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6 LEGISLATIVE COUNCIL, STATE OF ALASKA

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

2 MR. KOCSIS: Second, second, second.

3 MR. DAHL: Second.

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

6 (No response.)

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

22 MS. BULLOCK: Question.

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

25 (Indicating.)

1 THE MODERATOR: All those opposed.

2 (No response.)

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

5 THE MODERATOR: It's carried unanimously.

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

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

25 MS. BULLOCK: I'm in favor.

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

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

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

20 MR. FISHER: That's right.

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

1 more directly to the private sector --

2 MR. KOCSIS: Okay.

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

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

1 state was the State itself in its resources?

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

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

12 MS. BULLOCK: Right.

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

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

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

5 THE MODERATOR: Well....

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

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

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

6 MS. BULLOCK: Education.

7 THE MODERATOR: The whole shot.

8 MR. DAHL: Mr. Chairman?

9 THE MODERATOR: Yes.

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

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

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

7 MS. BULLOCK: Vested interest.

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

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

21 MR. ACKERMAN: Mr. Chairman.

22 THE MODERATOR: Mr. Ackerman.

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

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

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

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

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

13 Mr. Kocsis.

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

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

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

11 MR. DAHL: Private sector.

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

25 MR. DAHL: I would certainly support that.

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

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

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

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

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

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

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

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

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

3 (Discussion off the record.)

4 THE MODERATOR: Okay. Where are we now?

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

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

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

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

25 THE MODERATOR: What might other tent tease be?

1 Elucidate.

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

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

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

12 THE MODERATOR: There's a motion --

13 MR. DAHL: Move to be adopted.

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

15 MR. FISHER: Second.

16 THE MODERATOR: Discussion?

17 Response.

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

20 Aye.

21 Opposed?

22 (No response.)

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

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

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

2 MR. DAHL: Okay.

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

5

6

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

10 THE MODERATOR: Yes.

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

15 THE MODERATOR: Yes, we do.

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

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

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

15 Mr. Chairman, I move its adoption.

16 MR. ACKERMAN: Second.

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

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

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

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

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

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

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

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

4 MS. BULLOCK: May I ask a question?

5 THE MODERATOR: You may, Mrs. Bullock.

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

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

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

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

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

8 MR. DAHL: All right.

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

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

3 THE MODERATOR: Okay.

4 MR. ACKERMAN: At this time.

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

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

8 Dahl all a lack of vision.

9 THE MODERATOR: what?

10 THE MODERATOR: Lack of what?

11 MR. BRADLEY: Vision.

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

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

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

24 MR. STUMP: And graduates.

25 MS. BULLOCK: And graduates.

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

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

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

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

12 THE MODERATOR: What?

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

15 THE MODERATOR: Right. "For."

16 MR. BRADLEY: Mr. Chairman?

17 THE MODERATOR: Yes, Mr. Bradley.

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

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

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

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

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

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

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

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

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

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

22 MR. KOCSIS: Here here.

23 MS. BULLOCK: Right.

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

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

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

13 MR. BRADLEY: That's right.

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

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

21 MR. DAHL: That's right.

22 THE MODERATOR: Is that pretty much correct?

23 MS. BULLOCK: Right.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 MR. FISHER: 40 percent in law now.

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

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

17 MR. KOCSIS: You bet.

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

21 THE MODERATOR: It's a concept.

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

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

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

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

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

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

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

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

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

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

20 THE MODERATOR: Okay.

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

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

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

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

19 MR. AKERMAN: Agree to the amendment.

20 MS. BULLOCK: Excellent.

21 MR. DAHL: Shall I read that again?

22 THE MODERATOR: I'm getting it down.

23 MR. DAHL: All right.

24 THE MODERATOR: Recognition that private higher --

25 MR. DAHL: That private higher education makes a

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

4 THE MODERATOR: Do you so move?

5 MR. DAHL: Yes, I do.

6 THE MODERATOR: Second?

7 MR. ACKERMAN: Concur.

8 THE MODERATOR: Concur?

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

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

13 MS. BULLOCK: Question.

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

17 Aye.

18 THE MODERATOR: Those opposed.

19 (No response.)

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

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

1 (A short recess was taken.)

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

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

12 THE MODERATOR: You second it?

13 MR. ACKERMAN: Second it.

14 THE MODERATOR: Is there any objection?

15 (No response.)

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

18 MR. STOMP: Question.

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

21 Aye.

22 Those opposed?

23 (No response.)

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

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

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

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

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

8 THE MODERATOR: On paragraph one.

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

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

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

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

25 Paragraph 3:

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

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

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

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

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

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

16 THE MODERATOR: I would object.

17 MR. STUMP: Is this open for discussion?

18 THE MODERATOR: It's open for discussion.

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

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

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

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

22 MR. FISHER: Speed.

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

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

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

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

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

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

23 MR. ACKERMAN: I second the amendment.

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

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

16 MR. ACKERMAN: Mr. Chairman.

17 THE MODERATOR: Mr. Ackerman.

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

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

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

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

12 THE MODERATOR: Right.

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

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

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

8 THE MODERATOR: \$80 a trip.

9 MR. ALEXIE: \$80 a trip.

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

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

16 THE MODERATOR: Mr. Borodkin?

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

20 MR. DAHL: It will make it.

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

23 MR. BORODKIN: Oh, okay.

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

1 MR. BORODKIN: I didn't know.

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

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

7 MR. ALEXIE: Yes.

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

11 MR. FISHER: Sure.

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

13 MR. ALEXIE: Repeat it again.

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

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

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

20 MR. ALEXIE: It sounds good to me.

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

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

1 THE MODERATOR: Thanks a lot, huh?

2 THE MODERATOR: Yes, Mr. Stump.

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

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

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

9 THE MODERATOR: Thank you Mr. Stump.

10 Will Ackerman.

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

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

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

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

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

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

2 MR. ACKERMAN: Just up great everybody.

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

6 MR. ACKERMAN: Be we had that?

7 MR. FISHER: We do this.

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

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

14 THE MODERATOR: With Western Alaska deleted?

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

19 THE MODERATOR: Right. Do you so move?

20 MR. ACKERMAN: So move.

21 MR. FISHER: I'll second it.

22 THE MODERATOR: It's seconded.

23 Mr. Borodkin.

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

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

3 THE MODERATOR: Right.

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

8 THE MODERATOR: On ocean going --

9 MR. BORODKIN: No, the gap --

10 THE MODERATOR: Into Cordova?

11 MR. BORODKIN: Yes.

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

16 MR. STUMP: South central? Perhaps Cordova?

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

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

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

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

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

12 MR. ACKERMAN: I so move.

13 THE MODERATOR: Second?

14 MR. DAHL: Second.

15 THE MODERATOR: Second, second. Discussion?

16 MR. AKERMAN: Question.

17 MR. FISHER: Let's go.

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

19 Aye.

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

22 MS. BULLOCK: Nay.

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

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

6 THE MODERATOR: Do you so move?

7 MR. DAHL: I do.

8 MR. ACKERMAN: Second.

9 THE MODERATOR: Discussion?

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

12 MR. DAHL: Yes.

13 THE MODERATOR: Intra.

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

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

17 THE MODERATOR: Within the village.

18 MS. BENNETT: No, between the villages.

19 MS. BULLOCK: That's extra.

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

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

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

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

3 MR. DAHL: I understand.

4 MR. STUMP: -- fish, communities.

5 MR. DAHL: no problem.

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

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

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

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

14 MR. ACKERMAN: Yes.

15 THE MODERATOR: Discussion?

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

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

21 THE MODERATOR: Paragraph 5 takes care of.

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

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

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

3 (Indicating.)

4 MR. ACKERMAN: That's not correct.

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

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

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

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

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

22 THE MODERATOR: Or Anchorage to Nome.

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

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

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

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

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

8 THE MODERATOR: Do you so move?

9 MR. ACKERMAN: Yes.

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

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

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

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

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

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

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

9 MR. DAHL: That's fine.

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

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

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

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

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

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

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

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

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

21 MS. BULLOCK: If you build correct.

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

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

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

4 MR. BORODKIN: Just an unloading ramp.

5 MR. DAHL: Not a pier?

6 THE MODERATOR: Not a pier.

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

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

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

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

17 MR. BORODKIN: Then it would be --

18 THE MODERATOR: Landing.

19 MR. ACKERMAN: Landing facilities.

20 MS. BULLOCK: Landing.

21 MS. BENNETT: Or loading.

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

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

1 dock and a ramp, though.

