

ALASKA LEGISLATURE SPECIAL COMMITTEE ON PERMANENT FUND
131 SCOMM 9: HOUSE SPEC. COMM. ON PERMANENT FUND 1977-78

A recent publication by the Development Centre of the Organization for Economic Cooperation and Development (OECD), entitled "Appropriate Technology: Problems and Promises", analyzes some of the problems which have arisen in the appropriate technology programs of the developing nations. While much of this technological and industrial development is too new to evaluate in terms of effectiveness, some conclusions can be drawn.

"Problems and Promises" suggests that governments are not necessarily the most appropriate institutions to promote research and development of appropriate technologies and small-scale industries. Government impact on innovation is, however, considerable, and can in many cases be made more effective. Policies for this kind of development cannot be carried out exclusively by government, but must be a collective effort, involving as wide a number of institutions, both public and private, as possible.

One of the major roles which government can take is in testing and evaluation of new technologies and techniques, since much of the new appropriate technology is untested. Governments can also provide financial assistance to individuals and groups which are developing technologies and cottage industries, but should not attempt to run a research and development program from a centralized state agency. If a state agency like an Office of Appropriate Technology is created, it should serve primarily to disseminate information and to put people and groups in contact with one another.

Another way in which governments can help development of technology and industry is to identify and remove institutional barriers to this development. In particular, government regulations which are designed to protect the public can, in some cases, act as barriers to innovation. An example of this barrier occurs in building codes, which were originally oriented to protection of home buyers from unscrupulous builders, but now act to stifle development of building techniques which are non-conventional but appropriate to local situations.

RECOMMENDATIONS

Development of cottage industries and appropriate technologies for Alaska will have to involve a large number of institutions and programs, both public and private. Since this report is designed for legislative policymakers, however, the following recommendations are primarily oriented towards policies which can be initiated at the legislative level.

Legislative solutions, however, are only part of a policy for Alaska appropriate technology; in many respects development of technologies and industries which are appropriate to the Alaska situation will depend upon individual and group entrepreneurs rather than government action. These recommendations are designed to help entrepreneurs through funding of projects and through identification and removal of institutional barriers to innovation in Alaska.

To encourage development and implementation of technologies appropriate to Alaska will have to involve three types of activities: research and development, demonstration of technologies, and dissemination of information about the research, development and demonstration. Several existing state loan programs could potentially be involved with appropriate technologies. In addition, the proposed Alaska Enterprise Investment Fund and implementation legislation for the Alaska Renewable Resources Development Fund are potential sources for funding of appropriate technology projects.

The Alaska Enterprise Investment Fund is designed to alleviate "a shortage of investment capital for financially sound small and medium scale enterprises, particularly in rural areas of Alaska." Financial resources of the fund will be used for loans and loan guarantees for establishment and

expansion of small and medium scale businesses. The Fund will not be used for grants, however. One potential problem for small entrepreneurs is access to the investment committee, if the members of the investment committee are centrally located. For many potential entrepreneurs, the cost of preparing a proposal and presenting it to a committee which is located in an urban center may act as a barrier. This problem can be taken care of, however, if the fund managers are required to establish local offices, or to regularly travel to all areas of the state to encourage potential applicants.

The Renewable Resources Development Fund is particularly well-suited for stimulation of appropriate technology and cottage industry development when the development is associated with renewable resources. Research and development activities are particularly suited to the fund, since research activities are not always income-producing, but often lead to activities which will be income-producing. Assistance available from the renewable resources fund should include small (up to \$10,000) grants, as well as loans and loan guarantees. As with the Enterprises Fund, it is important that the small-scale entrepreneur has access to the fund. This might mean establishment of local offices, or regional funding sources for small-scale financial assistance. It might be advisable to create local subsidiaries of the fund, so that decisions made on which research and development activities are funded could be made at a local level, and thus be more responsive to local needs. It might be advisable for the legislation to specify how local subsidiary research and development groups might be formed and to provide funding for start-up and operating expenses. Grants for research, development, demonstration and information dissemination do not have to be large ones. Appended to this report is a list of grants made by the National Center for Appropriate Technology. These grants, which were all made during 1977, range from a low of \$375 to a high of \$15,458, with the majority in the \$4,000 - \$5,000 range. The appendix includes quite a

number of projects which are similar to the type needed for Alaska, in several different categories ranging from heating to housing to agriculture and fisheries.

Other existing loan programs have a part to play in appropriate technology and cottage industry development as well. Loan funds such as the Fisheries Enhancement Revolving Loan Fund, the Agriculture Revolving Loan Fund, the Small Business Development Fund, and the Alaska Housing Finance Corporation are oriented towards the same areas of economic development. Some of these loan programs, however, are primarily geared towards large scale operations, rather than small scale. In each area of economic development, there are ranges in scale of operations, and it is important that the small-scale operations are not overlooked. Some technical amendments may be necessary to several of the funds in order to provide easier access for small operators.

One area in particular where the state could have a large impact is in development of buildings and building designs which are appropriate for northern regions. Existing programs are primarily set up for people who wish to purchase housing, rather than for people who wish to build their own housing, or people who want to develop innovative building design. Most loan programs, both private and public, are available for buildings which follow conventional technologies. Modification of statutes relating to the Alaska Housing Finance Corporation could take care of this problem. Loans could be made available to owner-builders and owner-contractors who want to develop innovative building designs. One method of accomplishing this would be to provide loans for materials only, with the individual providing labor (a "sweat equity" program) or paying labor charges as part of the individual's equity in the project. Since the loan would have the materials as collateral, interest charges could be assessed at a lower rate.

A state policy for appropriate technology and cottage industry should be developed with assistance from each agency, institution or group in Alaska which is involved with research, development, demonstration and information dissemination. A conference on appropriate technology could draw together these groups and individuals in order to develop proposals for an appropriate technology policy. In addition to Alaskan individuals and institutions, several outside institutions have expressed interest in helping Alaska to develop these policies. The appropriate technology conference could involve representatives from the Intermediate Technology Development Group, Ltd., the National Center for Appropriate Technology, and the New Alchemy Institute, all of whom have indicated enthusiasm for developing the Alaska policies. A proposal for this appropriate technology conference is appended to this report.

One area of technological development where potential conflicts can occur is in electrical generation technology. In several instances in the United States, individuals who have built their own electrical generating facilities (primarily wind-powered) have run into problems with local electric companies. Two pieces of legislation which could solve these problems before they happen are in the areas of financing of alternate power generation systems and purchasing of excess energy. Since individual electric generation may compete with existing utility companies, some companies have worked to stop such development in their areas. Legislation which would allow (or require) the companies to finance individual electric generating facilities may be in order. The utility could be enabled to loan money to individuals to build these facilities, with payments on the loan going to the utility in lieu of payments for purchase of electricity. In addition, an individual with his or her own generating facility will experience times where the facility is generating more electricity than is needed by the individual. Utilities could be required to

purchase this excess electricity, with the power going into the utility's own grid. This serves two functions: it makes individual power generation more economically feasible (and income-producing), and cuts the cost to the utility of installation of additional power generation facilities. Suggested language for both types of legislation is appended to this report.

In the area of solar power, additional difficulties arise. An individual who builds a solar installation has no guarantee that someone else will not build a structure which blocks the sun from the installation. Several states have enacted legislation providing for solar easements, to guarantee that an individual has the right to all of the sun's energy which falls on his or her property, or for recording of easements granted to individuals. Appended to this report is a North Dakota law (House Bill 1069, passed in 1977) which provides for contents and procedures for recording of solar easements.

As mentioned earlier in this report, state regulations which may be well-meaning can often act as barriers to technological innovation. An on-going survey of state regulation and its effect on technology might be in order, perhaps under the auspices of the Administrative Regulation Review Committee. In addition, legislative policy-makers must take small-scale enterprise into account when designing new legislation, to ensure that the "little guy" doesn't get lost in the process.

RESOURCE MATERIALS USED IN PREPARATION OF THIS REPORT

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Portola Institute, ed., ENERGY PRIMER: SOLAR, WATER, WIND AND BIOFUELS,
Menlo Park, California, 1976.

