
13 generated just through the establishment of campgrounds
14 along sport fishing streams, and money, that a sports
15 fisherman spends for King salmon is upwards of \$100 per
16 fish. And there needs to be more effort to not necessarily
17 obtain land but for the land that we have to put money into
18 developing campgrounds to entice and accomodate the Alaskan
19 resident which in itself is a tourist.

20 THE MODERATOR: I think it's also appropriate that
21 those remarks would envision that there is a need for
22 tourism as far as in-State citizens recognizing regional
23 differences, and that can play a significant part on
24 tourism which people might argue pro and con.

25 MR. UCHITEL: This may take more discussion we might

1 have to do in the morning.

2 With regard to the specific suggestion of
3 improving tourism through a world's fair, I've been working
4 on a world's fair project, and I want to make sure that I
5 have the opportunity either today or tomorrow to discuss it
6 because I think it's critical to the future of this State
7 that we strongly consider a world's fair project here in
8 1984. I've listened all day to a whole bunch of specific
9 details that I know very little about. I'm not in any
10 business so far that you've discussed, and I'm impressed
11 with the expertise that's in this room, and there are no
12 really decisionmakers in this room in terms of a legislator
13 body, and yet we know a hell of a lot about it, but the
14 point is there is no catalyst to bring all of us together
15 that I know of better than a world class fair here.

16 There is no better way to explain the problem of
17 the intrastate tourism and the interstate and international
18 tourism. There is no better way to educate ourselves about
19 our past, about our present, and about our future than to
20 also expose them in some kind of an exposition. There is
21 no better way to if we want to get back to regionalism and
22 away from centralism and basically get back to the original
23 spirit, the Alaskan dream and that kind of stuff that we've
24 heard about this morning but have talked very little about
25 at all this afternoon, you have to expose that to somebody.

1 You've got to show him by example what's going on. There
2 are a lot of things going on in this State, in this country,
3 and in this world that little groups know about, but how do
4 you get the word out? You can put it on the television to
5 a certain extent. Those things don't really cut it.
6 You've got to expose things to people through participation
7 and by example. People learn by example, they don't learn
8 by some speech, and I think we have to show ourselves what
9 we are. We have a terrible self image in this State. I
10 don't think we really know how great we are. This is the
11 finest place in the world, and we don't discuss enough
12 about where we are, and if you think about it and Mr.
13 Kuller is going to discuss a little bit about it tonight,
14 and if you get in the middle of the core of the earth and
15 you see where Moscow and the rest of it is, you see the
16 trend of the world and where it is. We are in the middle
17 of it. We have to do something big, something dramatic.
18 We have to do something quite dramatic to tell ourselves,
19 first of all. We can't go ahead and lead anybody without
20 feeling that we're leaders in the first place and to now,
21 we think we're still behind the times. I think that's a
22 bit provincial. I don't think we've convinced ourselves
23 about how terrific we are. When you discuss the tremendous
24 resource that we have here, and I agree wholeheartedly that
25 the greatest resource is our people. We've been making

1 brochures, and what is the thing, is it the bears or the
2 clouds or the gold? No, it's the people. It is the people
3 of this State that have a certain spirit all people
4 throughout the world envy and want to emulate. But we
5 have to do something significant to convince ourselves that
6 that is the fact and expose ourselves to the world.

7 This would be the biggest thing, the most
8 important thing we've done in our history as a territory
9 State, in my opinion, to tell the story to the world. I
10 don't think our time could be better than the 25th
11 anniversary. I want to make sure that we've discussed the
12 fact because I know there's a concern about tourism, and
13 the fact that the world's fair would push that tourism.
14 And my biggest single complaint is that I personally don't
15 want to bring a whole bunch of people up here, but I'll
16 address in anticipating your question because I feel the
17 same way.

18 THE MODERATOR: Tomorrow when we continue tourism,
19 that would be a fine start-off point to continue that
20 concept further.

21 MR. UCHITEL: To make sure I addressed the thing here,
22 it is extremely important to us that finally people all
23 over the world, we're not part of Canada or Sergeant
24 Preston and part of the Yukon. It is important to tell our
25 story, and at least people will know what we stand for.

1 indicating Alaska's articulation with both the specific and
2 polar-rim nations. Alaska's future frontiers lie out here.
3 What we're talking about at this conference is the
4 development of an economically autonomous Alaska doing
5 business with the world. I agree with Bob, you can tell
6 entirely, it's time for us to present ourselves to the
7 world as an entity, as a people united, united doing
8 business with one another and with communities outside our
9 boundaries. Whoever heard of Sapporo, Japan, before they
10 ever had the world olympics?

11 THE MODERATOR: The motion on the floor is that
12 tourism as proposed by that recommendation be made.

13 Are you ready for the question?

14 Mr. GARVIN: Question.

15 THE MODERATOR: All those in favor of the motion
16 signify by saying aye. All those opposed say nay.

17 The motion carries.

18 Thank you, folks. You've taxed my ability to try
19 to keep the meeting going, and it's too bad we've run out
20 of time, but tomorrow we'll continue.

21 (Recess at five o'clock.)

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