2 THE MODERATOR: River, oh both landing.

3 MR. ACKERMAN: Off loading facilities?

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

5 MR. ACKERMAN: And on.

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

8 MR. STUMP: Question.

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

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

14 THE MODERATOR: So move?

15 MR. ACKERMAN: Second.

16 MS. BULLOCK: Uh-huh

17 THE MODERATOR: The objection seconded.

18 MR. BORODKIN: Question.

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

21 THE MODERATOR: Opposed.

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

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

1 MR. DAHL: So moved.

2 MR. ACKERMAN: Second.

3 THE MODERATOR: Second. Objection?

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

7 THE MODERATOR: The resolution.

8 THE MODERATOR: Question?

9 MR. DAHL: Question.

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

12 Aye.

13 THE MODERATOR: Opposed?

14 No.

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

17 (A recess was taken.)

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

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

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

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

18 THE MODERATOR: Broader anticipation.

19 MR. ACKERMAN: Broader.

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

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

1 THE MODERATOR: Is there a second?

2 MR. FISHER: I'll second it.

3 MR. BORODKIN: He'll second it.

4 THE MODERATOR: Discussion?

5 MR. DAHL: Question.

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

8 Aye.

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

10 (No response.)

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

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

15 MR. DAHL: Mr. Chairman.

16 THE MODERATOR: Mr. Dahl.

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

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

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

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

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

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

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

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

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

18 Mr. Chairman, I move for its adoption.

19 MR. ACKERMAN: Second.

20 THE MODERATOR: Discussion?

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

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

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

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

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

8 MR. DAHL: I understand that.

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

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

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

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

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

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

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

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

14 MR. BORODKIN: Mr. Chairman?

15 THE MODERATOR: Mr. Borodkin?

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

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

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

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

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

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

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

15 THE MODERATOR: Thank you. Anybody else?

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

19 MR. DAHL: Absolutely.

20 THE MODERATOR: Miss Bennett?

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

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

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

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

14 THE MODERATOR: Any further discussion?

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

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

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

3 MR. ACKERMAN: This provides this.

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

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

16 THE MODERATOR: Please speak up.

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

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

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

12 MR. DAHL: Yes.

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

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

1 puts tremendous pressure on the organizations and devotes
2 energies that ought to be devoted to the children to
3 finance this. And the thing that I keep thinking is it's
4 just too narrow just on the time of paying the bill rather
5 than pay the quantity.

6 I would hope that the resolution could be broad
7 enough that you could -- you could use it as justification
8 for the annual meetings when you meet with the -- meet with
9 the Department of Health and Welfare and for funding with
10 the Legislature. You know, get it altogether so we can
11 point back and say well, the Future Conference, assuming it
12 did that, said that, one, the State doesn't pay on time and,
13 two, it doesn't pay enough. Now, that's very general. And
14 that's what I think you ought to try to do if you could
15 tell us how to do it.

16 MR. DAHL: You don't think I've said that?

17 MR. FISHER: No, I don't think so. All you say is it
18 doesn't pay the State. You ought to say something like the
19 State policy should not that a good parent pays -- that
20 cares well for children for whom its responsible, pays it
21 bills quickly and fully, something like that. I'm not very
22 happy with that word. I think if you're giving a general
23 statement like that, I think you could then argue and say,
24 well, you know, because they always knock you down on some
25 of the things, and they say there's some law. But then

1 change the law.

2 MR. DAHL: Would it be helpful to change the -- in
3 section 2, to change "reimburse" to "paid"? Is that what
4 you want?

5 MR. FISHER: Reimbursed promptly -- I don't know.
6 Maybe I don't know what I'm talking about.

7 MR. ACKERMAN: Why don't you say all services provided
8 for the wellbeing of the children.

9 THE MODERATOR: Promptly?

10 MR. FISHER: Well, he said promptly. Maybe the thing
11 that I'm confused about is the fact that the final
12 paragraph is a reiteration. Maybe you ought to strike the
13 final paragraph.

14 THE MODERATOR: Please identify yourself for the
15 record. You have the floor.

16 MR. DAVIC: It would be sufficient to call me Aaron,
17 and I have to admit my ignorance the gentleman across from
18 me, I don't know your name, sir. You raised a point I
19 would like to see not go unobserved, and that is that the
20 institutions like the receiving homes -- their budgets are
21 often based upon the head count, and they don't necessarily
22 always have the funds to deal with the crises that arise.

23 From my own experience I've seen receiving homes
24 in the State purposely keep warehoused, as it were, as Mr.
25 Dahl said, in order to insure their continued budget. That

1 means they could have let children go back to situations
2 that may or may not have been the place to back to.
3 However to keep their budget and their position alive
4 they've had to pretty much hang onto some children in some
5 cases, and that -- whether of not that's positive or
6 negative is besides the point. It's valid and vitally
7 necessary to how the facility is available when they were
8 needed. -- what that percentage should be, but it should
9 be a specific amount and significant amount of capital to
10 allow for the provision of those services.

11 THE MODERATOR: Anybody else?

12 MR. FISHER: It's inherent.

13 MR. ACKERMAN: You've got a problem when you get into
14 the percentages and reallocations of State funds and
15 revenues. But, you know, you could have, you know, a base
16 formula, you know, and operate an overhead expense that you
17 provided to the facility and head expense afterwards and
18 operating offerage and when you have somebody in the system
19 then, or head count would take care of the additional
20 expense. But, in the meantime, you have funds and figure
21 out an overhead expense. And that's what you're talking
22 about. We've got an operating, overhead and expenses
23 lumped into one and have you to represent you do have an
24 operating overhead expense. Every institution has one,
25 whether you open the doors or not.

1 THE MODERATOR: We're going to have to move along and
2 dispose of this. We get on to the rest of it. This is our
3 last work session.

4 MR. DAHL: Mr. Chairman, let me suggest it be laid on
5 the table for a few minutes and let me massage the language
6 and come back to it. Would you do that?

7 THE MODERATOR: Do you so move?

8 MR. DAHL: Yes.

9 THE MODERATOR: Second?

10 MR. FISHER: Second.

11 THE MODERATOR: Question. Please indicate the voice
12 vote. The ayes?

13 Aye.

14 THE MODERATOR: The nays.

15 (No response.)

16 THE MODERATOR: The ayes have it. It's on the table.

17 We're in the area of resources, oil and gas
18 policy. It's Mr. Kroft's paper, oil and gas policy and
19 Connie Barlow paper in State Use of Petroleum Resources, R-6.

20 Miss Anasogak, do you have any input in this area?

21 MS. ANASOGAK: I haven't had too much time to go over
22 the material, and I'm not very familiar with it, so I --

23 THE MODERATOR: All right, thank you.

24 THE MODERATOR: Mr. Alexie?

25 MR. ALEXIE: I'm in the same boat. I don't know what

1 say about oil and gas policy.

2 THE MODERATOR: Very well. Thank you very much, Mr.
3 Alexie.

4 Mr. Borodkin?

5 MR. BORODKIN: No comments here either.

6 THE MODERATOR: Miss Bennett.

7 MS. BENNETT: My personal feeling is that I would
8 rather see the State get into more of our renewable
9 resources. We are obviously greatly involved in oil and
10 gas resources, but I have doubts about the quantity of
11 subsidization that people talk about in the petro chemical
12 development. I really have serious doubts about.

13 THE MODERATOR: Thank you. Mr. Ackerman.

14 MR. ACKERMAN: Yeah, I think as far as oil and gas
15 policy goes, you know, that the State ought to take a
16 careful inventory and right now we depend upon the industry
17 to do the inventoring for us, and they tell us what we
18 have on it.

19 And they say we should open up this area and open
20 that area, and I think the State has the resources now
21 through area inventory, release the information to
22 everybody, and that way we'll have four or five companies
23 poking holes to get the same information.

24 You know, have some realistic idea of what the
25 oil and gas is worth up there. And I think by doing that

1 we would be able to better judge how many sales -- shall
2 lease sales are really required, you know, to maintain, you
3 know, the oil and the glass flow. And that's something
4 that you have to do. You have to develop prudent reserves.
5 But I think the State ought to look at taking a close
6 inventory themselves, so they do have that information.
7 And I think that in straight processing, you know, is a
8 prime importance. I think there's a lot of fringe benefits
9 created by the whole community of jobs. I think that these
10 need to be high priorities.

