

SCOMM

79:10

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 6, 1991

FURTHER REFERRALS:

Resources
Finance

Date of Committee Action: 3-18-91

The HOUSE SPECIAL COMMITTEE ON OIL AND GAS Committee considered:

HB 190

HOUSE BILL NO. 190

APPROP: NATIONAL ANWR CAMPAIGN

"An Act making a special appropriation to the Office of the Governor for a nationwide campaign promoting support for oil and gas leasing, exploration, and development in the Arctic National Wildlife Refuge; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 190 ☐ the same title ☒ a new title

☐ have attached amendments(s)

☐ do pass

☐ do not pass

☒ no recommendations

☐ individual recommendations

☐ additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

☐ fiscal impact _____

☐ fiscal note(s) _____

☐ zero fiscal note _____

☐ zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
		<i>Bill Anderson</i>		✓	
		<i>David Anderson</i>		✓	
		<i>Gail Phillips</i>		✓	
<i>Jim Swadlow</i>	✓	<i>Patricia Cruz</i>	✓		
		<i>Tay Brown</i>		✓	
		<i>Mike Savane</i>		✓	

Bill Anderson
CHAIRMAN'S SIGNATURE

Alaska State Legislature

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MEMBER

RESOURCES COMMITTEE

LABOR AND COMMERCE
COMMITTEE

OIL AND GAS COMMITTEE

FINANCE SUB COMMITTEE
NATURAL RESOURCES

Representative Jim Zawacki

M E M O R A N D U M

TO: MEMBERS, OIL AND GAS COMMITTEE
HOUSE OF REPRESENTATIVES

FROM: Representative Jim Zawacki

DATE: March 18, 1991

RE: HB190

I introduced House Bill 190 for many reasons, the most important being the economic stability of the state of Alaska and to offer some guarantee of prosperity and opportunity to future generations of Alaskans.

With declining revenues and immediate budget reductions facing us this very moment, it is imperative that we look to both enhancing our ability to generate state revenues and to stabilizing our economy through diversification and economic expansion.

Only with a combination of all of these steps can Alaska assure some stable revenue stream and continue to provide the basic services to residents.

A national advertising campaign exhibiting Alaskan oil production, harmony with the environment and wildlife, the strict standards that must be followed, and the benefits to the nation, will greatly help our efforts to open ANWR.

With the mood of the country in favor of domestic energy development, the timing is critical and immediate.

I believe it is our duty and our responsibility as state leaders to look to the future and to participate in securing healthy economic activity that generates substantial revenue for our state treasury.

The most recent surveys show Alaskans support opening ANWR to oil development (ranging from 60% to 90%). My own 1991 Legislative Survey, with 487 respondents as of March 17, 1991, shows 80% support opening ANWR.

I look forward to working with the Governor, our Congressional delegation, and the entire Legislature in securing substantial revenue for Alaska. I hope I can count on your support and I look forward to discussing the issue.

Alaska State Legislature

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FINANCE SUB COMMITTEE
NATURAL RESOURCES

Representative Jim Zawacki

MEMORANDUM

TO: ALL MEMBERS
House of Representatives

FROM: Representative Jim Zawacki

DATE: February 26, 1991

RE: ANWR Legislation

Attached is legislation I plan to introduce Monday, March 4, 1991. I hope you will join me in sponsoring support for opening ANWR.

As our situation has been grossly misrepresented by several extremist organizations and various members of Congress, I feel it is imperative that we educate Americans nationwide with the truth about ANWR and oil development in Alaska.

The support of the nation is critical in securing the opening of ANWR and to the success of sound oil development on federal lands in our state.

I believe it is important for all of us to pull together and work towards the best possible course of action for all the residents of Alaska.

If you have any questions or would like to Co-Sponsor the legislation, please call Portia at 2724.

Thank you very much for your consideration.

COMMUNICATIONS, INC.

March 8, 1991

Honorable Jim Zawacki
House of Representatives
P.O. Box "V"
Juneau, Alaska, 99811

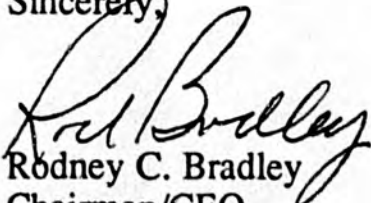
Dear Jim,

Per our discussion, enclosed is a communications plan that we developed last year to assist in passage of Pro-ANWR legislation in Congress. We have structured the plan into tiers, with the "grass roots" and "grass tops" as the most important. The largest single cost is the media advertising, however, it may not be necessary to spend that amount due to changing attitudes as a result of the Gulf War. I don't think that we will need to spend as much on media advertising now that most people have a better understanding of the importance of America being "energy independent." In addition, I have found out that some of the elements of the plan are already being done by other groups, i.e. trade union efforts, native support programs, brochures, etc. Also, we have just completed an excellent ANWR video that we could use, saving additional funds. I know we can develop an excellent plan for the \$5 million you are recommending.

Jim, I want to congratulate you on HB190. The timing is perfect. The State of Alaska needs to be out front on this issue since it has more credibility than the oil industry.

Please let me know if I can be of further assistance.

Sincerely,



Rodney C. Bradley
Chairman/CEO

P.S. I'm enclosing a copy of the ANWR video that we just produced for AOGA.

PRO-ANWR COMMUNICATIONS PLAN FOR THE STATE OF ALASKA

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I. SITUATION ANALYSIS

Once again, Alaska faces the threat of a future decided by others. Congressional support for the Udall bill would have the effect of blocking any development of potential oil and gas reserves in the Arctic National Wildlife Reserve, in spite of clear intent by both past administrations and congressional committees, to open designated areas within the reserve.

Once again, virtually everyone in the country claims to know what is good for Alaska—to know *better* than Alaskans themselves. This type of out-of-state interference is not a new phenomena.