MAGAZINES

The Mother Earth News
CoEvolution Quarterly
Alternative Sources of Energy Magazine
Cascade: Journal of the Northwest
RAIN: Journal of Appropriate Technology
Appropriate Technology
Self-Reliance

Correspondence

Intermediate Technology Development Group, Ltd., London
Amory Lovins, Friends of the Earth, Ltd., London
Institute for Local Self-Reliance, Washington, D.C.
Intermediate Technology, Menlo Park, California
New Alchemy Institute, Woods Hole, Mass.
California Office of Appropriate Technology, Sacramento, California
RAIN: Journal of Appropriate Technology, Portland, Oregon
Dr. E.F. Schumacher, Surrey, England
Volunteers in Asia, Inc., Stanford, California
Volunteers in Technical Assistance, Mt. Rainier, Maryland
Portola Institute, Menlo Park, California
Stanford Research Institute, Menlo Park, California
Technical Assistance Information Clearing House, New York, New York
Office of the Science Advisor, Fisheries and the Environment, Ottawa, Ontario, Canada
United Stand, Potter Valley, California
National Center for Appropriate Technology, Butte, Montana
Solsearch Architects, Cambridge, Mass., and Souris, Prince Edward Island, Canada

Brochures, Pamphlets, and miscellaneous materials

National Center for Appropriate Technology:
"All About NCAT" "NCAT News" "The Values of Appropriate Technology
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In These Times: "Blue Collar Sun" 9/27/77.
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for an Appropriate Technology" "JOBS: How Many, What Kind, For Whom?"
"Big and/or little? Search is on for right technology (reprint from
Smithsonian Magazine)" "Energy Conserving Landscaping" "Natural Pest
Control" "Diseconomies of Scale" "Costs of Urban Growth" "Direct
Solar Heating/Cooling" "Appropriate Technology" "Low-cost Construction"
"Wind Energy" "Weatherizing: Home Insulation" "Solid Waste Utilization"
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deMoll, Lane, COMING AROUND: An introductory sourcelist on Appropriate Technology, RAIN Magazine, 1976.

Office of Technology Assessment, Congress of the United States, Washington, D.C.

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ncat-funded projects

APPROPRIATE TECHNOLOGY IN FOOD PROCESSING AND DISTRIBUTIONCenter For Rural Studies
San Francisco, California

\$4,761

This grant is for the creation of a center for appropriate technology for food processing and distribution. It would include research, documentation and development of this technology, and education/training of low-income people in its application to neighborhood situations.

DEMONSTRATION WINDMILL WATER PUMPING PROJECTTrust for Public Land
San Francisco, California

\$3,037

The purpose is to construct a water pumping windmill at the Fruitvale Community Garden in Oakland, California. The windmill will be constructed and maintained by low-income residents, will provide needed water resources, demonstrate water alternatives in an area suffering major water shortages, provide low-energy alternatives to producing water, and serve as an educational tool for the local community.

RURAL COMMUNITIES HOUSING CORPORATION SOLAR LOW INCOME HOUSINGRural Communities Housing Development Corporation
Ukiah, California

\$15,458

NCAT funds will be used to equip two four-plex housing units with solar hot air systems for space heating and cooling, and to boost the hot water systems.

ENERGY CONSERVATION AND SOLAR TRAINING PROPOSALSan Luis Valley Solar Energy Association
Alamosa, Colorado

\$9,830

The project goal is to respond to individuals and organizations with information and experience in utilizing solar energy and conserving energy. Project activities include a newsletter, workshops, conferences, publicity, a solar library, slide shows, tours of solar facilities, training, and research.

ENERGY CONSERVATION RESEARCH MANUALADCO Improvement Association, Inc.
Commerce City, Colorado

\$5,000

A grant to develop a manual which will teach local weatherization program operators to conduct heat loss surveys in residential buildings has been funded.

THE DEVELOPMENT OF AN APPROPRIATE TECHNOLOGY AND COMMUNITY
LAW NETWORK

Denver Opportunity, Inc.
Denver, Colorado

\$1,500

The project will research and review the legal implications of appropriate technology, and investigate the establishment of a clearinghouse on appropriate technology and community development law. Specifically, the project will review legal parameters in the Denver area within which appropriate technology must function, establish linkages with national law schools for the purpose of sustained research and communication regarding law and appropriate technology, and investigate additional sources of funding through the National Science Foundation to establish a legal clearinghouse on Appropriate Technology and Community Development law.

SELF-CONTAINED AGRICULTURE-AQUACULTURE SYSTEM FOR LOW AND
FIXED INCOME COMMUNITIES

Action for Bridgeport Community Development, Inc.
Bridgeport, Connecticut

\$5,000

This grant will establish an agri/aqua system which will grow food for sale, provide training and employment for low-income residents, and begin a small business.

AFFORDABLE SOLAR APPLIANCES FOR THE POOR

Southwest Georgia Community Action Council, Inc. (SGCAC)
Moultrie, Georgia

\$5,000

The SGCAC has been granted funds to produce a low-cost solar powered domestic water heating system. When the system is developed, working units will be installed and tested on selected homes in seven communities served by CAA.

A PROJECT TO SAVE A RAILROAD

Business and Professional People for the Public Interest
Chicago, Illinois

\$4,900

BPI will utilize NCAT funds to support staff research costs as part of a campaign to increase ridership on the South Shore Railroad. The project will help to assure access to mass transportation to residents of Chicago and northwestern Indiana, particularly the elderly and handicapped (280 riders per day) and persons needing this transportation for employment. BPI's ridership campaign is for the purpose of convincing public authorities of the need for continuing the railroad as a viable transportation alternative.

THE GREENING OF WEST GARFIELD

Christian Action Ministry
Chicago, Illinois

\$5,000

The grantees will publish a manuscript on urban gardening, based on direct experience in developing a self-sufficient food program in the inner city.

ROOFTOP GREENHOUSE PROJECT

Chrysalis Learning Center
Chicago, Illinois

\$4,377

The purpose of this project is to construct a solar heated rooftop greenhouse at an alternative high school in Chicago. It will serve as demonstration and provide employment for students and provide vegetables for the local community.

TECHNIQUES FOR SOLAR ENERGY USE

Shawnee County Community Assistance and Action
Topeka, Kansas

\$5,000

The grant is for construction and installation of three different types of solar devices on low income houses.

DEMONSTRATION GARDENS FOR LOW-INCOME PERSONS

Kentucky River Foothills Development Council
Richmond, Kentucky

\$4,950

KRFDC proposes to initiate a demonstration site, undertaking new techniques of gardening for demonstration to low-income families and elderly persons served by the agency, including experimental planning and moisture conservation.

COMMON GROUND COUNTY FAIR

Maine Organic Farmers and Gardeners Association
Hallowell, Maine

\$4,600

The organization will conduct a fair on re-introducing agriculture into the culture in Maine.

CONCEPTUAL REVIEW OF FIELD OF APPROPRIATE TECHNOLOGY

Center for Community Economic Development
Cambridge, Massachusetts

\$8,062

The Center for Community Economic Development (CCED) will undertake a study of national dimension involving research in the areas of:

1. the relationship between appropriate technology and economic development.
2. the investment decision-making framework for evaluating the economic feasibility of selected technologies.
3. a review of community controlled projects in the broad areas of solar energy, waste recycling, and aquaculture.
4. funding and information sources for appropriate technologies in economic development.

"YOUR ENERGY EFFICIENT HOME WORKSHOP"

SCHOLARSHIPS FOR LOW-INCOME INDIVIDUALS

Alternative Sources of Energy Magazine (ASE)
Milaca, Minnesota

\$375

A grant was awarded to ASE and Milaca Department of Community Education to co-sponsor a workshop on June 25, 1977, to provide education concerning alternative energy options for area residents.

ALTERNATIVE SOURCES OF ENERGY (ASE) ENERGY CLASS

Alternative Sources of Energy Magazine
Milaca, Minnesota \$1,500

ASE is developing an energy multi-media curriculum for a class in housing and energy-related issues, at the University of Minnesota, Continuing Education Program.

DEMONSTRATION OF ENERGY CONSERVATION AND SOLAR WATER HEATING

Center for Local Self-Reliance
Minneapolis, Minnesota \$4,996

This project will involve building and installation of a flat-plate solar collector for domestic hot water heating on a 19-family cooperative apartment building in Minneapolis.

COMMUNITY CANNING PROGRAM

Forrest-Stone Area Opportunity, Inc.
Hattiesburg, Mississippi \$5,000

This program will operate a domestic cannery in the community. By operating this cannery, an attempt will be made to lessen the rising costs of food stuffs on residents in the community.

ENERGY CONSERVATION

North East Community Action Coalition
Bowling Green, Missouri \$1,615

The North East Community Action Coalition will use grant funds to retrofit a demonstration home to show energy conservation via insulation, solar energy collectors and wood stoves.

ALTERNATIVE ENERGY DEMONSTRATION PROJECT

Economic Security Corporation of the Southwest Area
Joplin, Missouri \$4,144

The Economic Security Corporation of the Southwest Area is developing a solar reliant greenhouse, which will be constructed as an attachment to the Agency's Community Center in proximity to Head Start classrooms.

WORKSHOP: "ENERGY CONSERVATION BEGINS WITH YOU: DO EVERYTHING YOU CAN, EVERYONE CAN DO SOMETHING."

Opportunities, Inc., Human Resources Development Council
Great Falls, Montana \$150

A grant was provided for rental of a conference room for the grantee's two-day workshop. The workshop addressed energy conservation concerns of the Great Falls low-income community.

ENERGY RECOVERY TECHNICIAN TRAINING

Pyramid Charitable Trust
Great Falls, Montana \$4,945

This grant will fund a training program for five low-income people in the operation of a methane digester.

FEASIBILITY STUDY ON DEVELOPMENT FOR A SMALL INSULATION
INDUSTRY IN TOMPKINS COUNTY, NEW YORK

Tompkins County Economic Opportunity Corporation
Ithaca, New York

\$4,780

The objective of this grant is to examine environmental and health impacts related to the production of cellulose and other insulation alternatives.