11 THE MODERATOR: Thank you, Mr. Ackerman. Mr. Fisher.

12 MR. FISHER: All right. I've always got something.
13 I'm never lost for something to say.

14 I think as far as the oil and gas policy is
15 concerned, I think -- and it's already part of law that
16 we're permitted to do something other than the bonus bid
17 system. I think we should make sure that that is continued,
18 and if there is a need to verify the costs because the oil
19 and gas operation is a very, very expensive one. There is
20 need to verify costs you might actually have to have the
21 State subcontract various aspects of the operation. And
22 I'll give you an example. Subcontract is seismic work, so
23 that they know what's on those oil profits just as well as
24 the oil companies do and maybe furnish that information to
25 the industry. That's one thing you thought to do. If they

1 think the costs are too high -- and that's a possibility --
2 maybe we need to copy the British system with VP and set up
3 a partially or a completely owned-state company. So that
4 you've got something to judge the oil company costs by in
5 the way they operate. Now, that's almost -- not quite, but
6 almost rank area -- probably if you're talking about
7 anybody with an oil back you are. But those are two things
8 that I think are important. I think you'd be much, much
9 more understanding of the system, about what it amounts to.

10 THE MODERATOR: Thank you, Mr. Fisher. Mr. Dahl.

11 MR. DAHL: Mr. Chairman, I've been especially
12 concerned with what Connie Barlow talks about in the State
13 use of petroleum resources. I don't like that word -- that
14 phrase, and neither does she. The -- and I'm not sure how
15 to place this in any kind of language as a resolution and
16 recommendation, that I can see it as a program. We've done
17 several things over the past not very many years,
18 especially in bush Alaska. We have through what we've
19 defined as progress, changed the lifestyle of villages,
20 village people to create a dependency upon petroleum like
21 has never been known before.

22 With power plants operated by diesel fuel in
23 every village, fuel oil in homes which didn't use fuel oil
24 up until not very many years ago. In those villages served
25 by the Alaska village electrical supply, the cost per

1 kilowatt is 37 and a half cents. That's an incredible cost.
2 The burden on people with a subsistency economy whose cash
3 resources are limited -- to have to pay that kind of basic
4 cost for electricity and the terrible costs for heating
5 fuel is just -- it's a burden that we have only begun to
6 understand.

7 It seems to me that part of our policy in the use
8 of oil and gas ought to then provide assets to fuel oil
9 refined in Alaska to the bush.

10 Right now, fuel oil is shipped in on the Yukon
11 and stored at Saint Michael at the mouth of the Yukon and
12 brought down to the Yukon villages and up river by barge of
13 the on the Kuskokwim. It's shipped to Bethel and
14 transhipped from there by barge. The cost of that and the
15 burden upon people in the villages is a burden that we, in
16 urban areas, do not understand and would be unwilling to
17 bare, and I, frankly, don't know what to do about it. But
18 I raise it as a serious problem we've got to face.

19 THE MODERATOR: Thank you, Mr. Dahl.

20 MR. ACKERMAN: Just --

21 THE MODERATOR: In the area of -- yes, Mr. Ackerman.

22 MR. ACKERMAN: I'd just say this is not an area that
23 that's unrecognized in Fairbanks we had an editorial in the
24 daily news that it quoted it as being from \$1.05 to \$1.30
25 per kilowatt hour, which puts a 500 kilowatt usage, which

1 is considered to be a -- Mine runs 1500 is 22,000 a month
2 is 180 to \$1.00 a month for electric power. One thing, the
3 road we were talking about from Toby and Tanana we'd have
4 cheaper fuel available in Fairbanks at this time to do the
5 Frank Juan and North Pole refinery, that's cheaper than
6 sewage. We did the fuel oil cheaper in Fairbanks when you
7 do it at this time. This would give us cheaper fuel oil
8 into these areas that most of the villages or another of
9 have them could be incorporate so we could get this
10 electric power in there. But think we ought to look at
11 only sort of power, some alternative energy. I think that
12 there's small hydroponics that we can do, that will get it
13 down. I think every community in the State -- as to what
14 type of alternative power that's available. I think that --
15 you know, this is one of the best ways that we could spend
16 our money because it's something like a damn project, the
17 hydro project. We receive the benefits after 100 or 200
18 years. And I think the cost of power is one of the main
19 things, you understand that adds to our cost of living in
20 the State. And why our cost of living should be any higher
21 than any place in the United States, to stabilize the
22 States transportation of our -- If we had economic power
23 and economic transportation our cost to reduce things like
24 build our houses, and like that -- our cost of living won't
25 be higher to speak of. But I think we need to -- this is

1 is a real problem area and I think looking to invest in the
2 future alternative energy sources for all areas on it, and
3 we can look to the Federal Government to provide them for
4 us.

5 THE MODERATOR: Thank you.

6 MR. ACKERMAN: The Federal Government normally would,
7 but I think, you know, the responsibility is ours and we do
8 have the resources.

9 THE MODERATOR: In this area of oil and gas policy on
10 my own part I'd like to see the State have several
11 approaches in the disposition of oil land by lease with the
12 few point to determining how -- where and how we get the
13 best deal. And in that vein, in addition to doing our own
14 seismic work, I'd like to suggest that in state oil lease
15 sales, not in all the sales, but in some of the sales so we
16 can use it as a yardstick that we conduct those oil lease
17 sales on the basis of checkerboarding. Checkerboarding by
18 the State would recontinue a lease, and the lease next to
19 it would be put up and the oil lease auction.

20 It would be laid out in the field potential --
21 oil basin would be laid out in a checkerboard form. And
22 the black blocks would be state blocks, and the red blocks
23 would be competitive bid. I think that we'll get a better
24 deal. We'd have, then -- we'd retain, therefore, half of a
25 field and we would have on our present formulas 12 and a

1 half percent of one-eighth royalty in addition to lease
2 revenue fee -- whatever the bid for the lease.

3 Will Ackerman.

4 MR. ACKERMAN: I think that's a real fine concept. I
5 had a friend of mine that had several leases in the Swanson
6 River area that was surrounded, you know, by oil well
7 interests, and he paid the lease rate on them and they and
8 it took everything he could scratch together for eight
9 years before they finally bait his -- they really wouldn't
10 develop any until they had the area pretty well under
11 control and so before they developed it. And it's just not
12 their policy to develop until that they could secure their
13 investment a little bit more than the checkerboard
14 operation. After they go to the expense of proving it.

15 That's why the State should approve of the field
16 first. They're not going in to spend a lot of money and
17 have someone piggyback on expenses for a practical matter.
18 That's not one of the policy decisions made.

19 THE MODERATOR: In addition to that, I don't feel that
20 we should be in any rush to dispose of oil lease lands. In
21 the face of rapidly depleting world carbon fuel resource,
22 in the face of inflation, in the face of rising prices for
23 proof. We're somewhat in a position of the OPEC nations,
24 in some respects. And they are more deliberate than we are.
25 The more cautious we are, the disposition the better we'll

1 do in the future.

2 The Federal Government has designs on locking up
3 92 percent of the potential oil reserves of the State in
4 the D-2 lands, and this, in itself, makes the State land
5 oil province areas that much more desirable.

6 Now, in the area of an energy -- and this policy
7 in state use -- they're almost synonymous. It should be
8 welded together. My power company, Teller Power Company,
9 are an independent. We don't have any public financing.
10 Our kilowatt hour rate is a flat 35 cents. We have in our
11 tariff filed with the Utility Commission a -- the ability
12 to levy an oil price increase factor on top of that 35
13 cents, which we have not as yet done. And we don't operate
14 on 2 percent money like AVAK does. And we don't get grants
15 like AVAK does. And subsidy in the school districts BIR or
16 the REA's and, of course, we don't have a taj majhal of
17 International Airport Road and a staff of high salaried
18 engineers and administrators, either. And this is what the
19 people are paying for. This taj majhal here off of Airport
20 Road and high scale read manager and assist opportunity
21 manager and office manager and accountants and the
22 engineers and write away men and the whole shot.