As a U.S. possession, Alaska received far less attention from Washington than it had from its former Russian capital at St. Petersburg. After being granted territorial status, Alaska immediately became a target for exploitation by outside interests, while Congress and virtually everyone else ignored the needs and desires of Alaska's residents.

Eventually, Alaskans began to realize that the only way to protect their interests was to take the initiative in educating the nation and the world about this northern territory. If Alaska wished to join the union of states as a full and equal partner, then it had to convince the nation that it possessed the necessary maturity and resources to do so.

The first efforts aimed at achieving statehood were based on the strategy of a "shadow" representative, Bob Bartlett, working directly within Congress to enact Alaskan-interest legislation, even though he functioned without a vote. Back home in Alaska, diverse groups and individuals supported Bartlett's actions. Eventually a national groundswell was generated, aimed at proving to the American public and to the Congress that Alaska statehood was in the best interests of both the nation and the territory. The eventual result was victory—and statehood.

Many of the strategies used in winning statehood must be employed once again, if we want to defeat the "lock-up" mentality of the Udall bill, and win support for a sensible, environmentally sound, publicly approved program of oil and gas exploration and possible production, within the relatively small 1002 Area of ANWR.

Although every state in the union has benefited from oil development in Alaska (including Texas and California to the tune of billions of dollars), most members of Congress see the ANWR issue as one primarily affecting Alaska, not the nation as a whole. Congressional members are likewise convinced that a much greater impact can be exerted on their political futures by environmental activist groups than by those members of a distant minority who call themselves Alaskans. These representatives have failed to consider the potential backlash from voters who find themselves once again subjected to gasoline rationing and lines at the pump.

We suggest that the legislature and administration of Alaska has the power to change the present attitudes and opinions of elected officials and the general public. This can be accomplished by authorizing a national effort to educate Americans about the benefits to themselves, the nation, and finally to Alaskans, through legislation similar to that submitted by Representative Young, which proposes responsible opening of a small part of ANWR (the 1002 Area).

II. GOALS

Prior to March 24, 1989, the state of Alaska and the petroleum industry had made positive headway in positioning the ANWR opening as a national public interest issue based on its strategic and financial importance to the nation. But with the Exxon *Valdez* oil spill, these issues assumed secondary importance. The result has been a gigantic step backward for the industry and the state. Therefore, the goals of a new ANWR strategy need to be re-prioritized.

1. Re-establish the environmental awareness and expertise of the industry.
2. Stress the high degree of federal and local government oversight.
3. Demonstrate to key members of Congress that their vote in support of ANWR exploration and development will not result in adverse political impact.
4. Communicate messages (1) and (2) to the American public at large, with emphasis upon the people and groups who make contributions to the members of Congress most likely to be influenced to support our cause.

III. STRATEGIC CONSIDERATIONS

Many of the successful strategies employed in previous efforts to influence Congress and the nation would be employed in the proposed national ANWR support program.

For example, Alaska managed to win approval for construction of the trans-Alaska pipeline following a multi-year effort to convince the nation that the petroleum industry could build and operate an environmentally safe pipeline, while the state itself had both the resources and ability to successfully monitor construction and operation.

D-2 legislation support followed similar paths, even though this took place at a time when there was a significant lack of enthusiasm for such legislation on the part of Alaska's administration. In essence, these successful strategies required:

I. Cohesion Within the State of Alaska

It is of ultimate importance that Alaskans themselves be united in the desire to see ANWR opened to responsible development. To this end, the state government and industry must make certain that Alaskans are not only fully aware of the positive benefits of the Young bill, but are also kept continually informed of new developments.

Finally, mechanisms need to be developed to permit ordinary Alaskans to participate in the effort to make victory a reality. A good example would be the "Visiting Friends and Relatives" program developed for the Alaska Division of Tourism. A similar program, which would give Alaskans the chance to enlist their friends in the "Lower 48" to apply pressure on their own members of Congress, could be an effective component of a national public relations program.

2. Target Definition

While it would be ideal to take our message to every man, woman and child in America, any realistic plan must call for carefully selecting our targets, then hitting them with direct shots rather than scattered shotgun pellets.

The Udall bill was submitted with a list of 123 cosponsors, representing 37 different states. This does not necessarily mean that all sponsors are fully committed to it, or would even vote for it when brought to the floor. However, it does indicate preliminary bias in support of the bill. Nonetheless, in states and districts where the economic impact of ANWR development may be great, it is entirely possible that a constituent information program—or even the possibility that such a program might be mounted—could serve to neutralize negatively biased lawmakers.

The greatest opportunity for such a grass-roots program would lie with those 212 members of Congress who remain uncommitted. However, precautions must be taken to ensure that any programs developed by the state of Alaska, or any of the involved support groups, are not perceived as being a threat to these public servants. Rather the positive benefits of such support should be stressed.

And finally, just because more than 60 of Rep. Young's colleagues have signed as cosponsors of his bill is no reason they should be ignored. Indeed, they are likely to be the targets of various hostile environmental groups, and should be assured of support from Alaska.

The importance of grass-roots involvement can be clearly seen when examining the cosponsors of the two competing house bills. The Udall bill, with 123 current cosponsors, has not a single signatory from the state of Texas (an oil-support state, a primary beneficiary from the pipeline construction, and a state that is sure to benefit from the opening of ANWR). Clearly members of Congress from Texas are responding to constituent desires by avoiding association with the Udall bill. On the other hand, ten Texans are listed as cosponsors of the Young bill.

But then take a look at California. It too is a major recipient of benefits from North Slope development—nearly \$2 billion by 1986. Yet Udall counts 21 California lawmakers among his supporters, while only six have sided with Young—and this situation may well be exacerbated by the recent Huntington Beach oil spill. California's politicians are

obviously opting to appease their environmental constituents, rather than following petro-dollars.