SUNSPACE SOLAR WORKSHOP

W.A.M.Y. Community Action, Inc.
Boone, North Carolina

\$2,700

Watson, Avery, Mitchell and Yancy counties, (North Carolina) Community Action, Inc. we funded to provide scholarships to 10 low-income people to attend a Sunspace, Inc. Workshop for two weeks at the Arthur Morgan School, Burnsville, North Carolina. The workshop involved construction of a passive solar heated dormitory, including hands-on experience with solar construction and classroom instruction during the workshop period, August 15-28, 1977. The primary emphasis of this grant is to support the development of local skilled person who can contribute to residential solar projects in the four county W.A.M.Y. area. Scholarships included costs of room, board, classrooms, training personnel, and training materials.

FUEL, FOOD, AND THE FUTURE FAIR

Quad Community Action Agency
Grand Forks, North Dakota

\$4,998

The grantee will conduct an energy fair featuring displays, forums, films and workshops.

LITTLE DIXIE SOLAR COLLECTOR

Little Dixie Community Action Agency
Hugo, Oklahoma

\$4,995

The grantee will construct a prototype solar hot water heating system on eight low-income homes.

THE MID-WILLAMETTE ENERGY INFORMATION CENTER

Linn-Benton Community College
Albany, Oregon

\$4,915

The project involves construction of a passive solar greenhouse as a teaching and demonstration for area residents. The information facility, of which the greenhouse is part, will include a library and classroom space.

MID-WILLAMETTER VALLEY GROWER'S CO-OP

Mid-Willametter Growers' Association
Blodgett, Oregon

\$4,930

Funds for this project were granted for one year for the purpose

of abling this cooperative to become self-sustaining. The Grower's Co-op was formed in 1975 to create a retail outlet for local low-income growers who otherwise have to compete with agri-business farmers in the fresh food market.

PRACTICAL TECHNOLOGY CLUB AND CURRICULUM RESEARCH

Tuscarora School District
Mercersburg, Pennsylvania \$4,900

The Tuscarora School District will use NCAT grant funds to develop prototype high school A.T. club. They will develop curricula and career training, and construct exhibits.

GREATER MISSOURI INTEGRATED RENEWABLE ENERGY ECONOMIC DEVELOPMENT PROJECT

Greater Missouri Community Development Corporation
Pierre, South Dakota \$1,500

The Greater Missouri CDC will do research on developing a small-scale farm methane digester.

BUILDING DEMONSTRATION PROJECT

Center for Maximum Potential Building Design
Austin, Texas \$1,500

A grant was awarded for a demonstration "integrated design" pavilion, including such things as solar space heating and cooling, indigenous building materials, solar water heating, and water conservation.

PASSIVE SOLAR HEATING SYSTEM FOR VERMONT

Barre Hill Craft Cooperative, Inc.
Plainfield, Vermont \$4,686

The project is to provide up to 70% of the heating requirements of the Cooperative's new shop with a passive solar heating system known as a "Solar Staircase." First developed and used in a local school cafeteria, a low-cost version has been designed and will be tested for use in low-income housing in Vermont.

WOOD-FIRED BAKERY - A MODEL FOR SMALL-SCALE ENERGY-EFFICIENT BREAD PRODUCTION IN RURAL AREAS

Upland Bakers, Inc.
Plainfield, Vermont \$4,932

Upland Bakers will operate a wood-fired bakery.

FISH FOR OUR GRANDCHILDREN (PROPOSAL TO INCREASE FISH RUN ON INDIAN RESERVATION)

Nisqually Indian Community
Yelm, Washington \$4,950

The Nisqually Indian Tribe is attempting to develop the anadromous fishery resources of the Nisqually River as a method of maintaining the cultural and economic base of the Indian community.

SUN DAY

Environmental Action Foundation \$4500
Washington, D.C.

This grant is to provide initial organizational funds for EAF to sponsor an International Sun Day in the spring of 1978. Similar to Earth Day, this event will include teach-ins, energy fairs, and demonstrations in solar power.

LOW COST HOME FOR RALEIGH COUNTY

Family Homes Cooperatives/Raleigh County Community Action Agency
Beckley, West Virginia \$1,470

NCAT funds will be used for local consulting services, to design and construct a demonstration low-cost energy-efficient home.

WOOD HEATING CONFERENCE

West Central Wisconsin Community Action Agency
Glenwood, Wisconsin \$2,280

The West Central Wisconsin CAP will conduct a conference on woodheating, which will expose low-income people to wood-heating.

TRAVELING PRODUCTION ON ENERGY AND FOOD

Friends Mime Theatre/London Theatre Workshop, Ltd.
Milwaukee, Wisconsin \$1,500

This project will develop two traveling theater productions directed to low-income communities. These will concern food production and energy conservation.

THE ROLE OF COMMUNITY DEVELOPMENT CORPORATIONS IN RURAL DEVELOPMENT IN NORTHERN WISCONSIN

Impact 7
Turtle Lake, Wisconsin \$3,500

The grantees will conduct a rural community development conference in northern Wisconsin. The purpose of this conference, to be held in April, 1973, in Wausau, is to address the organizational and institutional constraints of appropriate technology and to initiate a vigorous dialogue in the State of Wisconsin on the comparative merits of community development corporations as one of the several solutions to economic development problems.

HOT WATER DEMONSTRATION PROJECT

Center for Economic Development and Business Assistance
Tucson, Arizona \$2,570

The purpose of this grant is to construct six demonstration solar powered hot water heaters on low-income homes in Tucson. Long range plans include setting up a factory to produce the heaters.

GUIDE TO EXISTING A.T. SITES IN MASSACHUSETTS

University of Massachusetts
Amherst, Mass.

\$4336

The project goal is to develop a guide for low-income communities in Massachusetts which will list available resources and funds, current A.T. projects, low-cost designs, and evaluations of alternative energy systems. NCAT hopes to use this guide as a model which can be used in other areas of the country.

SOLAR GAS STATION

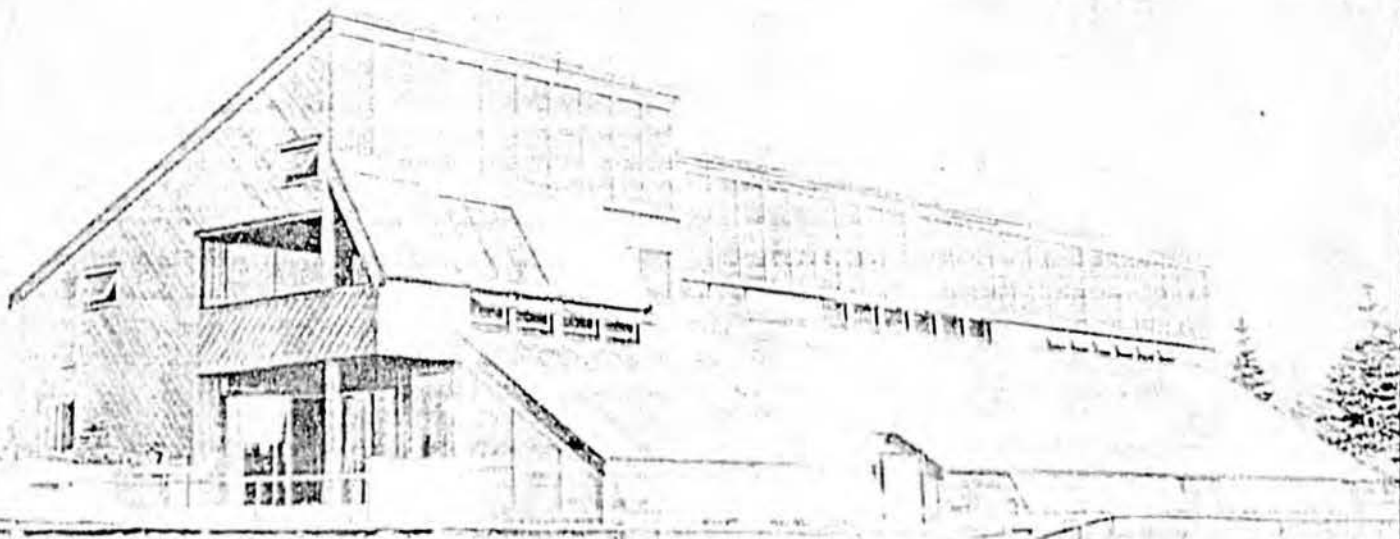
Cranston CAP
Cranston, RI

\$4995

The project will solar heat an abandoned gas station which will become the headquarters for SHINE, Inc., an economic development corporation. The project will have excellent demonstration values not only for solar heat but also for the recycling of old buildings.

The New Alchemists

The New Alchemy Institute, P.E.I. is using the Ark to explore directions for change in the way we live ... change that must come as non-renewable energy resources decline.