23 It's top heavy. The board did not function as a
24 Board of Directors, they functioned as a rubber stamp. Now,
25 then, in this area where we were' paying a dollar threw

1 sense a gallon now for fuel -- our generator has put us in
2 a squeeze. We're going to be driven because of that factor
3 increment. We'll run it through the computer now and we'll
4 see just what we're going to have to do.

5 Now, in State use of petroleum resources, for my
6 own part I would like to see the State take it's one-eighth
7 or 12 and a half percent oil and gas out of the gas line at
8 Fairbanks and send it down the rail belt through a State by
9 plane to Seward, taking out of that line at Fairbanks
10 natural gas the people in the Fairbanks area can utilize,
11 taking that line out the rail belt, natural gas that the
12 people at Houston Willow or Vacila or Palmer can utilize.
13 Perhaps marking some of that gas to inlet, putting natural
14 gas in through private enterprise and to Seward. And then
15 selling the remaining natural gas comes out the end of the
16 pipe at tide water to the highest bidder, but don't get
17 locked in on any long term deal unless there's an
18 inflationary factor built into the purchase agreement.

19 MR. ACKERMAN: Mr. Chairman?

20 THE MODERATOR: Mr. Ackerman.

21 MR. ACKERMAN: Mr. Chairman, I -- you know, there's
22 already -- if the State had been looking -- I don't see any
23 reason why the State shouldn't bring their natural gas all
24 the way off the slope. And possibly the State could bring
25 their national gas all the way from -- and the flare and

1 the oil companies problems are having now and it would be a
2 vast project that might help them with the large -- I think
3 in Fairbanks we should probably be critical. We offer it
4 more slow.

5 THE MODERATOR: They want to take the liquids off and
6 put it up in the area with the petro chemical plant.

7 MR. ACKERMAN: Well, Mr. Chairman, that's one thing
8 about it. State has its own mind when came to buy out the
9 more healthy. In a small pipe, you could carry a high
10 pressure without the heavier thickness that's required.

11 THE MODERATOR: Right.

12 MR. STUMP: You can bring it whatever pressure you
13 want take the liquids off the final process and if it
14 happened on the North Slope and put it on the State line
15 and bring the liquids down. So if the State did bring in
16 royalties at it with they could in the same line ship their
17 liquids. And I think we ought to take the broader thing
18 since we're looking at concepts and look at the State by
19 taking royalty oil off the Slope and that are carrying
20 their liquids at the time the market has to do that on the
21 slope at the time.

22 THE MODERATOR: Right.

23 MR. FISHER: Let me -- if I may --

24 THE MODERATOR: Mr. Fisher.

25 MR. FISHER: Referring to your arguments on Page R-8,

1 she raises four questions. First one is: Should the state
2 encourage entry in there whose causes are questionable if
3 by the very nature of the size would link region economic
4 wellbeing of its own. Should the state allow its financial
5 des- -- its royalties to become tied up in the industry's
6 operations now, to comment on that question very briefly.
7 I would point out that big oil was not involved and did not
8 believe petro was economically possible, whether they're
9 right or wrong, big oil wasn't in El Paso.

10 Two, why is it our leaders talk about broadening
11 Alaska' economy and becoming less dependent on oil and gas
12 production yet fail to main that petro chemicals and that
13 petroleum refining will do just the opposite? Three. Why
14 is it feasible to ride the boom bus syndrome of a large
15 scale construction yet promote action that will only add to
16 the construction boom surrounding the gas line. If a prtro
17 chemical plant is build in Alaska for processing North
18 Slope gas liquids, construction of the plant and maybe a
19 separate liquids pipeline from the North Slope, or products
20 line to tide water almost certainly would occur at the same
21 time as construction of the northwest gas pipeline. The
22 conditioning plant and the water flood facility.

23 Your method chemical industry -- to get one job
24 in the industry, assuming that's the element objective,
25 costs well over a million dollars. As a matter of fact, it

1 costs a million dollars and when they built the Collier
2 plant at -- in North Kenai. It would seem to what you're
3 going to get is about ten times the number of fishery jobs
4 the same amount of investment you would get if you were in
5 petro chemical.

6 Maybe I shouldn't say those, but I have -- I
7 worked that debate down -- at Kenai, and we didn't really
8 have a whole lot of debate. Almost chrewed up a
9 representative over it, but we didn't have much debate.
10 Ask him.

11 The question that we were asked here, in addition
12 to that, when you think about the cost of the federal
13 stocks -- that's what those gas liquids -- shall they had
14 stocks and if you're trying to go into a full-scale -- or a
15 world scale petro chemical industry you're then starting to
16 compete with Saudi Arabia and they flare the stuff right
17 now. They burn it. They're going into the petro chemical
18 business, and they're going to be able to use the stuff
19 that they're now flaring. I don't know. I would doubt
20 that petro chemical industrial will do for Alaska anything
21 more than give us -- well, she asked if you won't guess
22 more ups and downs.

23 THE MODERATOR: Mr. Ackerman.

24 MR. ACKERMAN: I don't think, you know, the jobs are
25 the only thing pregnant we have to look out in petro

1 chemical development or the State having a royalty why to
2 bring in our product off the -- our share of the product
3 off the slope. Governor Egan talked about the State
4 building a line, and there was a lot there -- you don't
5 lots you money on these transportation systems. They are
6 thought using money. There are blind costs \$15 million to
7 Trans-Alaska pipeline it would make money. And the cost of
8 this project which we had no control over at all -- we
9 didn't have any control over who worked on it whether
10 Alaskans worked on it or anything else we didn't -- I
11 shouldn't say we had no control because, I think -- it was
12 or Gene Guess wanted the rifle leasing bill that said use
13 the maximum extent possible. We could increase the lease
14 rate a hundred times or whatever, you know and that's why
15 we had Alaskans working on that job to the maximum extent
16 possible, because because of the lease rate. That's the
17 only thing we have. We have no accountings I've seen
18 doubles, triple, for camp construction costs. I've seen
19 cars often that go -- I'm seen them amortized in the daily
20 room. We were to years into the pipeline before we ever
21 looked at their books. And I mean you've got a stack that
22 you could cover this table with. You have absolutely no
23 accounting of the money that was spent on the pipeline, the
24 double entries on it that an add to the pipeline cost and
25 everything else. By the State -- the pipe line, you're not

1 going to lose money on that transportation system. You're
2 go going to have more options to deal with your royalties
3 and you're going to get more benefit from a petro chemical
4 plants -- necessarily jobs as much as it is a product that
5 you can by reasonably in the State to lower our cost of
6 living of the I think this is an important thing, that we
7 lower the costs of these products in, and the State would
8 do it and if you should get out that's fine. We should
9 have fertilizer and rate that could you use for or
10 agricultural development at a cheaper rate. There's a lot
11 of other things. I'm not that familiar with all the things
12 that you do do. But I think that the lime and the petro
13 chemical development -- the lime especially this creases
14 our options and gives us the most benefit and mostly of our
15 share of the oil for gas.

16 THE MODERATOR: We have -- five more subtopics under
17 resources. We've only disposed of -- we've disposed of
18 finances, government education, transportation, law,
19 justice, and communications. We need to address now a
20 resolution on oil and gas policy and the oil and in the in
21 state use petroleum resources. Under this section, oil and
22 gas policy. Rather than double back and have it gets fuzzy
23 in our minds what we've discussed. I now entertain a
24 motion for the adoption of an amendment if member has had
25 the time to make some notes here and get an amendment...

1 MR. DAHL: Mr. Chairman, I've not taken any notes, but
2 I think it's interesting that in our discussion no one has
3 said that we ought not to develop oil and gas. That
4 certainly is an option. I'm its that I'm particularly
5 recommending. In fact, I'm not recommending. For the
6 record. As I talked to people in other groups, however,
7 we've been quite concerned about making that as a choice
8 not to develop our resources. I -- I'm personally pleased
9 that this group has not considered that as an option. Hour
10 discussion has centered around how do we develop them, what
11 do we do to develop them, but not developing them is not
12 enough.

13 THE MODERATOR: The closest we came to that is to ring
14 a slow well, right? Not to get -- be hasty but be
15 methodical and deliberate.

16 THE MODERATOR: Mr. Fisher.

17 MR. FISHER: Mr. Chairman, of the options considered
18 this the permanent fund discussion, as I understand and
19 probably the best option but probably the lease available
20 would be not to take the oil and gas out of the ground. It
21 would be to leave it there. It probably would be the best
22 savings account there could be.