The state of Alaska, therefore, would be well advised to concentrate its California messages almost exclusively on the environmental aspects of ANWR. In fact, the same might be said for the entire West Coast. In spite of the substantial financial benefits to Oregon and Washington, both states show lukewarm support for Alaska's position. Two representatives from Oregon (\$128 million petro-dollars) are Young cosponsors, while none at all are listed from Washington (\$764 million petro-dollars).

3. Research

Although petroleum development in Alaska has earned an enviable record, both in the Swanson River Development in the Kenai National Wildlife Refuge (the former Kenai Moose Range) and at Prudhoe Bay, there is still a considerable amount of misinformation foisted on the public by environmental groups. Such misinformation can only be refuted by fact. Furthermore, these same groups will attempt to stampede members of Congress with promises of political annihilation if they fail to follow the eco-party line.

Here, too, our best defense lies in factual information about what the public really knows, and really wants, regarding the ANWR issue. It is therefore necessary that we compile existing research, carry on with

current research and/or initiate new programs as necessary, to provide our supporters with much-needed ammunition.

A. Environmental Research

Alaskans, being very familiar with the "oil vs. environment" debate, often find it difficult to understand the emotions aroused in other parts of the world about the "destruction of the fragile tundra" or the "slaughter of the caribou herds." Yet there are many outsiders who, even after ten years of highly successful and safe operation of the trans-Alaska pipeline, still believe that the state is probably sloshing with spilled oil.

Continuous positive reinforcement of the state's responsible approach to resource development must be maintained. To this end, it is important that we can rely upon respected and objective members of the science community to serve as spokespersons.

B. Opinion Research

In those areas selected as our key targets, public opinion research would be invaluable in helping us to provide members of Congress with presumably positive information about the views of their constituents. Ideally, a baseline survey would be developed and conducted as soon as possible. Then, following introduction of a state-sponsored public information and education program, a follow-up survey would identify trends.

If we have been successful in conveying the rationality of our views to the public, then those shifts in public opinion would permit targeted politicians to responsibly support pro-ANWR legislation.

4. Informational Brochure Series

A series of brochures should be produced, detailing each aspect of the ANWR program. These should be produced as quality materials, written factually and without hyperbole, featuring definitive graphics and high quality photography. In order to save time and costs, many elements could probably be borrowed or adapted from existing materials.

5. Native Support

If the state of Alaska can show broad ANWR support within Alaska's native constituency, it will effectively negate the arguments of environmentalists who claim to be "saving the tundra and the caribou for the Eskimo." Articulate and convincing spokespeople from the Native community would provide an excellent resource in both community relations and media relations activities, as well as in support of government relations programs.

6. Media Support

Because the media provides a channel of communications with the public and often serves as an opinion-shaper, it is imperative that good relations be established with national media, and that programs be developed to reach and influence key regional and local media. To accomplish this, an arsenal of public information and persuasion weapons needs to be developed. Among these are:

A. Press Information Kits

Everything necessary to provide background information to a reporter or editor should be included in an informational kit, including scientific data, photographs, historical information, economic data, etc. Much of this material can be compiled from existing sources, but other information would need to be compiled from scratch, and from a "post oil spill" perspective.

B. News Bureaus

During construction of the trans-Alaska pipeline, public relations firms in the nation's major media centers served as News Bureaus, stocking and distributing information needed by the media in developing their activities and stories. These bureaus also handled arrangements for personal appearances, interviews, etc., with Alaskan spokesmen. We realize, of course, that the Alaska State ANWR Information Office in Washington D.C. fills this important function in that city. We would recommend that additional offices

be established in New York, Los Angeles and Chicago at the minimum. Because of the major economic impact ANWR development would have on such states as Texas, California and Washington, it would be advisable to establish secondary News Bureaus in San Francisco, Seattle and Houston.

C. Photo Pool

There is a wealth of photography currently available from the Alaskan groups and organizations involved in the ANWR effort. These photos should be compiled, cataloged and made available for press use. Prints of these pictures would be available in all News Bureaus as well as the Washington ANWR office.

D. Video Presentation

A brief, multipurpose video presentation should be developed, incorporating excellent production values and techniques. This video could be provided as a news-backgrounder for television stations, and used for a variety of other purposes, including editorial board briefings, Chamber of Commerce or Rotary Club meetings, and other public relations activities. This should be 12 to 14 minutes in length, with emphasis on the environmental aspects of ANWR development.

E. Editorial Board Briefings

To the fullest extent possible, leading publications should be contacted and offered "updates" for their Editorial Boards. This effort should even include those newspapers that already support Alaska's

position, since some editors may be rethinking their positions as a result of the recent oil spills.

E. Continuing News Releases

As new information becomes available (such as research results, study releases, or other developments regarding the ANWR issue), news releases should be prepared and distributed. Also, revisions and additions to the press kits should go out on a regular basis.

G. Syndicated News Services

Arrangements should be made for regular distribution of releases through syndicated and satellite news wires.

H. Video/Audio News Releases

Contracts should be established with the leading producers and distributors of packaged news films and radio news-wire releases.

7. People-to-People Programs

In all of Alaska's past efforts to explain or promote itself to the "Outside," some of the most successful results have come from programs involving face-to-face contacts between Alaskans and their Outside counterparts. Other "People-to-People" programs might involve a mail campaign, newsletters or even telephone hot lines.

A. Outside Alaskans

There are a number of well-defined groups of former Alaskans in such outside states as Oregon, Washington, and California. We suggest publication of a state-sponsored newsletter edited especially for these people, explaining the issue and soliciting their support with their own state delegations. Even Udall's home state of Arizona features a sizable contingent of former Alaskans.

B. Business-to-Business Contacts

These could be important in cementing business and professional ties between Alaskan firms and individuals, and their outside counterparts. For example, we might ask Bob Atwood to head a delegation calling upon newspaper publishers and editors in the "Lower 48"—many of whom he has known personally for years. Augie Hiebert might be prevailed upon to perform a similar mission with broadcasters.