A bioshelter powered by the sun and the wind, the Ark is a complete life support system in which the inhabitants can raise vegetables and edible fish. More than a demonstration of technologies, the Ark is a centre for ongoing research in aquaculture, agriculture, alternative energy development and shelter design.

New Alchemy Institute P.E.I. is a private, non-profit scientific organization dedicated to research and education in renewable resource technologies.

Established in 1975, the P.E.I. Institute has affiliates in the United States and Central America, and a world-wide membership.

Construction of the Ark began in 1975, with support from the governments of Canada and Prince Edward Island, from corporations, and from private organizations and individuals.

Design was a collaborative effort of New Alchemy Institute and Solsearch Architects of P.E.I. Construction was carried out by local contractors.

The building was opened on September 21, 1976 by Prime Minister Pierre E. Trudeau and P.E.I. Premier Alex B. Campbell.

APPENDIX III.

A proposal for an Alaska Appropriate Technology Conference

Purpose: To draw together representatives of Alaska appropriate technology research and development groups and several outside appropriate technology experts in order to formulate an appropriate technology policy for Alaska.

This conference would bring together representatives of the University of Alaska research institutes, Cooperative Extensive Service, Aquaculture Corporations, regional native corporations, various state agencies, individual designers, builders, researchers, tinkerers, inventors and other entrepreneurs. Expenses for the conference would break down into three areas: coordination of the conference, travel and lodging for participants, and printed materials - publicity for the conference and publication of proceedings and recommendations. A budget for an appropriate technology conference would be approximately as follows:

(1) Coordinator to organize the conference and arrange for facilities and for publication of the final report	\$1,000
(2) Travel and lodging for 3 outside participants	\$3,000
(3) Travel and lodging for state participants (note: some of this might be available from state agency budgets)	\$2,000
(4) Advertising and publicity for conference	\$1,000
(5) Publication of proceedings and recommendations	\$1,000
TOTAL BUDGET	<u>\$8,000</u>

The conference should be held in Spring, 1977, in order to present recommendations and comment on legislation which will be before the 1977 legislature. The recommendations contained in this report should be submitted to the conference for review and refinement, in order to produce an appropriate technology policy which is representative of the whole state, rather than the author of this report.

APPENDIX IV.

December 15, 1977

TO: REPRESENTATIVE CLARK GRUENING
FROM: BRIAN ROGERS
RE: ENERGY ACCOUNTING FOR ANALYSIS OF ALTERNATIVE
ENERGY PROJECTS

One problem which policy makers face is the lack of analytical tools with which to make energy policy decisions. Many people suggest the use of traditional economic market criteria -- "let the market decide." Others believe that additional criteria should be used.

"Energy Accounting as a Policy Analysis Tool," printed for the use of the U.S. House Committee on Science and Technology last year, reviews current literature in favor and against use of energy accounting in policy analysis.

Energy accounting, or energy analysis, as it is sometimes called, is a method for tracing the flows of energy through a system. It is a relatively new analytical technique with a great potential for measurement of non-market criteria, but disagreement exists on basic assumptions, methodologies, and data estimation techniques.

This memo will summarize the arguments in favor and against energy accounting, and will discuss applications and implications for energy and technology policy, particularly as it applies to development of renewable energy sources through the Alaska Renewable Resources Corporation.

One of the major concepts in energy accounting is that of "net energy." Basically, net energy recognizes that "it takes energy to get energy." An example of this would be the enormous amount of energy being used to bring Prudhoe Bay oil to market in the United States -- in production of the materials required, in transporting them, and in building the line.

A corporate manager's objective is to maximize net income, not gross income. So too, managers of energy policy should seek to maximize net energy benefits, rather than gross energy production. Thus, while one type of project may generate larger amounts of electricity but uses more energy to build the project, another type of project which produces less electricity, but is less energy-intensive in construction, may have greater net benefits.

Another concept common to economic and energy analysis is that of discounting. Just as an economist recognizes the time value of money, and uses the discounted cash flow method (DCF) of accounting to predict net present value, an energy policy manager should recognize the time value of energy (discounted energy flow, or DEF). An example of this time value of energy

Rep. Clark Gruening
December 15, 1977

occurs in the constant decrease in net energy from petroleum production. When oil was first produced, it took very little energy to remove the oil from the ground. Now, huge amounts of energy are expended in exploring for oil, producing it, and transporting it to all parts of the world.

Every energy project is a consumer of energy until it begins production. At some point after completion, the energy project has produced as much energy as was consumed in constructing and operating it. However, the net energy produced is not worth as much as the energy consumed, since a high percentage of the net energy produced will have to be used for future energy production. (See Table I). As noted above, however, differences in basic assumptions and methodologies for DEF calculations can yield the same variations in results as are the case with DCF analyses.

Increases in energy consumption are often the result of substitutions of technology and energy for human labor. This has been particularly true in the renewable resource sector in the United States. For example, the number of people employed in agricultural production in the United States has declined sharply in the past several decades, through crop yields per acre are up. Energy consumption per unit of production, however, have increased dramatically. In addition, transportation of agricultural products has increased the amount of energy expended for agriculture. It is interesting to note that the agricultural system of China, where labor-intensive agricultural efforts combine with one unit of energy to produce 50 units of food energy, contrasts with the U.S. system, where one unit of energy is harvested for five expended (though fewer people are involved in production). An energy analysis of U.S. agriculture would note that the net benefit is actually much lower than that of China.

To some extent, energy accounting could be used to indicate answers to employment forecasts. A project which uses less net energy will, as a general rule, mean greater employment. I suspect this would be the case in the fishing industry, where higher amounts of energy and capital have, to some extent, replaced previously high levels of labor involvement. An economic analysis might point towards further use of capital- and energy-intensive fishing, while energy accounting could point towards a more labor-intensive industry.

As noted above, though, the primary use of energy accounting is in analysis of energy projects. Since the Alaska Renewable Resources Corporation will be involved with renewable energy projects, it is important that the managers have tools to analyze comparative values of various projects. I believe that energy accounting is a valuable tool for this analysis, but am unsure as to whether it should be required before fund-

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ing of renewable energy projects.

Energy accounting is, as previously noted, a relatively new technique, so caution would be advisable in applying it indiscriminately. Perhaps, though, language such as "When a project involves production of energy from renewable energy sources, the applicant shall include an estimate of the amount of energy required to build the project and an estimate of the amount of energy which will be produced over the life of the project" should be included in the ARRC bill. Though this will not require that projects be producers of net energy, the trustees will have some measure of the ultimate benefits which will result.

1 A BILL for an Act to provide for solar easements, and for the
2 contents of instruments creating those easements.

3

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
5 STATE OF NORTH DAKOTA:

6

7 SECTION 1. SOLAR EASEMENT - CREATION.) Any easement
8 obtained for the purpose of exposure of a solar energy device
9 to the direct rays of the sun shall be created in writing and
10 shall be subject to the same conveyancing and instrument
11 recording requirements as other easements.

12 SECTION 2. CONTENTS.) Any instrument creating a solar
13 easement shall include, but shall not be limited to, all of the
14 following:

- 15 1. The vertical and horizontal angles, expressed in
16 degrees, at which the solar easement extends over the
17 real property subject to the solar easement.
- 18 2. Any terms, conditions, or both under which the solar
19 easement is granted or will be terminated.
- 20 3. Any provisions for compensation of the owner of the
21 property benefiting from the solar easement in the
22 event of interference with the enjoyment of the solar
23 easement, or compensation of the owner of the

1 property subject to the solar easement for
2 maintaining the solar easement.

3 SECTION 3. DEFINITION.) For purposes of this Act, the
4 term "solar energy device" means the device, mechanism, or
5 apparatus designed to receive the direct rays of the sun and
6 convert those rays into heat, electrical, or other form of
7 energy for the purpose of providing heating, cooling, or
8 electrical power.

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SCOMM

9:34



UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99701

COMMENTS ON A.D. LITTLE REVISIONED PROPOSAL (June 9, 1978)

George W. Rogers. 

The most recent revisions to the A.D. Little proposal originally made on May 5, 1978 go a long way to clarifying and making more specific what the ~~consultants~~ consultants proposed to do. The project is now organized into two phases: (1) analysis of previously collected studies and research (former tasks 1 through 3), and (2) analysis and strategy (tasks 4 through 9). Editorial changes in the descriptions of the first three tasks make it clear that they will be limited to collection and compilation. For example, instead of saying "We will identify by species ..." as in the original version, this now more accurately reads "We will collect existing data and studies which identify..." Similar changes have been made throughout. Sources of existing data have been more accurately described (e.g. "U.S. marine fisheries reports" ~~now reads~~ now reads "U.S. National Marine Fisheries Service data and reports."). The Alaska Department of Fish and Game is now listed as a source of data and reports. This may sound like a quibble, but I do believe it indicates that the first version was done in a big hurry without adequate checking on what already existed and what the sources were.

The last revised version ~~almost~~ gives an indication of the time-effort ~~planned~~ planned to be devoted to each phase. The first three tasks under phase one, which are primarily for the benefit of the consultants in bringing them up to date on the present state of knowledge, will be limited to approximately 15 percent of the effort. This is a more justifiable division of effort, although the cost probably should be shared by the consultant and not placed totally on the client.