23 THE MODERATOR: The royalty or the --

24 MR. FISHER: Well, the portion that would be assigned
25 to permanent fund -- to leave that in the ground.

1 THE MODERATOR: Only as the fields depleted the
2 recoverability in that field given substantially.

3 MR. FISHER: I understand. There's lots of problems.
4 But that is almost what Tom Dahl is talking about, is not
5 to develop and use at a later time. And that was -- that
6 was discussed. Now, I don't think it would, one, be
7 permitted by the United States and, two, I don't think it
8 would really be carried out and be permitted politically in
9 Alaska. But it was considered as being possibly the best
10 return that we could get. And if you think about it, it
11 way well it may well be.

12 THE MODERATOR: I was reluctant to expostulate on not
13 developing because I don't think the government thought of
14 it, but way can be deliberate. We don't need to be
15 stampeded.

16 MR. BORODKIN: Mr. Chairman, if we went that way, you
17 know, not endorsing development wouldn't that be at the
18 same time sort of endorsing to lock up shall the resources
19 in Alaska?

20 THE MODERATOR: It would.

21 MR. BORODKIN: I don't think I'd --

22 THE MODERATOR: No.

23 MR. BORODKIN: -- I don't think I'd want to do that.

24 THE MODERATOR: No. I don't endorse that concept.

25 MR. ACKERMAN: I don't think that we should confuse

1 the transportation system, and I think that you know we're
2 going to have to agree that the pipeline is a
3 transportation system with development. You know, I think
4 the pipeline off the North Slope will maximize our benefit
5 of the gas that we have up there. It's not development of
6 anything. It's a transportation system and I think that
7 the transportation -- we all know there's a direct
8 relationship what we get out of the product is a state and
9 royalty and transportation costs. And I think for the
10 State to put in a line -- I don't know what size would be
11 appropriate -- 24, 30 inch or something most likely in the
12 area.

13 THE MODERATOR: 26.

14 MR. ACKERMAN: 36 --

15 THE MODERATOR: 26.

16 MR. ACKERMAN: Well, that's close. 24 to 30 but to
17 bring that size line off of the slope I don't think is -- I
18 think it's in the State interest. I don't think that you
19 have the problems you'd have with it. You would have dead
20 control over -- will know what the cost is on it. And it's
21 not -- you're going to make money off the transportation
22 system it's going to be a produce you are of revenue just
23 like is a for alley he is they make money off that pipeline.
24 They're not Lucidine. And they're making it off of us.
25 And I think the transportation system off the Slope

1 maximizes our options with our resources, particularly
2 since we've been talking about the liquids, if we want to I
3 don't them. We could build a pipeline that we could
4 operate under pressure that would allow us to inject the
5 liquids off of that plant into the pipeline. And I think
6 that this transportation system would maximize, you know,
7 the State's benefits is their revenue income. And I think
8 that's something that we can endorse without get into
9 actual development. We'll take a break here to change the
10 tape now, please.

11 THE MODERATOR: We're back on the record.

12 MR. FISHER: Who is going to write the oil and gas
13 resolution?

14 THE MODERATOR: Do we want to embrace in the oil and
15 gas resolution a recommendation for checkerboarding in a
16 portion of our oil lease land of the State? Not all of
17 them necessarily but as a -- an alternate to the present
18 system?

19 MR. FISHER: no, I don't think so, but I think it's a
20 continuation of the present policy. I think it's a
21 continuation of what's beening done right now.

22 THE MODERATOR: Checkerboarding?

23 MR. FISHER: Yes, I think so. I know the State's
24 tried it. Now whether they're continuing to do it or not I
25 don't know.

1 THE MODERATOR: Then we want to include in our
2 resolution a recommendation on taking our 12 and a half
3 percent and bringing it through our own line to tied water
4 through the rail belt?

5 MR. ACKERMAN: I think we ought to look at the State
6 bill royalty line to bring our gas to tide water. I think
7 we should look at the whole thing and shouldn't be than
8 specific on it, you know, as to which route we should take.
9 But I do think we should look at it and to maximize our
10 options and especially with the liquids.

11 THE MODERATOR: Well, Valdez has a good economy, and
12 this will give Seward an opportunity, and the rail belt the
13 strength in its economy. So we can spread this oil --
14 begin spreading across the State. This is what I have in
15 mind.

16 MR. ACKERMAN: I think we should first look at the
17 concept of just bringing it off the slope ourself. This is
18 a concept to where we're going to specifically go with it.
19 You know, if we can get them to look at it, it would be
20 another question, you know, that when we started actually
21 doing it then we could get into that discussion. But I
22 think that, you know, it's -- for the State to get into
23 bringing it off themselves, just to maximize our benefits
24 is something we should look at. I mean exactly which way
25 we should go on it, I think this is something that is a

1 whole other thing. But I do think we need to bring it off
2 someplace.

3 THE MODERATOR: Thank you. Are you Mr. Davic?

4 MR. DAVIC: That's correct.

5 THE MODERATOR: You're on the record.

6 MR. DAVIC: I think in the broadest sense, what I
7 would like to see addressed in a resolution involving the
8 oil and gas situation this this state is to prepare for our
9 eventual self-sufficiency, if that means effect a chemical
10 plant, another pipeline, whatever it takes to provide for
11 that possibility, so that we're in longer stampeded or
12 pushed around by the Federal Government. I think it's
13 highly important to work towards self-sufficiency and
14 state use of the oil, and state use of other minerals. And
15 indeed, we are in the position of the OPEC nations. And I
16 think the time will come with succession is very real and
17 viable alternative. But I think it's highly important to
18 gear the State's policy and direction toward
19 self-sufficiency.

20 THE MODERATOR: Any other comment? Identify yourself
21 for the record, please.

22 MR. DAVIC: Yes, my name is Miles David, and for the
23 record I'd like to speak to the gas pipeline. I would
24 prefer to see a rather loosely worded, in one sense,
25 resolution come out with regards to the gas pipeline,

1 in order to delay any source of decision for a later date,
2 because I feel that the public is perhaps uninformed.

3 The information that I have as regards to the gas
4 pipeline is, in essence, that if this gas pipeline goes
5 ahead as presently proposed, that the -- we would be losing,
6 perhaps, somewhere between 4 to \$8 billion -- 8 million
7 barrels worth of oil out of the Prudhoe Reservoir, which
8 would be unrecoverable, because of losing adequate gas
9 pressure in order to bring it out. Now, investigation
10 should be made of the feasibility of cost. It's definitely
11 feasible of delaying a constructing, a stripping plant at
12 Prudhoe Bay, which would strip all of the gas liquids out
13 and reinject the dry gas into the reservoir. Then at the
14 time that Prudhoe Bay Reservoir has been depleted, then the
15 dry gas will be brought back out. We'll have maximum
16 recovery from Prudhoe Bay and maximum recovery of the
17 natural gas. You will not lose that.

18 In the meantime, we'll have access to all of
19 those gas liquids to provide -- now, for example, Fairbanks
20 along the rail belt. Now, in those gas liquids we're
21 talking about propane as part of those liquids, so
22 Fairbanks, for example, would have a very good source of a
23 lower cost energy. And then we could build a world class
24 petroleum byproducts, and all the pharmaceuticals and such
25 as this. And also this is part of the OPEC's position

1 in -- where we have the Saudi Arabians continually
2 addressing Americans what they have to engage in to a
3 really instant and progressive program of conservation,
4 because petroleum and petroleum products are much too
5 valuable for other things that are necessary to mankind,
6 instead of wasting them for just merely creating heat. And
7 also, I would like to add that the figures that I mentioned
8 is 4 to 8 -- I believe it's -- we would have a \$4 million --
9 4 billion barrel net gain, even after getting all the gas
10 and then having that much more recoverable oil.

11 So if you just simply multiply four billion
12 barrels is the minimum, and perhaps it will be as much as 9
13 billion barrel. So, if you'll go the present world market
14 price on oil, perhaps on a contract these days is 26 --
15 about \$ dollars a barrel was going as much as 40 or higher
16 on the spot market. So if we just say \$25 a barrel, what
17 we're talking about is somewhere between 10 to \$20 million.
18 Now, do we want this available for use, or are we just
19 going to lock up and destroy that resource so no one has
20 any benefit from it, ourselves or the Lower 48 States, et
21 cetera. Thank you.