C. Trade Associations

Alaskans who are members of national trade associations—particularly those that might in some way represent industries that would be effected by ANWR developments—should be encouraged to, and assisted in, preparing resolutions supporting the Young bill, which would then be submitted to involved members of Congress.

D. Vendor/Supplier Programs

Formal programs to solicit support from vendors or suppliers serving Alaskan businesses and industry should be developed and circulated. Because these companies are often major employers, they can sometimes generate great impact, especially with their districts' Congressional delegation.

E. Chambers of Commerce/Civic Organizations

These provide a natural forum for presentation of the ANWR story. Presentations can usually be arranged on a Chamber-by-Chamber basis. If it is impossible for a spokesperson to be present, a video with supporting printed data can often suffice as a program. However, by soliciting the help of Alaskans traveling outside on business or pleasure, former Alaskans, or representatives of involved companies, it is usually possible to provide a program, complete with speaker, to any Chamber whose support we desire. Naturally, we would expect that support endorsements would result from these efforts.

F. "Alaska Ambassador" Program

Alaskans who, for one reason or another, may have gained national identity, should be recruited to serve as special "Alaskan Ambassadors." These ambassadors would be scheduled for personal appearances, media interviews, etc., in the Lower 48 to explain the ANWR issue and solicit support. We've already mentioned Bob Atwood and Augie Hiebert as potential "ambassadors." Others might include Wally Hickel, Lowell Thomas, Jr., Roy Huhndorf or Byron

Mallott, William Woods, Glenn Olds, Libby Riddles, Susan Butcher, Paula Easley, and Janie Leask.

G. V.I.P. Delegations

During the drive for statehood and the push for the pipeline permit, delegations of Alaskans visiting outside cities—including the nation's capital—generated a great deal of press and attention. Usually these deputations were led by government leaders, including the governor, lieutenant governor, senate president and so forth, as well as other members of the House or Senate, Native leaders, and members of the business, professional, and academic communities.

Similar missions should be organized in support of the ANWR program. But Alaska should also arrange to host V.I.P. delegations from outside the state. Foremost among such groups, would be members of Congress whose committee assignments might involve either the ANWR issue or other issues effecting Alaska. These would be arranged through the state's own congressional delegation, but the state of Alaska could profit handsomely by making sure that all such sojourns included a visit to ANWR and a thorough briefing on the subject.

H. Trade Unions

In an effort to survive, many of the nation's trade unions have become more politically and economically sophisticated than in prior years. Many have developed political response machinery that can be highly effective in influencing legislation. Alaska's trade union

leaders need to be recruited in an effort to reach and influence not only their national shops, but also the locals in targeted districts.

8. Direct Mail

Because mail and telephone constituent contacts often have a profound impact on members of Congress, it would be to the state's advantage to immediately assemble address and telephone lists of politically active constituents. These lists are undoubtedly available from a number of different sources, including the Department of Fish and Game (sport hunting and fishing licenses), the Division of Tourism, the Department of Commerce, oil and gas companies, timber harvesters, airlines, hotels, and others. Direct mail contact should be made with these prospects to determine their levels of knowledge and involvement in Alaskan affairs. Those in the upper levels would then be kept on permanent lists, with regular contact reports and requests-for-assistance directed to them.

We suggest publication of a regular newsletter to be used in this program. A similar program proved to be very effective during the fight to obtain the pipeline construction permit. Another source of potential addressees might lie with the campaign contributors of selected members of Congress. However, such persons would need to be approached with caution, since political contributors are often doing so because of single issues affecting themselves or their industries—and their interests may be in opposition to ours.

2. Advertising

Because paid advertising represents the most controllable form of media, it will undoubtedly play an important role in winning the battle for ANWR. But care must be taken to ensure that this conflict is not reduced to the level of just another "Cola War."

Our advertising targets, just as with our other efforts, should be the informed, involved members of the public—those most likely to be interested in the issue, and most willing to do something about it. But public opinion is not sufficient to ensure victory, even when that opinion is carefully and objectively measured, and the results are given to appropriate members of Congress. What we need are readers, listeners, and viewers who are willing to get involved, to fill out and mail coupons, to call hot line numbers, and to touch the pro-ANWR button during radio talk-shows.

Our messages must go beyond common sense, logic, geography and economics. The Exxon oil spill became far more than a simple environmental and economic issue—it became an emotional issue. At least some of our advertising thrust must tug at the heartstrings, not just the purse strings. The average American, if faced with the choice of preventing another major oil spill or having a multibillion dollar reduction in the national deficit, would undoubtedly opt for the former.

As oil stabilizes in what most people consider to be a reasonable range (\$18-\$24 per barrel), the question of dependence on foreign sources becomes less important. While home-state dollar benefits may be vital in some states, they are less important in others. Nearly \$3.5 billion in North Slope development monies went to Texas. ANWR would probably result in comparable investment, which probably accounts for the large number of Texan sponsors of the Young bill. But take a look at the oil "have not" states of Tennessee (\$1.8 million), Vermont (\$1.3 million), Delaware (\$0.3 million), and the District of Columbia (\$2.0 million). Delegates from these areas are either sponsors of the Udall bill, or remain temporarily uncommitted. Monetarily, they have nothing to gain, so why not cast their lots with the environmentalists where they may certainly have something to lose?

The intellectual arguments may indeed have relevance among certain upscale audiences. For example, some publications not only have great credibility with the nation's business leaders, they exert equal influence on political leaders. For this reason, space-dominant ads should be produced and placed in such publications as *The Wall Street Journal*, the *New York Times*, the *Los Angeles Times* and the *Washington Post*. However, since ANWR, as a result of the ExxonValdez and the Huntington Beach oil spills, has evolved into essentially an environmental and emotional issue, it follows that Alaska's major media effort should lie with the medium that has the greatest ability to deliver emotional impact—television. Television has the capability of showing reality as it happens, incorporating sight, sound, motion, and emotion.