Within the second phase, analysis and strategy, the structure or model of a "likely future industry" has been revised to reflect the additional dimensions present because of species and geographic differences, etc. Also included for purposes of comparison and analysis will be similar constructs



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COLLEGE, ALASKA 99701

-- 2 --

of non-Alaskan based alternatives which will be attractive to investors and developers and which must be considered in the design of programs to offset any advantages inherent in such alternatives.

Under task 6, determination of infrastructure requirements, there has been added the following: "Our staff will personally visit all of the regions outlined on page 14 of this proposal. This will give us direct exposure to each of the regions of the Alaska coast." Given the time limitations of the project, the difficulties of travel and schedules to all of the Alaska coastal areas, and the existence of a large and detailed body of knowledge and information in such places as the Department of Community and Regional Affairs, Labor, Fish and Game and the Coast Zone Management office, I question the need for this element. At most it should be limited to a sampling or highly selective visitation with reliance upon material already in hand to fill out the background.

Task 9 describes the final product as a "critical path chart" which would include tactical plans and programs, etc. This would be a far more useful tool for future planning and implementation than the "cook book" approach apparently envisioned by Mr. Edenso at the June 8 meeting. This not only would allow the optimum amount of flexibility in future development of programs, but ~~could~~ could incorporate the progress already made by the Legislature and the Governor along a similar ~~critical~~ "critical path."

In addition to the names of the proposed staff members, you should also be provided with some information on their backgrounds and experience. Without a budget (which has been missing from all versions I have been provided with) it is not possible to judge the appropriateness of the \$210,00 price tag.



Arthur D. Little, Inc. ONE MARITIME PLAZA · SAN FRANCISCO CALIFORNIA 94111 · (415) 981-2500

~~May 5, 1978~~

June 9, 1978

incorporating our original proposal of May 5, 1978; our letter of May 23, 1978; and the suggestions of members of the legislature and administration made at our meeting of June 8, 1978. The purpose of the project is

Mr. Jim Edenso
Bottomfish Coordinator
Office of the Governor
Pouch A
Juneau, Alaska 99811

Dear Jim:

1-8059 (Revised)

We are pleased to submit this ^{revised} proposal to assist the State of Alaska in determining how to best encourage the development of its fishing industry.

BACKGROUND

The State of Alaska is seeking ways to diversify its economy. Arthur D. Little, Inc., recently concluded an analysis of Alaska's economy identifying sectors and industries that hold potential for economic development and diversification. One of the areas identified was fishing.

The extension of U.S. territorial waters to 200 miles by the enactment of the Fishery Conservation and Management Act of 1976 gives Alaskan fishermen access to a large supply of bottomfish previously taken by Japanese, Russian, and other foreign fishing interests. In the past, foreign fishing fleets have taken more than 4 billion pounds of fish annually from waters off Alaska, compared to only 800 million pounds caught by U.S. fishermen in the same waters.

Fishery products currently are second only to oil and gas as a contributor to Alaska's economy. Expansion of Alaska's fishing industry would increase opportunities for fish processing in the state, an activity currently accounting for more than one-third of Alaska's manufacturing employment. Bottomfishing would also reduce the seasonality of both fishing and processing employment because these fish can be taken year round.

CAMBRIDGE MASSACHUSETTS

ATHENS BRUSSELS CARACAS LONDON MEXICO CITY NEW YORK PARIS RIO DE JANEIRO SAN FRANCISCO TORONTO WASHINGTON

June 9,
~~May 5,~~ 1978

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Mr. Jim Edenso
Office of the Governor

1-8059 (Revised)

PURPOSE OF THE PROJECT

It is the policy of the State of Alaska to encourage the rapid expansion of its existing fishing industry (primarily a "near-shore" industry), to promote major entry into the "off-shore" fishing industry, and to develop permanent on-shore processing facilities for fish harvested in Alaskan waters.

It is the purpose of this project to determine the strategic actions which should be taken by the state to assure the accomplishment of these goals. It is believed that Alaska is in competition with foreign and other U.S. West Coast regions for the location of on-shore processing facilities and basing of the fishing fleets. The strategies developed must specifically deal with the current and expected competition from both domestic and foreign interests.

APPROACH

We have divided this project into nine separate tasks:

1. Resource Description and Analysis
2. Inventory and Description of Current Fishing and Processing Operations in Alaska and Its Waters
3. Identification and Analysis of Regulatory and Support Programs of Other Domestic and Foreign Governments
4. Analysis of Successful Regulatory and Support Strategies of Other Domestic and Foreign Governments
5. Development of a Profile of the Likely Future Industry Structure
6. Determination of Future Industry Infrastructure Requirements
7. Determination of Likely On-shore Impacts of an Expanded Fishing Industry
8. Recommendation of Objectives and Identification of Strategies to Pursue
9. Development of Implementation Plans and Programs for Alaska

Arthur D Little Inc

June 9,
May 5, 1978

The proposed project can be divided into two phases

1. Assembly of previously completed studies and research (Task 1-3)
2. ANALYSIS & STRATEGY (TASKS 4-9)

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We estimate over 85% of our efforts will be concentrated in steps 4 through 9
Mr. Jim Edrisko
Office of the Governor

of strategic actions the State can take to encourage the expansion of the fishing industry

The approximate relationship and workflow between these tasks is shown in Figure 1.

Throughout this proposal we will refer to the "fishing industry." Unless otherwise noted, we mean that term to include:

- On-shore - fishing activities such as processing, marketing, etc.,
- Near-shore - fish harvesting such as the salmon and shell fishing which currently dominates the Alaska-based industry, and
- Off-shore - fish harvesting such as the bottom fishing which foreign interests have dominated.

During this project we plan to work closely with the bottom fish coordinators to insure that the guidelines and usefulness of the project are maintained to the state of Alaska

We recognize your desire to complete the study within 12 weeks. To meet this time schedule, we will rely extensively on existing research material and personal interviews conducted by our staff. We are prepared to start work immediately upon receipt of your authorization.

Task 1 - Resource Description and Analysis

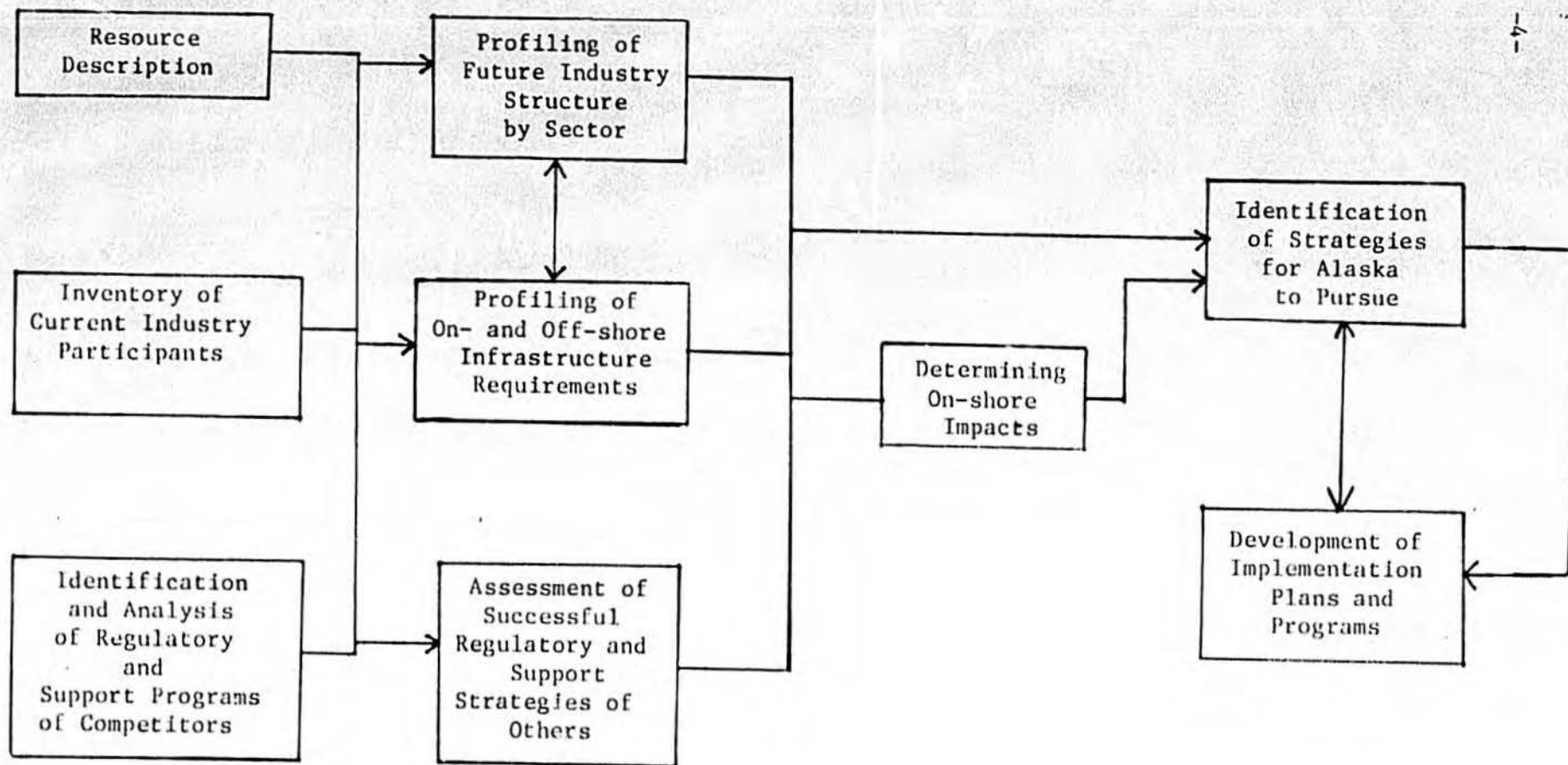
collect existing data and studies which
We will identify by species and location and characterize (quality, age distribution, parasites, etc.) the fish resource base within Alaska's waters. We will examine the data currently available concerning historical and current catch and value levels of fish taken in these waters. We will also collect *existing* data regarding the future sustainable yield levels of individual species *which have been established* by the North Pacific Fishery Management Council.