22 MR. ACKERMAN: Mr. Chairman.

23 THE MODERATOR: Mr. Ackerman.

24 MR. ACKERMAN: Four to 6 billion barrels, it's up to
25 200 billion, rather than the lower figure, I believe. But

1 A state pipeline for the royalty of gas. It
2 could distribute -- the gas could go into the smaller
3 state transportation system, and the rest would be reinjected.
4 And I'm sure it would comply. Hold development in getting
5 something off of the Slope now when it's needed. America
6 is in an energy crunch and I think the smaller pipeline
7 built by the State could be put together a lot faster than
8 what we're talking about the magnitude of the one that's
9 presently proposed. And I think that's, you know,
10 related.

11 MR. FISHER: Mr. Moderator.

12 THE MODERATOR: Mile Davic.

13 MR. DAVIC: I'd like to add to my remarks on that.

14 The Canadians have recently completed a pipeline in Canada
15 about 1500 miles in length, in which to build an oil line,
16 and they are doing just this thing. They are reinjecting
17 the dry gas, stripping out the liquids, and they're sending
18 them down. Now, other information that I have, you know,
19 unverified at this time, but it is being alleged that the
20 treaty that was negotiated and signed by President Carter
21 with the Canadian government permits the Canadians to strip
22 all of the liquids out of the gas and then send only the
23 dry gas to the Lower 48, you see. So, no part of the
24 United States is getting -- if this were true, this part of
25 the United States would be getting access to it. So the

1 Canadians are encourageing us to do something that they are
2 not going to do because it's not good business and it's not
3 good resource management.

4 THE MODERATOR: It's 20 minutes to 10 and we have five
5 major topics here under resources to cover yet. We'll need
6 a resolution on oil and gas policy.

7 MR. ACKERMAN: I'd like to state one belief, and we
8 can talk about it. I'd move that the State investigate a
9 stripping plant on the North Slope for the liquids and
10 State transportation system to bring off the liquids and
11 the State royalty gas.

12 MR. DAHL: Second.

13 MR. FISHER: Yeah, second.

14 THE MODERATOR: Second? Question?

15 MR. FISHER: I'd like to talk on that.

16 THE MODERATOR: Okay. Discussion.

17 MR. FISHER: Well, Ackerman has talked about this
18 about three or four times. It's beginning to sink in.
19 It's beginning to sound like it makes sense. You know, to
20 look in and to check that out because that sounds -- that's
21 an approach that we don't hear very often. I'm not sure
22 that we've heard it at all. There's been some talk about
23 it, but I don't seem to approach it. And I think, you know,
24 it's an innovative idea. We ought to give it a try to some
25 of it. Maybe we ought to even lose some money on some of

1 these but to find out what it is. And I think we ought to
2 pass the motion for that reason.

3 MR. DAHL: Question.

4 THE MODERATOR: Question?

5 MR. ACKERMAN: I'd like to add, you know, to increase
6 the State's benefit from the resource. Can you do that?

7 MR. FISHER: No, that's --

8 MR. ACKERMAN: Maximum state benefit from resources.

9 THE MODERATOR: Do you have your motion written down?

10 MR. ACKERMAN: No.

11 MR. DAHL: Grab a pencil, Barb, get to work.

12 MR. ACKERMAN: I think the motion was the State
13 investigate a gas stripping plant for the liquids at
14 Prudhoe Bay and a state transportation system to bring the
15 liquids and state gas out --

16 THE MODERATOR: To tidewater?

17 MR. ACKERMAN: To tidewater for a maximum state
18 benefit and utilization.

19 THE MODERATOR: And what do you think about leverage
20 construction? Keep our money, finance it?

21 MR. ACKERMAN: Yeah, that's fine. I think that, you
22 know, just putting the idea out, you know, we can -- if we
23 can get it across, we can develop the other things on it.
24 I think we should keep it fairly brief in concept.

25 THE MODERATOR: Mr. Davic.

1 MR. DAVIC: Yes, Mr. Chairman, I'd like to see the
2 motion amended to read maximum petroleum production from
3 Prudhoe Bay, so as not to be subject to any
4 misinterpretation, because maximizing benefits to the State
5 can mean all sorts of things to all sorts of people. If we
6 address it in that manner specifically, that would be the best
7 import a clear intent.

8 THE MODERATOR: While the resolution is being prepared
9 we'll proceed.

10 MR. DAVIC: Can I read this back one more time? My
11 shorthand gets real rusty. We recommend that the State
12 investigate a gas stripping plant for the liquids at
13 Prudhoe Bay? Is that --

14 MR. ACKERMAN: That's what I said.

15 MS. DUYACHAK: And a state transportation system to
16 bring -- what was it.

17 MR. ACKERMAN: The gas liquids --

18 MS. DUYACHAK: Bring the last liquids --

19 MR. ACKERMAN: Royalty gas to tidewater.

20 THE MODERATOR: Pipeline system.

21 MS. DUYACHAK: A state transportation system or
22 pipeline system.

23 THE MODERATOR: A state pipes line system.

24 MR. DAHL: He said transportation system.

25 MR. ACKERMAN: I said transportation system. I think

1 the pipeline's transportation system -- we're into
2 transportation systems with ferries and things like that,
3 airports.

4 MR. DAHL: Mr. Chairman, I have a point, too, of that
5 resolution I'd like to enter. That every effort be made to
6 use Alaska petroleum to lower the cost of fuel throughout
7 the State.

8 THE MODERATOR: You so move?

9 MR. DAHL: I so move.

10 MR. FISHER: I second.

11 THE MODERATOR: Second. Discussion? No. Question?
12 Would you indicate by saying aye?

13 MR. DAHL: Mr. Chairman.

14 Aye.

15 THE MODERATOR: Opposed?

16 The ayes have it, so ordered.

17 MR. DAHL: Is that the entire resolution, Mr. Chairman?

18 MR. FISHER: I think so.

19 THE MODERATOR: We'll proceed to fisheries.

20 MR. DAHL: Mr. Chairman, at this point I would like to
21 go move to take from the table the child care resolution.
22 May I do that?

23 MR. ACKERMAN: Second.

24 MR. FISHER: Let's go.

25 MR. DAHL: I have an amendment to Item No. 2 -- I have

1 this written out for you. Delete the No. 2 that is in your
 2 resolution and replace it with the following: "That the
 3 State place children with child-caring institutions as a
 4 good parent would, providing for prompt payment of full
 5 cost of care, comma, which includes a portion of those
 6 costs required to keep the institution ready to receive the
 7 State's children."

8 And I would move its adoption.

9 MR. FISHER: Second.

10 THE MODERATOR: Second? Objection? Discussion?

11 (No response.)

12 THE MODERATOR: Question?

13 MR. FISHER: Question.

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

15 Aye.

16 Opposing, say know.

17 (No response.)

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

19 MR. FISHER: The whole resolution. We're in the area
 20 of fisheries. I'll entertain input from the floor.

21 MR. FISHER: Why don't you ask the -- our fishermen.
 22 Do they have anything special they think --

23 THE MODERATOR: That's why I say I'm entertaining
 24 input from the floor. Whoever.

25 MS. ANASOGAK: I'm not a fisherman but I'm a fisherman's

1 wife, so I know some of the problems that the fisherman
2 encounter at home. One of the problems that is being
3 encountered is the transportation of the fish once you get
4 the fish then you have to wait for transportation. Is
5 while you're waiting the fishing to waste because you're
6 sitting there hoping to sell fish to get the money, and
7 because without the transportation, you let the fish sit.
8 By the time you know that, there's not going to be any way
9 out, the fish has -- is spoiled. And that is a waste, too.
10 I can't think of anything more to add to that right now but
11 I'll probably think of something later.

12 THE MODERATOR: Mr. Borodkin?

13 MR. BORODKIN: Yes, I agree with the young woman here,
14 that I think utilization is important, especially with the
15 big reduction for Bristol Bay. There should be some
16 alternatives to look at that and that utilization.

17 Another area is marketing. I think marketing
18 those be looked at. Right now most of the marketing is
19 done over in Japan, and with the American dollar gain is on
20 the Yen, it -- it's going to affect marketing. It already
21 has. And reading the papers, I think the Governor is
22 looking for marketing over in Europe and other places. I
23 think we should be looking at domestic marketing. I firmly
24 believe that the State should assist fisheries in marketing
25 utilization.