Television can provide perspective—viewers can see for themselves how small the 1002 Area is, in relation to the vastness of the North Slope and the rest of Alaska. They can see how the caribou herds have prospered along with Prudhoe Bay development. They can hear acknowledged experts assure the public that even higher levels of environmental safeguards will be employed at ANWR, due to the valuable lessons learned at Prudhoe. They can witness Eskimo villagers' concurrence with ANWR development. And finally, they can learn how all this will benefit themselves, as ordinary American citizens.

But no matter how heart-warming the concept, no matter how creative the execution, the sheer cost of television should absolutely preclude its use without extensive research and testing, in both pre- and post-production. In fact, such testing may well take place in conjunction with the constituent-opinion research programs advocated in Section 3.

As for media selection, those markets selected for both primary impact and grass-roots support are where Alaska's dollars need to be concentrated. We would therefore recommend that television media buys be made on a local or regional basis, rather than national network buys. Local buys are also advisable because viewer demographics vary from market to market. Cable television, too, would be included in the state's media program, since cable can often be bought on a very cost-effective basis, either as a primary or as a supportive buy.

IV. CONCLUSION

The type of future Alaska faces—the quality of life that may be available for average Alaskans—may well rest with the outcome of the ANWR struggle. The Prudhoe Bay field is declining. The most promising new area for finding sufficient oil to maintain long-term operation of the trans-Alaska pipeline is within ANWR.

For these reasons, we suggest it is not only appropriate but imperative that the state of Alaska move now to protect that future.

A well-developed, well-organized and well-funded national public relations effort is necessary to turn the tide in Congress—a tide brought about by recent, highly-publicized oil spills. But success rests with having all parts of the machine working smoothly together.

Once your initial plan has been formulated, the persons representing all the key elements should be gathered in one spot for a single presentation and assignment of responsibilities—and those members of the state legislature most closely involved with the program should be present not only to lend their support, but to learn first-hand from the participants about the problems and opportunities available around the country.

Following this initial briefing session, other such meetings should be regularly scheduled (even though all personnel and offices involved in this effort will be in regular telephone and fax contact).

And finally, it is of vital importance that John Katz, at Alaska's office in Washington, D.C., be in a continual position to direct organizational activities as needed, and to summon assistance whenever and wherever it may be required.

V. PRO-ANWR BUDGET ESTIMATE

<u>Research</u>	
Environmental, Opinion, Creative	\$250,000
<u>Informational Brochure Series</u>	\$700,000
<u>Native Support Programs</u>	\$60,000
<u>Press Kits</u>	\$100,000
<u>News Bureaus</u>	\$150,000
<u>Photo Pool</u>	\$25,000
<u>Video Presentation</u>	\$100,000
<u>Editorial Board Briefings</u>	\$30,000
<u>News Releases, Video/Audio Releases and Syndicated News Service</u>	\$300,000
<u>Outside Alaskans</u>	\$35,000
<u>Business-to-Business</u>	\$50,000
<u>Trade Association</u>	\$30,000
<u>Vendor/Supplier Program</u>	\$35,000
<u>Chamber of Commerce/Civic Organizations</u>	\$75,000
<u>Alaska Ambassadors</u>	\$60,000
<u>VIP Delegations</u>	\$100,000
<u>Trade Unions</u>	\$60,000
<u>Direct Mail</u>	\$1,650,000
<u>Advertising/Advertising Production including print and broadcast</u>	<u>\$12,500,000</u>
Total Budget Estimate	\$16,310,000

Alaska Coalition For American Energy Security

P.O. Box 10-1515 Anchorage, Alaska 99510-1515 Telephone (907) 561-8641

January 31, 1991

Representative Jim Zawacki
Alaska State Legislature
Court, Room 612
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Representative Zawacki:

The Alaska Coalition for American Energy Security is a non-profit organization, composed of eighteen Alaska organizations who are advocating the opening of the Arctic National Wildlife Refuge (ANWR) Coastal Plain to environmentally responsible oil and gas exploration, development and production. The Coalition acts as the coordinating agency on the Coastal Plain issue for these groups. Last year, the Coalition worked with the Governor's office and the legislature to promote legislation to help fund an advertising and grassroots lobbying program in the "south 48." Although supported by the Administration and key legislators, the program was not funded at the end of the session. Since that time, we have worked with legislators and industry representatives to refine the proposal, a copy of which is attached. We have presented this proposal to the new Administration in the hope Governor Hickel will request the funding be added to this year's supplemental budget.

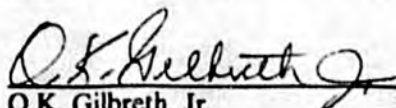
Last year, this National Grassroots and Advertising Campaign was reviewed and accepted by our Congressional Delegation, industry strategists and the Office of the Governor in Washington, D.C. All believe it is a good approach and is essential to the effort to open the Coastal Plain. This year, the oil industry is considering funding a complementary program and is developing strategy assuming that the state will take responsibility for their part. Several legislators have indicated they would approve such a plan, depending on the final bill.

The State has undertaken programs of a similar nature in its tourism and fishery industry promotions. From the economic standpoint, this program is an excellent investment. Included in last year's federal budget estimates was a figure of \$1.9 billion for lease bonuses from ANWR, but the increase in the North Slope crude price has caused some analysts in Washington to conclude that ANWR lease bonuses now could reach \$6 billion. Under the worst royalty scenario of a 50/50 split, the State could receive from \$0.95 billion to \$3 billion from lease bonuses alone within two years after congressional approval of leasing and development. Thus, for a program investment of \$11 million, the State stands to make from \$950 million to \$3 billion in two years whether oil is found or not.