We will use ~~our~~ *existing* data sources as:

- United Nations field data
- ~~U.S. marine fisheries reports~~ *NATIONAL MARINE FISHERIES SERVICE DATA*
- ~~Preliminary~~ fishery management plans of the North Pacific Management Council
- Pacific Packer's Report
- Pacific Rim Development Commission
- National Oceanic and Atmospheric Administration reports
- *ALASKA DEPARTMENT OF FISH & GAME DATA*

We do not intend to duplicate any work already done by others. Where the existing data is incomplete we will so advise you throughout the project.

WORKFLOW AMONG TASKS



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Arthur D Little Inc

FIGURE 1

WORKFLOW AMONG TASKS

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Mr. Jim Edenso
Office of the Governor

Our staff will personally visit all of the regions outlined on page 4 of this proposal. This will give us direct knowledge of the state of the Alaskan coast and fishing operations.

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- Foreign fish catch reports to the U.S. Department of Commerce
- Studies presently being done for Alaska

We will also interview representatives of federal, state, and local agencies; trade associations, corporations, and fishing commissions; and university experts.

Task 2 - Inventory and Description of Current Fishing and Processing Operations in Alaska and Its Waters

collect existing data which

We will inventory and describe the current foreign and domestic fishing operations in Alaska's waters. We will ~~identify~~ *seek* information covering:

- Countries and companies involved in fishing,
- Size, type, and number of boats engaged,
- Methods of harvest,
- Type, level, and locations of land-based and floating processing facilities,
- Estimated value and method of marketing the catch, and
- Markets currently served.

Expansion of Alaska's fishing industry is predicated on a sustainable market demand. We will ~~attempt to identify~~ existing and potential markets for canned, fresh, frozen, and processed Alaska fish products. Our ~~investigation~~ *investigation* will include:

collect currently available information which describes

- The identification of markets,
- An estimate of tonnage and dollar volume of the markets in selected areas,
- An analysis of price trends,
- An identification of marketing methods used by ~~such~~ other domestic and foreign fishing operations,
- An identification of import restrictions or other regulatory barriers to entering foreign markets,
- A projection of future demands, and

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- An investigation of the market share potential for Alaska's products.

This review will help us determine the most likely markets for Alaska's fish products.

Task 3 - Identification and Analysis of Regulatory and Support Programs of Other Domestic and Foreign Governments

An important element in the expansion of Alaska's fishing industry will be an analysis of the strategies employed by other countries or areas to support their fishing industries. We will identify and analyze the steps taken in the eastern United States and by European and Asian countries in support of their fishing industries.

Many foreign fishing operations receive some form of subsidy from their governments to participate in fishing. We will seek to identify the objectives of specific support programs, the levels and types of supports provided, why any subsidies are necessary, and the programs they are expected to pursue in the future. This analysis of the external subsidies provided by foreign countries will help us identify strategies, and support programs can be developed for Alaska's fishing industry that are consistent with the needs of the industry and the goals of the state.

We will also identify the important regulatory programs which are or have been used to encourage the development of regional fishing industries and/or to protect existing regional or national fishing industries.

The Fishery Conservation and Management Act of 1976 established specific rights and regulations regarding the fish within the newly created 200-mile territorial waters. We will analyze the implications and probable effects of this act and other applicable federal, state, and international regulations on the expansion of Alaska's fishing industry. We will include a review of the Jones Act and its implications for Alaska. We will also review implications for Alaska of U.S. import duty on fishing equipment other than vessels.

We expect to utilize the services of a European consulting firm experienced in foreign fishing operations and to conduct interviews with domestic and foreign governments and companies involved in fishing operations.

Task 4 - Analysis of Successful Regulatory and Support Strategies of Other Domestic and Foreign Governments

Based on the results of Task 3, we will identify those regulatory and support

Because we are dealing with multiple ^{fish} resources, ~~it is probable~~ ~~that~~ ~~it~~ ~~will~~ ~~be~~ ~~necessary~~ it is probable that it will be necessary for us to describe ~~several~~ several most likely "models" for the future industry. Our profiles will include:

For ~~our~~ comparison purposes we will also attempt to describe the ^{most attractive} alternatives available to a fishing and processing company by locating alternatives than Alaska. ^{to include vessel/catcher-processor approach.} This will help us better understand the ~~area of~~ where state action may be taken which could influence the location of these companies in Alaska.

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*will clearly indicate the need
and cost of the program.*

strategies which have worked best for others and/or appear to offer the most promise for use in Alaska. These programs will be further analyzed to determine their applicability to conditions in Alaska and to estimate the possible costs and benefits of implementing similar programs.

Task 5 - Development of Profile^s of the Likely Future Industry Structure

Having examined the size of the resource base, and future market demands for Alaskan fish, we will project the potential size and describe the likely structure of an expanded Alaska-based fishing industry. *the structure of the existing industry,* We will identify ~~and describe~~ the:

- The number and type of ships necessary to optimally utilize the fish resource.
- The number and type of processing facilities (both floating and land-based) needed.
- The regions from which we expect the various fish resources to be harvested and processed *and the markets we expect to be served.*
- Broad cost estimates for the ships and processing facilities.
- Probable domestic and foreign competition for the Alaskan resource.
- Industry revenues under high, medium, and low development scenarios.

The Alaska Department of Commerce and Economic Development recently contracted with two firms to explore bottomfish processing in an effort to collect data and encourage the development of a shore-based Alaska industry. We will ~~use~~ *use* the information developed in these studies, the results of personal interviews, and published information *to develop a likely enterprise* ~~to develop a likely enterprise~~ *representative of a likely Alaska bottomfishing and processing industry.* We will ~~estimate~~ *estimate* the total capital requirements, probable revenues, operating costs, and ~~income~~ *income* of this representative enterprise. For comparison purposes and to assess the overall attractiveness of an Alaska bottomfishing industry, we will compare the risks and financial rewards associated with ~~bottomfishing~~ *bottomfishing* ~~to those of the remainder of the Alaska fishing industry.~~ *in Alaska.*

Task 6 - Determination of Future Industry Infrastructure Requirements

The level of industry development and the timing associated with expansion

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Office of the Governor

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Our staff will personally visit all of the regions outlined on page 14 of this proposal. This will give us direct exposure to each of the regions of the Alaskan coast.

of Alaska's fishing industry will depend ^{in part} on the availability of certain infrastructure support such as docks, transportation, and distribution facilities; of a trained or trainable labor force; and of various supply and service support industries. We will seek to identify the types of infrastructure needed at both the local and state levels and compare these requirements with the existing infrastructure.

Our infrastructure analysis will be done on a regional basis taking into account the existing regional facilities and the fish resources we expect to be harvested and processed from the regions. A description of these regions is attached hereto.

For the support activities or facilities which we find need to be developed, we will indicate which types tend to be developed by the private sector and which by the public sector. We will prepare order of magnitude cost estimates for the publicly-financed and supported infrastructure needed by the fishing industry.

We will gather information about the experience of other geographic areas with a fishing and fish processing industry. We will also rely on previous Arthur D. Little work in establishing fishing industries in developing economies, and on interviews with people currently engaged in the fishing industry.

We will compare critical infrastructure needs of an expanded fishing industry with the infrastructure that now exists in the regions. This information will help determine desirable future sites for both processing and fleet location. By concentrating funds and development efforts into those communities that come closest to meeting the demands of a growing fishing industry, the state can better promote entry and development of this industry.

Task 7 - Determination of Likely On-shore Impacts of an Expanded Fishing Industry

We will identify probable direct and indirect benefits associated with the expansion of Alaska's fishing industry. Examples of direct benefits to the Alaskan economy might include:

- Increased tax revenues,
- Employment increases,
- Smoothing of employment seasonality,
- Economic diversification and utilization of renewable resources, and

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- Increased gross state product.