1 Another area that we should be looking at is
2 agricultural program. I happen to be on Prince William
3 Sound Agriculture Board. Just this past year the Prince
4 agriculture harvested over 200,000 that returned, and the
5 200,000 -- in excess of 2,000 were harvested and sold to
6 the local processors. I just don't recall how many
7 thousand there was kept for ruined stock.

8 THE MODERATOR: 200,000 what?

9 MR. FISHER: Salmon. Pinks.

10 THE MODERATOR: Pinks?

11 MR. BORODKIN: Yes. So this that's showing us the
12 program is working. I think the State has on the drawing
13 board to build another hatchery. They've already examined
14 the site. Then there's one in -- that it was just
15 completed just recently and Prince Rupert Sound. I think
16 I've made a remark here either yesterday or some time ago
17 that I looked at State hatchery. I went up this road out
18 in wilderness among the woods. And I came up on a clearing
19 and it was just like walking into some parts of downtown
20 Anchorage with this big huge complex, hatchery complex. I
21 just hope that the press -- the paper would go down and,
22 you know, look at it and take pictures and put it in a
23 paper. I really think that these programs are going to pay
24 off not too many years from now. So I think that we should
25 encourage the State in developing these renewable resources.

1 I should have taken notes, but I didn't.

2 THE MODERATOR: Any other comment?

3 MR. ACKERMAN: One comment.

4 THE MODERATOR: Mr. Ackerman.

5 MR. ACKERMAN: I believe besides this really isn't an
6 area I've been in. I do recognize the problem and, you
7 know, I've been through the area and besides the
8 transportation I think collection points and holding
9 facilities, you know -- there's a major problem. I mean,
10 we can't -- we're always going to have transportation
11 problems, but they would be minimized if we had holding
12 collection point and holding facilities, and we could have
13 those, and we are developing again recruit hatcheries. You
14 can't get into that place. That's bad transportation. We
15 spent three times as much time trying to get in and out of
16 canneries as we did on the job on it. But I think that we
17 are developing these hatcheries, that our fishery is
18 developing. If these areas are going to realize the
19 benefit we do have to have refrigerated holding and
20 collection points are we can drop our fish if we can get
21 them to transportation. And if you have a heavy run it's
22 hard to get all the transportation in any way. If you have
23 a holding facility and a collection point then you can
24 maximize your harvest without it spoiling.

25 MR. BORODKIN: One thing I forgot to mention. On the

1 private hatchery is we have an assessment among the
2 fishermen, and that's, I think, copper reds has asked us at
3 two cents apiece and Prince William Sound Pinks and other
4 species are assessed at three cents a piece. Change to
5 assessed earlier. So it's working real well. We is a
6 matching fund by that processer so it matches the fisherman.

7 THE MODERATOR: Mr. Fisher.

8 MR. FISHER: Fisheries on that, I want to get onto
9 this a lot sooner because some of us know a lot more about
10 fisheries than we do canneries. One thing we need to do
11 pretty badly now -- we need to improve our marketing
12 technique. We've got to handle our fish better. We do
13 such a poor job of handling our fish that we're probably
14 going to have some sort of a scandal resulting from the
15 1979 pack. John Doyle, who is head of the Marines Advisory
16 Program, which is Sea Grant Funded was recently in Denmark,
17 and he said that he was supposed to give a two hour
18 presentation, and he didn't give that presentation because
19 all that they did was raise hell with him, literally hell,
20 about the poor handling of the Alaskan salmon. They led
21 him to believe that we did such a lousy job that when they
22 did get an occasional good batch of fish from Alaska, in
23 order that it would sell -- they had to put a Canadian
24 label on the fish. Now, that's terrible to have a
25 reputation like that, but that's apparently the reputation

1 we've got. So we're just going to have to take care of all
2 of them, because we can't sit on Cook Inlet and say those
3 rascals in Bristol Bay are no good because as far as the
4 world's concerned we're all Alaskan fishermen. So we're
5 going to have to do something statewide with respect to
6 maintenance of quality and enhancement of quality and we're
7 going to have to do the whole thing.

8 I don't know how we're going to do it but at long
9 last the State is starting to do something on quality
10 control in the salmon fishery. They've been doing it in
11 the King crab fishery but we haven't done it -- anything we
12 had we do to fish, we've done to our salmon. And then we
13 try to sell it, and it just doesn't work.

14 THE MODERATOR: The feedback I get, Jamie, is that
15 there's a lot of salmon on the West Coast and basically a
16 lot, because of the poor quality control in the pack. This
17 is the feedback I get.

18 MR. FISHER: Can't even can it, it's so bad. That's
19 what I understand.

20 MR. ACKERMAN: I think one of our problems is getting
21 it out and if we had refrigerated storage facilities and
22 collection areas, we could increase the quality and its
23 collection point we could make our inspections and see
24 whether we ship or not the fish. I think that's our main
25 problem is getting it out and getting it to a processing

1 facility, and we have have -- we have to have a holding
2 facility to hold it until we can do that. You can't just
3 leave it sit on a river bank or in a box in the sun.

4 MR. DAHL: It's more than that, Mr. Chairman.

5 THE MODERATOR: Mr. Dahl.

6 MR. DAHL: Alaska has come down through the years as a
7 canning industry, and we have not made the shift from a
8 canning industry where the fish are brought from the
9 fishing -- from the fishermen's boat into a tender and
10 they're thrown from the tender into a -- on to a Convair
11 and thrown into a bucket into the cannery and then mashed
12 in a shredder and stuffed in a can. From that to a fish
13 that is picked up by hand and that moved without being
14 bruised or knocked around or cut or-- with a hole poked in
15 it anywhere to a flash frozen glazed wrapped in poly bag
16 product that goes to that Japanese market and the Japanese
17 housewife looks as it whole and, on the basis of appearance,
18 buys it. That is an entirely new process for us, and we
19 don't know how to handle it. And it's even worse in
20 Northern Europe, in Sweden and Denmark.

21 MR. ALEXIE: Mr. Chairman?

22 THE MODERATOR: Yes, Mr. Alexie.

23 MR. ALEXIE: As I work as a deputy, we have two major
24 problems; like one is getting the piece from fish from the
25 fishermen and that having it on the talk or in the barge,

1 the process and then waiting for the transportation. What
2 I've been wanteding to do is -- and I've told my boss that
3 he shouldn't buy more fish than he can handle because when
4 we get too many we condition handle them before they get
5 spoiled. Another thing that I've been trying to present it
6 to my employees that we should handle the fish like a baby.
7 Okay. There was one Japanese guy byinging our fish. And
8 he took a lot of pictures and then he says -- he called me
9 told me that everything goes good in a freezer and then the
10 fish is thawed. It doesn't look as good as the way we
11 freezed the salmon. It's what I got from the Japanese who
12 was buying our fish. And I think that a man who is buying
13 the salmon should buy fish which we handle.

14 MR. ACKERMAN: Mr. Chairman? I oh, when I was younger
15 teenager going to go high school, I spent the summer in
16 Homer and went fishing and I went cooking crab in a cannery
17 down there, and this is one of the reasons we got into
18 frozen crab meat, we got into it down there even had a
19 freezer with ice on 110 foot freezer, both that sat by.
20 But that was a heavy run that cannery couldn't process crab
21 that came in there. It's a backlog and you develop your
22 backlog then they got a percentage of the share of the crab
23 that they could bring in and the salmon's the same thing.
24 We don't have a holding facility. We didn't have the
25 holding facilities. We don't have the holding facilities.

1 Now when you get a heavy run, we don't have the canning
2 facilities to can the catch. And so we have to -- the
3 holding facilities are, you know, a major problem because
4 we have to develop and we're looking at record runs. It
5 was a record run. When we have a record run, we don't have
6 the canning capability and we have to have the holding
7 capability to handle the fish. And this is something that
8 we have to develop.

9 MR. DAHL: Mr. Chairman, I think we've run out of time.

10 THE MODERATOR: We've run out of time.

11 MR. FISHER: I've got a fishery resolution. It's not
12 very good --

13 MR. DAVIC: Quickly may I see?

14 THE MODERATOR: Mr. Davic.

15 MR. DAVIC: Yes. With regard to the gentleman's
16 statement as to holding facilities and the other comments,
17 there, they're all part of marketing. Everything after the
18 fish is produced is all part of marketing and getting it to
19 the consumer, and I feel that the things you're mentioning
20 are planning what the private entrepreneur should be doing.