We would like to meet with you and your staff to explain the proposal. Since time may become a problem in obtaining approval and designing a program, we urge your to support inclusion of this program in the Governor's supplemental budget request. We would be happy to meet with you and your staff at any time.

Yours truly,

ALASKA COALITION FOR
AMERICAN ENERGY SECURITY


O.K. Gilbreth, Jr.
Executive Director

OKG:dkc
Enclosure

January 1991

The Alaska Coalition for American Navy Security

by

The Office of the Governor

and

The Alaska State Legislature

prepared for

The Coastal Plan of the Arctic National Wildlife Refuge

to promote the opening of

National Grassroots and Advocacy

7/10

Alaska Coalition For American Energy Security

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NATIONAL GRASSROOTS AND ADVERTISING CAMPAIGN TO PROMOTE THE OPENING OF THE COASTAL PLAIN OF THE ARCTIC NATIONAL WILDLIFE REFUGE

EXECUTIVE SUMMARY

OBJECTIVE:

To conduct a national grassroots and advertising campaign to promote the opening of the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) to oil exploration, development and production.

PURPOSE:

To show members of Congress that key constituencies in their home districts support oil activities on the ANWR Coastal Plain.

TARGET:

Business and community leaders, electronic and print media, associations and civic groups.

PLAN:

To contract with a professional grassroots lobbying and media firm to implement the campaign with guidance from the State of Alaska and Alaska's congressional delegation, and to coordinate the campaign with oil industry representatives, and the National and Alaska Coalitions.

BUDGET:

National Grassroots Program	\$5,564,000
National Advertising Program	\$5,679,000
Total Cost of Campaign	\$11,243,000

RECOMMENDATION:

- 1) To include this funding in the supplemental budget so that the program can be implemented in a timely manner.
- 2) To coordinate the program through the state's Washington, D.C. Office of the Governor.

The Alaska Coalition for American Energy Security is conducting a pilot grassroots campaign in five targeted congressional districts in the Lower 48. After visiting three areas, the Coalition believes more strongly than ever that this type of strategy is necessary to pass pro-development legislation.

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I. INTRODUCTION

A. Program Strategy

The Alaska Coalition for American Energy Security urges that the Alaska State Legislature fund a national grassroots and advertising campaign supporting oil exploration and development on the Coastal Plain of the Arctic National Wildlife Refuge (ANWR).

The Coalition is a third-party constituency group dedicated to promoting the opening of the ANWR Coastal Plain to environmentally-sound oil operations. Formed in 1987, the Coalition's membership includes organizations and businesses representing all segments of Alaska's economy.

The focus of a national grassroots campaign will be to identify key congressional districts throughout the United States. The ANWR message will be localized for each targeted area. The grassroots effort is designed to generate organization resolutions, editorials and articles in the media, coverage on local radio and television, speeches and presentations before business and civic groups, meetings with community and business leaders, and ultimately letters to members of Congress advising them of constituency support for opening the ANWR Coastal Plain.

The nucleus of the national advertising campaign will be a series of television commercials and newspaper/magazine advertisements to be used in conjunction with the grassroots program in targeted congressional districts throughout the United States. The commercials and advertisements will highlight the key issues surrounding the ANWR Coastal Plain debate, and will support the pro-ANWR arguments to Members of Congress and their constituencies.

B. Benefits to the State

The State of Alaska is the only entity that can successfully undertake a campaign of this magnitude. The state is viewed as the most credible source of information on the ANWR Coastal Plain issue. The state has developed a reputation in the Lower-48 as being in the forefront of environmental issues, and takes a firm stand on development practices throughout Alaska. Therefore, when the state advocates ANWR Coastal Plain development, the American public will listen.

The state will receive direct economic benefits when the ANWR Coastal Plain is opened to oil leasing. President Bush's 1993 budget (Attachment 1) expects income from initial Coastal Plain lease sales to be \$1.9 billion. However, during the recent budget negotiations, revenue from lease sales as high as \$6 billion were projected. At worst, the state will receive half, whether or not oil is discovered beneath the Coastal Plain. Funding an ANWR advocacy campaign should be viewed as an investment for the state.

Production at Prudhoe Bay is expected to decline to half of what it is today by the beginning of the next century, according to the University of Alaska's Institute of Social and Economic Research. It is anticipated that the production rate will drop 12 to 15 percent each year. Prudhoe Bay accounts for three-quarters of all North Slope production, and North Slope crude provides about 25 percent of the nation's oil supply.

In 1990, Prudhoe Bay averaged 1.4 million barrels of oil per day. However, the Alaska Department of Revenue has predicted that daily production will drop to 900,000 barrels per day by 1995, and 400,000 barrels per day by the year 2000. Since oil development can take anywhere from 10 to 15 years, it is vital that the State advocate ANWR development now.

**C. Timing of a Grassroots
and Advertising Campaign**

The U.S. Congress has addressed the issue of whether or not to allow oil activities on the ANWR Coastal Plain since 1987. Both the Senate Energy Committee and the House Merchant Marine and Fisheries Committee passed an ANWR bill to allow oil development on the Coastal Plain.

In light of the situation in the Middle East, ANWR Coastal Plain legislation is expected to be debated this year. Domestic crude oil production in 1990 had the sharpest annual decline in history, while petroleum imports reached an all-time high. An increase in imports was driven not by major increases in consumption (the more important factor until two years ago), but by decreases in domestic production.

Declining domestic production and rising foreign imports are the types of issues that grab the attention of most Americans. To be successful in passing ANWR legislation in 1991, we must force the issue in Congress today. A national grassroots endeavor will educate key constituencies (in targeted districts) about the ANWR issue and motivate them to take action.

**D. Contributions From the
Oil Industry and
Third-Party Groups**

Both the oil industry and third-party constituency groups will continue to work behind the scenes to gain support for opening the ANWR Coastal Plain. The oil industry has hosted trips to the North Slope and ANWR for the last five years. Getting a first-hand look at the area is one of the most effective ways to change people's perceptions about oil development in Alaska.