Indirect benefits might include:

- Development of ancillary support businesses and services,
- Stimulation of other sectors of the economy due to the multiplier effect associated with increased income and spending, and
- Development of a more complex state infrastructure network.

Our analysis will also identify potential negative impacts of the expansion of the fishing industry, such as:

- Environmental degradation,
- Industry ownership by non-Alaska interests and subsequent "leakage" out of the Alaskan economy, and
- Changes in native villages or life-styles.

Task 8 - Recommendation of Objectives and Identification of Strategies to Pursue

We will work with you in establishing specific attainable objectives and timetables for the expansion of Alaska's fishing industry. We will then develop strategies to accomplish the objectives. These strategies will define the role the state should play in encouraging the development and expansion of Alaska's fishing industry.

In exploring appropriate roles of the state, we will identify current federal and state fishery programs and funds, and suggest how these might best be utilized so that state efforts will not duplicate current federal funding programs. We would also consider other federal programs, e.g. community development, economic development administration funds, etc., which might be used.

The state might encourage development through direct or indirect incentives. Direct incentives might include the attraction of capital investment by providing:

The strategies we develop will specifically deal with the efforts the state of Alaska should take to secure for the state the benefits of the utilization of its fish resources. In our view, Alaska will not be able to enjoy the full benefits of its fish resources unless on shore processing is located in Alaska.

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- Price supports
- Long-term capital in the form of loans
- Loan guarantees
- Operating subsidies
- Equity capital

Indirect incentives would include such supports as:

- Regulatory programs
- Infrastructure development
- Loans provided to local governments impacted by increased service demands generated by the bottom-fishing industry
- Financial support for ancillary services
- Manpower training programs

We will identify and recommend appropriate roles consistent with the state's objectives. For each role we will develop estimates of:

- The level of funding necessary to spur development
- The type of development funding
- The financial risks and paybacks associated with the role
- The impact of recommended programs on the fishing industry

Task 9 - Development of Implementation Plans and Programs for Alaska

We will recommend tactical plans and programs designed to accomplish the objectives and strategies recommended. The tactical plans and programs will contain timetables, specific steps necessary and estimates of the cost of implementing the programs. Examples of tactics that might be considered include:

and will be presented in the form of a critical path chart detailing the steps ~~the state~~ should take to move forward.

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- Funding of equipment needed to develop capability based on existing single purpose operations. *multiple harvesting and processing*
- Expansion of existing operations through state-supported financial incentives (subsidies, loans, infrastructure development, etc.).
- Joint ventures with foreign or other non-Alaska operations.
- Attracting non-Alaskan enterprises to relocate in Alaska.
- Fostering industry growth through the native corporations.
- ~~Marketing of Alaska's bottomfish harvest~~
- Establishment of an industry association to promote Alaska-branded fish products, etc.

Staff Responsibility

I will be in charge of the program, and will look to you for general direction and policy decisions on behalf of the State of Alaska. Associated with me will be other staff members with backgrounds particularly appropriate for this study, including: Mr. Gregg Doyle, Mr. Francis Adamson, Mr. David Hurley, ~~and Dr. Cyril Holman~~ and Mr. William Ollinger.

Scheduling and Reports

We expect to complete the project within 12 weeks as you have requested. At the conclusion of the program we will make an oral presentation of the long-range and short-term developmental programs that we see as necessary for Alaska to optimally utilize the bottomfish resource. Four to six weeks later we will submit a written analysis detailing the developmental plans and the background data we have collected. We will make two interim oral reports on the progress of the project: the first at the end of week six and the second at the end of week ten.

COST AND DURATION

For the work outlined above, we propose that you authorize a budget for professional services and expenses not to exceed \$210,000 without prior approval. Expenses will include such items as travel, communications, report production, and directly related costs. Our invoices, which are payable upon receipt, will be submitted in accordance with the following schedule and in the amounts indicated:

On the first of the second calendar month in which
this agreement is effective -

\$70,000

June 7,
May 5, 1978

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Mr. Jim Edenso
Office of the Governor

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One month thereafter -	\$70,000
Two months thereafter -	\$70,000

After completion of the work when all our charges are known, we will submit a final invoice based on our records of the total charges for both professional services and expenses.

GENERAL PROVISIONS

Our work for clients is conducted on a confidential basis, and we will treat information developed hereunder in accordance with our established professional standards.

Since announcement to the public of our working relationship, either while it is in progress or afterward, might be mutually beneficial, we will discuss with you any opportunities we see in this area. Of course, the details of any such announcement would be confirmed in writing by both parties.

Our work will be on a best efforts basis. We trust the results will meet the objectives sought, and we have assigned to the work professional personnel having the required skills, experience and competence. In any event, our liability for damages direct or consequential resulting from this work will be limited to the amount paid us hereunder.

Any change in this agreement shall be confirmed in writing. This agreement shall be interpreted according to the laws of the State of California.

Our agreement may be terminated on 30 days' written notice by either party, or within such lesser time as we may find necessary to conclude the work currently under way and summarize our findings for you. In that event, you will be responsible only for the professional services and expenses which have been committed to that time.

Arthur D Little Inc

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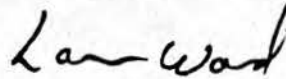
Mr. Jim Edenso
Office of the Governor

1-805' (Revised)

ACCEPTANCE

We look forward with great interest to working with you on this project. If this proposal meets with your approval and you would like us to proceed, please sign and return the enclosed copy within thirty days. Should you have any questions or wish more time to consider our proposal, please let me know.

Very truly yours,



Lauren S. Ward

LSW/ck

Approved for
ARTHUR D. LITTLE, INC.

By *Gene Lundkohn*
Authorized Contracting Officer

Accepted for
OFFICE OF THE GOVERNOR

By _____

Title _____

Date _____

APPROXIMATE DESCRIPTION OF REGIONS TO BE ANALYZED

The regions we initially intend to analyze are those outlined in the Application from the State of Alaska for Saltonstall-Kennedy funds and are, approximately, the following:

Region 1 - Extends south of an imaginary east-west line connecting Chirikof Island and the East Coast of the Alaska Peninsula, and includes, therefore, the Aleutian chain.

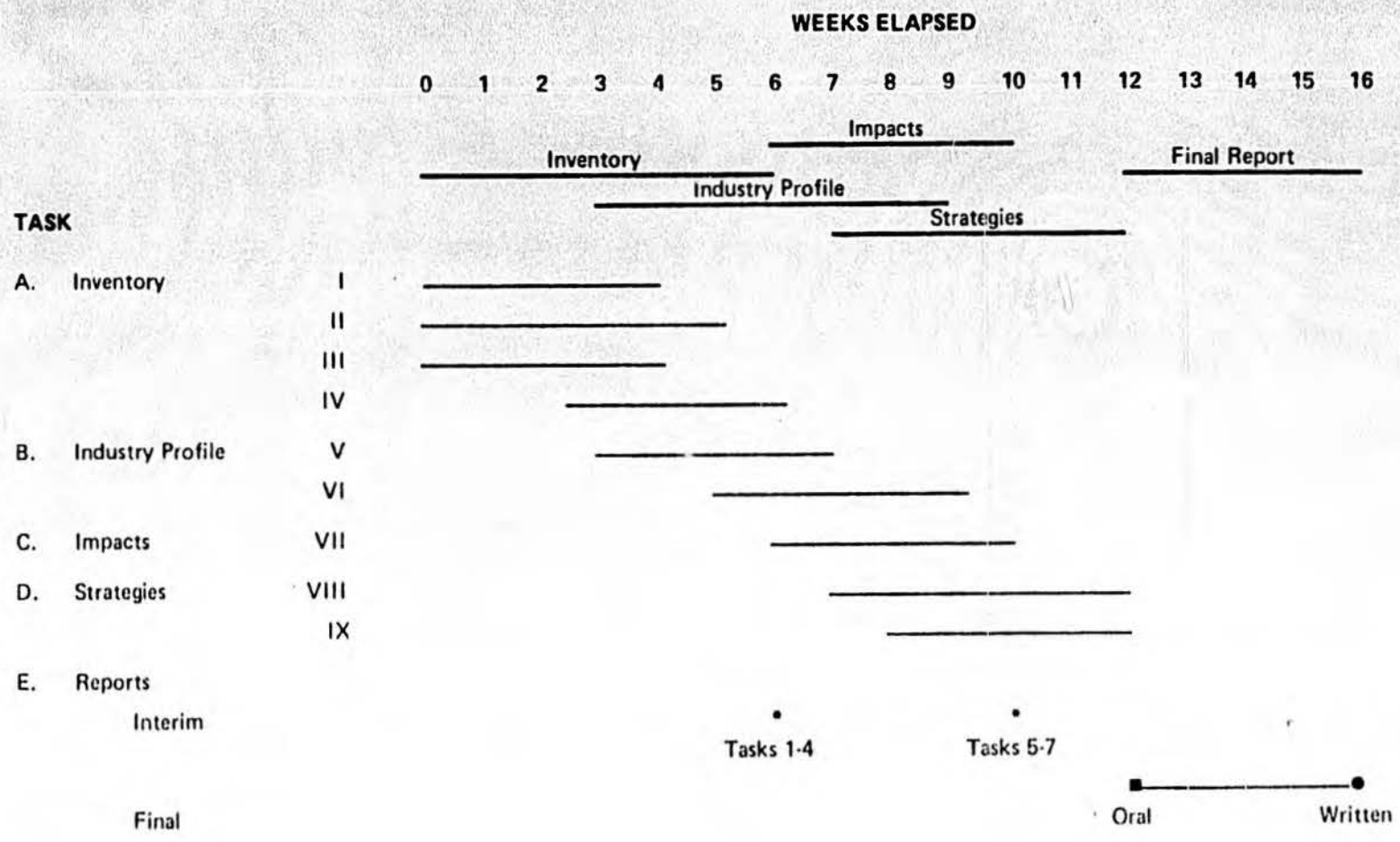
Region 2 - Extends North from the Northern boundary of Region 1 to an imaginary East-West line connecting Afoghak Island and the East Coast of the Alaska Peninsula, and includes, therefore, Kodiak Island and its surrounding area.