21 Now what we need to do is have some manner in
22 which to encourage him to do this and insure to the public
23 as to the quality of the fish. Now perhaps the time also
24 now to establish a Salmon Fisheries Control Board, or just
25 a generally a Fisheries Control Board that will place a

1 quality -- you know, the Alaska Good Housekeeping Seal of
2 Approval on these things. So they can establish these
3 standards for handling from different ways down the line so
4 we don't have this -- it's an another waste of --
5 tremendous waste of resources. And a lot of people are not
6 eating. And it is a tremendous waste of the resource it
7 contributes to the higher price at the grocery store where
8 could you have consumer complaints. Could you brought in
9 your market to other countries.

10 MR. FISHER: Let me try this out for size. Alpha
11 Group recommends the Alaskan Fisheries Program do you,
12 colon: one, encourage and support the best possible
13 harvest transportation and that care techniques for all its
14 multiple fisheries; two, ready necessary for complete
15 harvest and best utilization of all state fisheries
16 products. And three, initiation of the most advanced
17 systems in that quality production control transportation,
18 storage for all Alaska fisheries products. I'll say that
19 over and over again the I move its adoption.

20 MR. ACKERMAN: I'd second.

21 MR. DAHL: Mr. Chairman I'd like to add one more
22 statement to that.

23 THE MODERATOR: Mr. Dahl. /

24 MR. DAHL: That is that we make every effort to train
25 persons in the technical skills to operate in a modern

1 fishery?

2 MR. FISHER: I accept that.

3 MR. BORODKIN: Mr. Chairman?

4 MR. BORODKIN: Are we under discussion now?

5 THE MODERATOR: Yes.

6 MR. BORODKIN: I think I'd be very careful in one part

7 of it. That's -- would you restate that again, please?

8 MR. FISHER: Which one?

9 MR. BORODKIN: In the quality control?

10 MR. FISHER: All right. Initiation in the most

11 advanced systems in quality production control

12 transportation and storage.

13 MR. BORODKIN: The State already has -- or I don't

14 know whether it's state, but I think canned salmon industry

15 it has quality control. Every plant usually has quality

16 control working within the plant.

17 THE MODERATOR: Mr. Davic.

18 MR. DAVIC: Mr. Chairman, in reply to this guy's

19 comments, the quality control that does exist is

20 ineffective. And I would like to see the amendment -- the

21 motion amended to strike initiate and insert "mandate."

22 And move adoption.

23 MR. BORODKIN: Insert what?

24 MR. DAVIC: Mandate. Strike the initiate and insert

25 mandate and move adoption.

1 MR. BORODKIN: Mr. Chairman, I think if it's done in a
2 manner where we couldn't keep up with this thing that the
3 processors are going to be strapped and may have to be shut
4 down.

5 MR. DAVIC: Yes, yes, yes. Definitely. That's the
6 idea.

7 MR. ACKERMAN: Mr. -- the storage facility is going to
8 put us a better product to the processor, you know, we're
9 going to be able to -- you're not going to have your fish
10 backed up because you've forgotten if he can can at the
11 cannery. So you're going to have holding facilities.
12 These canneries are not going to do the holding facilities --
13 I was in Larson Bay when this incorporated. It was 1975.
14 That cannery that's closed down it was -- something for
15 closed down for two years. There wasn't fish and your up
16 and down cycles of your fish. It's hard to get the
17 canneries and say you've got to take into, know, provide
18 something that's going to

19 MR. DAVIC: Yes, I'm familiar with the problems. I've
20 been that business and handled all -- and I believe.

21 MR. AKERMAN: Okay. I was.

22 MR. DAHL: Mr. Chairman?

23 THE MODERATOR: Yes.

24 MR. DAHL: I believe the resolution included the word
25 initiate. I would like to call for the question using that

1 language, please.

2 MR. DAVIC: Can we adopt that?

3 MR. DAHL: The amendments not been seconded.

4 THE MODERATOR: Question?

5 MR. BORODKIN: I'll second.

6 THE MODERATOR: Question? Those in favor indicate
7 saying by aye.

8 THE MODERATOR: Those opposed?

9 (No response.)

10 THE MODERATOR: The ayes have it. So ordered. The
11 resolution is adopted.

12 MR. DAHL: Mr. Chairman?

13 THE MODERATOR: Then in the area down here fisheries
14 on down Alaska fisheries there's -- I'd like to touch on an
15 area of concern that I have that I'd like to hear from the
16 other members of the body. The State has thousands of
17 lakes in the State. And an example in the Sitka Flats,
18 there's hundreds of lakes up there that are all inter-
19 connected with riverlets and streams. And salmon come up
20 to Cook Inlet and they go on up through that water shed and
21 they spawn in those lakes. Up and Flodgett Lake, which is
22 eight and a half miles above Wasilla and a quarter mile off
23 the Parks Highway -- that lake is spring fed, but the
24 outlet goes on and feeds on down through into Big Lake and
25 all the way on into Cook Inlet.

1 Then under this agriculture program the State
2 fisheries biologists come in to Blodgett Lake and they took
3 all the reds that escaped from there and stripped them for
4 their eggs and they killed off the run into the lake. It's
5 as barren as a flat chested old maid. Then on the other
6 hand, there are any number of the lakes that are being
7 severely damaged, and they're spawning -- salmon spawn at
8 Big Lake. They're being damaged by sportsman with speed
9 boats and waterskiers and rafts and a whole lot of old
10 automobile tubes and you name it, oil spills from outboard
11 motor oil and oil spills from boats, planes the whole nine
12 yards, and the State doesn't have not any policy to
13 regulate the activities on these various and sundry
14 hundreds of lakes that belong to the State of Alaska.

15 We're very derelict and remiss in that area.
16 We're wasteful. And I suggest that there be substantial
17 inventory taken of all of the lakes, there be a substantial
18 determination of classification made at each and every lake
19 that will limit the type of activity on that lake. Big
20 Lake for sportsman recreation. It's just -- its so far
21 gone that way now you'll never back it up because of public
22 pressure against backing that. These other lake areas and
23 limit the size of outboard motors, the number of boats that
24 can be on the lake and limit some lakes to sailboat
25 activity or rowing or canoeing and that discipline

1 ourselves, police ourselves so that we live in concert with
2 nature.

3 MR. FISHER: Mr. Chairman, I agree with everything you
4 say and would like to say it myself but we're going to
5 overlook your suggestion for five years if we don't pass it.
6 May I move?

7 THE MODERATOR: You may move.

8 MR. FISHER: The Alpha group recommends another Future
9 Frontiers Conference be held in five years and that it be
10 preceded buy regional conferences to select delegates to
11 the Skegway conference. I so move.

12 MR. DAHL: Second

13 THE MODERATOR: Moved and seconded. Discussion?
14 Question? Those in favor indicate by saying aye.

15 Aye. Those opposed it by saying nay.

16 (No response.)

17 Ayes have it. It's unanimous.

18 MR. DAHL: Mr. Chairman, we've done an awful lot of
19 work in a very short time, and I think a great deal of the
20 credit for the expeditious handling of some very difficult
21 problems should go to you. I appreciate the way that
22 you've stepped in and have handled this group, and I'd like
23 to encourage the group to express their appreciate buy our
24 traditional way.

25 (Applause.)

1 THE MODERATOR: I would like to applaud this group and
2 our stenograph reporter.

3 MR. FISHER: Why don't we let her go off the record.

4 THE MODERATOR: And I applaud this group. We're a
5 hell of a team.

6 MR. DAVIC: Mr. Chairman I'd like to see a motion with
7 regards to your statements.

8 THE MODERATOR: With rega. to --

9 MR. DAVIC: The lakes and water.

10 THE MODERATOR: To the lakes?

11 MR. FISHER: Why don't you drop it up.

12 THE MODERATOR: It's a gross oversight. It's been
13 pushed aside, pushed under the rug. We burried our head in
14 the stand like an ostrich. It needs to be addressed.

15 MR. DAVIC: Do you have time to pass a resolution a
16 motion on that in the morning?

17 MR. FISHER: Yeah, I think we can meet in the morning.

18 MR. DAHL: I suggest move we go off the record.

19 (Whereupon, at 10:20 p.m. the proceedings were
20 adjourned.)

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25