In addition to oil industry contributions, many businesses and organizations have supported the ANWR effort over the past several years. Both the National and Alaska Coalitions are involved in building a network of businesses and organizations who favor the opening the ANWR Coastal Plain. The National Coalition recruits and builds a constituency with national organizations. The Alaska Coalition works with statewide organizations to gain support for ANWR. The Alaska Coalition also acts as the coordinating arm for the entire ANWR effort among third-party constituency groups in Alaska.

II. GRASSROOTS CAMPAIGN

A. RESEARCH

1. Issue Research and Message Development

Before determining how to move and activate the public and political establishment, it is imperative that we understand how the people we are trying to gain as allies view the issue. It is important to determine current attitudes and perceptions on oil development in general and on ANWR specifically. Analyzing these attitudes will result in the identification of target groups within the general public who can be approached through a variety of channels to secure the groups support and action.

Identify ways to better position the issue to these constituencies. Determine those themes and messages most likely to motivate people to take action. It is important to note that while this research will look at the broader population, only a relatively small percentage of Americans need to be targeted for mobilization efforts.

Conduct both qualitative and quantitative research among those subgroups that will ultimately make up the target audiences. Strategy and messages for the subgroups may vary. Conduct a series of focus groups to further define and refine the message, then test the assumptions through quantitative research.

2. Opposition Monitoring

Build a profile of our opposition. It will be difficult to manage a successful campaign without fully understanding the political and campaign thinking of those who will fight against ANWR Coastal Plain oil development. Identify environmentalists who may be persuaded to support oil development on the Coastal Plain.

B. PUBLIC RELATIONS

1. Targeted Media Relations

Correct misperceptions and overcome non-perceptions about ANWR and related issues. The messages must be clear, concise, forceful and above all consistent. Regardless of the source or format, the messages received by the public through the public relations effort must be anchored in two central themes.

The issue of foreign energy dependence is a real and growing threat that must be addressed immediately; and Prudhoe Bay, an oil field that accounts for almost 25 percent of our nation's energy supply will soon decline.

The first thing that a member of Congress reads every morning is his or her hometown newspaper. It is critical, therefore, that we fully educate local media on the issues surrounding ANWR.

Identify local journalists who are, or should be, aware of this issue and through a series of communication, insure that they are informed of the potential effects, both national and local, of oil development on the ANWR Coastal Plain. Provide factual and objective information delivered by credible sources.

2. Cultural ANWR Video

Develop a documentary film history of the importance of North Slope oil development to the nation, and to the survival of the Eskimo people and their culture. The story would be told through the eyes of the Eskimo people. The documentary would be balanced and objective and keyed for showing on Public Television as well as in schools and clubs. The video could also be used as a news-backgrounder for the media.

C. DISTRICT CONSTITUENCY

1. "Grasstops" Roundtables

A grasstops program will provide a highly-targeted vehicle for educating legislators on the importance of the issue. A grasstops program is a vehicle through which influential local advocates can express their opinions and concerns directly to their legislator. In essence it is the creation of a "kitchen cabinet" for an elected official.

The importance of grasstops is that it brings to one table a variety of key local decision-makers to demonstrate depth and breadth of community support -- thus preventing elected officials from distilling your message as one dominated by a single industry or interest.

2. Familiarization Tours

Establish a program to bring members of Congress, governors, mayors, key congressional staff, and editorial boards to the North Slope to visit existing oil production facilities, and to see the ANWR Coastal Plain. This program would supplement the industry's program of tours to the North Slope.

D. DIRECT CONTACT

1. Grassroots Communication

Grassroots communication has enormous impact on most legislators. It is extremely difficult to ignore the voice of your constituents. Given the facts on the issue, large numbers of constituents can be recruited and mobilized on ANWR's behalf.

Directly contact households in targeted districts, educate them on the issue of ANWR, then offer them the means and opportunity to communicate with their legislators on the issue. The message will vary according to the interests and motivation of different target groups, but the approach will remain constant.

Send a self-mailer quickly hitting the "high points" of the ANWR issue as it relates to their concerns and interests.

Use a follow-up letter to provide more detail on the issue. Solicit a "call to action."

Make a phone recruitment call to sign up volunteers.

Send a "constituent letter kit" to volunteers. The personalized package will profile the state's position and show the volunteer how exactly to carry his or her message to the legislator.

Make a performance call to remind the volunteer of the issues and insure that he or she has communicated with the legislator.

Use re-recruitment when necessary. It will also be possible to reactivate a particular congressional district as the need arises.

In addition to targeted members of the public, this program would also be implemented with key community and business leaders. Volunteers would be asked to do one or more of the following:

- a. Write their legislators.
- b. Call their legislators.
- c. Attend a meeting.
- d. Recruit a friend.
- e. Write a letter to the editor.
- f. Sign a petition.

III. ADVERTISING CAMPAIGN

A. TARGETED MEDIA PLACEMENT AND PRODUCTION

1. Television Placement and Production

Television would include placement in the key congressional districts. Produce four, :30 second spots. Television production would consist of shooting four :30 second commercials.

2. Print Placement and Production

Newspaper and magazine advertising would be placed in key congressional districts. The print ad message could be much more targeted because there are more vehicles to choose from. Print production would consist of six advertisements.

The theme for the television and print advertising would resolve around those issues which are important to individual congressional districts. The advertising program would reinforce the grassroots/grasstops campaign in targeted congressional districts.

IV. BUDGET

GRASSROOTS CAMPAIGN

A. RESEARCH

1. Issue Research and Message Development

This includes quantitative and qualitative analysis of key congressional districts, geo-demographic surveys, attitude and perception analysis, issue identification, message testing, localized focus groups, and follow-up testing during the entire campaign. **\$150,000.**

2. Opposition Monitoring

This includes profile-building, and understanding political and campaign strategy of the opposition. **\$50,000.**

B. PUBLIC RELATIONS

1. Targeted Media Relations

This includes concept development, planning and implementation. The program would be designed to work with key media in specific congressional districts. **\$575,000.**

2. Cultural ANWR Video

This includes production costs to develop a high-quality, professional product. **\$400,000.**

C. DIRECT CONSTITUENCY

1. Grasstops Roundtables

This includes identifying and working with centers of influence in key congressional districts. **\$650,000.**

2. Familiarization Tours

This includes travel and coordination for up to 200 people to visit the North Slope. **\$539,000.**

D. DIRECT CONTACT

1. Grassroots Communication

This includes constituency development in targeted congressional districts. **\$3,200,000.**

GRASSROOTS CAMPAIGN TOTAL: \$5,564,000

ADVERTISING CAMPAIGN

A. TARGETED MEDIA PLACEMENT AND PRODUCTION

1. Television Advertising and Production

Television placement of four :30 second spots in key congressional districts.
\$3,910,000.

Television production (footage for at least four spots) includes concept development, scripts, storyboards, travel expenses, film stock, film crew, national production assistance, national talent, location shooting, studio production, rough cuts, camera cards, props, music, post-production, and account executive coordination and supervision. **\$488,000.**

2. Newspaper Advertising and Production

Newspaper and magazine placement in key congressional districts.
\$1,245,000.

Print production (six ads) includes creative development, copy, national caliber photography and production, location shoots, comps, mechanicals, typography, lithography, creative direction, and coordination. **\$36,000.**

ADVERTISING CAMPAIGN TOTAL: \$5,679,000

TOTAL GRASSROOTS AND ADVERTISING BUDGET: \$11,243,000

Table G-1. BUDGET AUTHORITY AND OUTLAYS BY FUNCTION AND PROGRAM—Continued

(In billions of dollars)

Major function and program	Budget Authority					Outlays				
	1999 actual	1999 estimate	2001 estimate	2002 estimate	2003 estimate	1999 actual	1999 estimate	2001 estimate	2002 estimate	2003 estimate
925 Reduced government mail rates:										
Proposed legislation			-220	-220	-220			-220	-220	-220
Subtotal, Reduced government mail rates			-220	-220	-220			-220	-220	-220
928 Allowance for contingencies:										
Relatively uncontrollable programs										
Other requirements										
Subtotal, Allowance for contingencies										
Total, Allowances			-1,070	-1,121	-1,175			-1,070	-1,121	-1,175
950 UNDISTRIBUTED OFFSETTING RECEIPTS:										
951 Employer share, employee retirement (on-budget):										
Military retired contributions	-18,480	-16,378	-16,480	-16,469	-17,016	-18,480	-16,378	-16,490	-16,469	-17,016
Contributions to HI trust fund	-2,007	-2,157	-2,231	-2,338	-2,457	-2,007	-2,157	-2,231	-2,338	-2,457
Contributions from Postal Service:										
Existing law	-3,433	-3,756	-4,120	-4,344	-4,548	-3,433	-3,759	-4,120	-4,344	-4,548
Proposed legislation			-647	-623	-588			-647	-623	-588
Contributions from other civilian agencies	-5,505	-5,572	-6,591	-7,037	-7,508	-5,505	-5,972	-6,591	-7,037	-7,508
Subtotal, Employer share, employee retirement (on-budget)	-29,425	-28,266	-30,079	-30,811	-32,117	-29,425	-28,266	-30,079	-30,811	-32,117
952 Employer share, employee retirement (off-budget)	-4,858	-5,581	-5,962	-6,470	-7,065	-4,858	-5,581	-5,962	-6,470	-7,065
953 Rents and royalties on the Outer Continental Shelf	-2,929	-2,615	-2,999	-3,432	-3,100	-2,929	-2,615	-2,999	-3,432	-3,100
954 Sale of major assets:										
Sale of power administrations (proposed)			-1,285					-1,285		
Sale of other assets (proposed)				-1,600	-1,600				-1,600	-1,600
Subtotal, Sale of major assets			-1,285	-1,600	-1,600			-1,285	-1,600	-1,600
959 Other undistributed offsetting receipts:										
Spectrum auction, FCC (proposed)			-2,252	-1,126				-2,252	-1,126	
Arctic National Wildlife Refuge leasing (proposed)					-1,901					-1,901
Lease of petroleum reserve (proposed)			-1,000	-393	-394			-1,000	-393	-394
Subtotal, Other undistributed offsetting receipts			-3,252	-1,519	-2,294			-3,252	-1,519	-2,294
Total, Undistributed Offsetting Receipts	-37,212	-36,462	-43,578	-43,833	-46,177	-37,212	-36,462	-43,578	-43,833	-46,177
On-budget	(-32,354)	(-30,881)	(-37,615)	(-37,363)	(-39,112)	(-32,354)	(-30,881)	(-37,615)	(-37,363)	(-39,112)
Off-budget	(-4,858)	(-5,581)	(-5,962)	(-6,470)	(-7,065)	(-4,858)	(-5,581)	(-5,962)	(-6,470)	(-7,065)
Total	1,309,913	1,337,621	1,396,476	1,451,149	1,522,732	1,142,643	1,197,236	1,233,331	1,271,429	1,321,819
On-budget	(1,044,538)	(1,048,100)	(1,078,980)	(1,111,558)	(1,159,082)	(931,732)	(971,452)	(997,374)	(1,026,491)	(1,057,137)
Off-budget	(265,275)	(289,521)	(317,496)	(339,591)	(363,650)	(210,911)	(225,784)	(235,957)	(244,938)	(264,681)

¹ Beginning in 1999, the Federal Deposit Insurance Corporation provides assets for the Bank Insurance Fund, the FDIC Insurance Fund, and the Loan Insurance Fund.