Region 3 - Extends North from the Northern boundary of Region 2 to the Alaska mainland, and includes, therefore, Cook Inlet, and East to an imaginary North-South line beginning just West of Cape Yakataga.

Region 4 - Extends East and South from the Eastern boundary of Region 3 along the Southeastern Coast and adjacent islands to an imaginary Northeast-Southwest line extending from Windham on the mainland and crossing Baranof Island.

Region 5 - Extends Southeast from the Southern boundary of Region 4 throughout the remainder of Southeastern Alaska, including, therefore, Petersburg, Ketchikan, Prince of Wales Island and the surrounding area.

Regions 4 and 5 will be combined for our analysis and an additional region will be added which will cover Bristol Bay and the Bering Sea area.



SCOMM

#9:35

Brian Rogers 3/11/77
Comments on DPDP Rowan Survey #2

It's hard to criticize a survey without knowing what the goal of the survey is, but I do have a few suggestions as to possible changes in structure of the survey.

I think it will be hard for respondents to jump into the first question on the budget. In addition to the problems mentioned by Connie on the budget category breakdowns, it might be best to create a framework for the respondents to work with. I would suggest something like the following:

1. Here is a list of possible goals and objectives for the State of Alaska. (SHOW CARD #1). Please indicate which goals you agree with, and which you disagree with. What other goals do you think the State of Alaska should work towards?

- Full employment of Alaskan residents.
- Low-cost energy distribution for individual and business use.
- A statewide communications system which serves all residents.
- Stable regional economic bases.
- Full profit from public resources.
- Efficient transportation systems which serve all regions of the state.

-etc.

-etc.

-respondent's additional goals:

- 1.
- 2.
3. etc.

2. How well do you feel the state is meeting these goals and objectives. (similar to questions 40-48)

3. Here is the way the present state budget is proportioned: (set up similar to current questions 1-10, but broken down in a different manner, perhaps as Connie has suggested)

4. The state of Alaska has an opportunity which may be unique in the United States. For the next 20 years, the state will be taking in large amounts of revenue. 25% of certain types of revenue will be placed in the permanent fund. Some of the revenues will be used for the operating expenses of state government. What do you think the state should do with other excess revenues?

1. put in permanent fund
2. put into loan programs for state
3. increase expenditures by state government
4. give the money to residents of the state
5. other

to use to pay for ... (hard to hear)

Since answering a survey is a learning experience for the respondent as well as the surveyor, I think the framework of

1 What are our goals?

2 How well are we meeting our goals?

3 What tools (economic, resources, governmental structure) are available to better meet the goals?

4. Specific questions on tools - especially permanent fund & general fund.

would work well.

Additional comments 3/18/77

After last Sunday's meeting, I would suggest using the goals set forth by the group as a jumping off point for question #1.

The main thing I want to stress is that the permanent fund is not separate from other state funds; it does not exist in a vacuum. In order to achieve the objectives of the people of Alaska, it cannot be treated separately, but must be coordinated with all of the tools - financial and otherwise - at our disposal.

I've enclosed notes from last Sunday's meeting. We are currently expanding these, but will not be finished before the survey goes out.

1 - 10 These questions should be preceded by the questions asked in 40 - 48. 40 - 48 is an excellent primer to get folks thinking about how they feel about present govt activities before they are hit with the horrendous task of suggesting a future budget.

However, rethink the specific topics used in 40 -48. I suggest you eliminate 48 (Rehabilitation) because I don't know what that means; substitute "income assistance" for "income maintenance" in 47; and maybe add in communications and police protection.

Then, make sure all of those specific topics are included in one of the budget categories of 1 - 10. As it now reads, several topics are missing.

Finally, don't use the categories you have used for 1 - 10. I realize that these are the categories used in the actual budget, but you should redesign things to make things more understandable to citizens. You can easily translate the results back into the standard budget categories. For example, you might consider the following:

EDUCATION *

Elementary and Highschool
University of Alaska and other post-highschool programs
Community Colleges

SOCIAL SERVICES (employment opportunities, childcare, alcoholism, drug abuse, programs for the elderly, housing assistance, income assistance, health programs)

JUSTICE (state police, courts, prisons, delinquency programs, victim compensation)

TRANSPORTATION *

Airports
Highways
State ferry system

COMMUNICATIONS (telecommunications)

RESOURCE & LAND MANAGEMENT *

Fish & Game management
State parks
environmental protection
planning & management of state lands, forests, minerals, oil

OTHER (consumer protection, tourism developments, required expenditures, disaster relief etc.)

* for EDUCATION, TRANSPORTATION, and RESOURCE & LAND MANAGEMENT individuals should be given the opportunity to break down their responses into the subcategories shown, if they should like to. (This is essential in order to allow people to vote for more highschools and less university; to vote for more airports but not more roads; to vote for more fish & game but not more parks, etc.)

You'll note that I've also reduced the number of budget categories because 10 is just too many to divy up. The ones I've left out should simply be used in the OTHER category. I don't think it appropriate to ask voters to vote on the GOVERNMENT category which really means over head. They answer that later when they are asked if there should be a % ceiling on how much of the budget goes into personnel.

And they should not be asked to vote on those things which are mandatory, like native claims payments. Leave that piece of dynamite out.

Revenue sharing is important; but it should be asked in a wholly separate category. You might ask:

"Should State funds and state responsibilities be shifted more to local governments through ^(revenue) revenue sharing, or should local governments functions remain as they are."

13 Rewrite as follows:

In addition to HOW money is spent, we need to know HOW MUCH should be spent. Here are 3 state budgets (show card 2) which are possible for the coming year. Tell me which budget you prefer and why.

A SMALLER BUDGET:

- (A) \$600 million budget. Our present year's budget is \$ _____ in state funds (we also get about \$ _____ in federal funds). Due to the rise in cost-of living which affects employee paychecks and other government costs, a 600 million budget would mean a substantial reduction in present government services -- and since we would need less money, it could mean a cut in taxes.
- (B) THE SAME BUDGET (\$800 million dollars) 800 million dollars would provide the same services that our present _____ million dollar budget provided this year, due to inflation.
- (C) AN EXPANDED BUDGET (\$1 billion dollars) In the past few years government has grown on the average of 12% a year. If that growth continued into next year it would mean a one billion dollar budget. Additional money will have to come from somewhere. Some might come from the money we'll receive when oil starts to flow thru the pipeline this September; however further taxation might be necessary to feed an expanded budget.

17½ An additional question should be asked:

"Do you think Alaska should continue to seek as much federal money as possible for programs such as highway building, fish & game management, etc., or should we become less dependent on federal money?"

- 18 Before answering this question, the respondent should be told when the employees last got a pay raise and how much the cost-of-living has risen since that time. For example:

"State employees just received a 5% cost-of-living increase in their pay. The last time their pay was adjusted was in (date). Since that time it is estimated that food, housing, and other costs have risen ___%. Do you think that state salaries should be adjusted to keep up with inflation; and if so, do you think the recent pay raise is a good one?"

- 19 Tell the respondent what that percent level of the budget put into salaries and benefits is today, and how that percent has changed in the past few years.

- 20 - 30 These questions regarding use of oil & gas money get a little heavy. They should be reduced in number and complexity. Less specifics should be asked and more overall policy questions should be addressed. The following is a rough suggestion:

Creation of a Permanent Fund was approved by the voters last November. This means that at least 25% of certain revenues from the sale of state oil & gas must be put into a special savings account. While the money in this account cannot be spent, it can be loaned out or invested. Any additional earnings received on those loans or investments can be used in any way the state sees fit. Those earnings could be put back into the permanent fund, or spent in the budget, or even returned directly to citizens.

The state therefore needs to answer three questions:

- (1) How should the permanent fund money be loaned or invested; what goals should such loans or investments seek to achieve?
- (2) How should the earnings on loans and investments be used?
- (3) How much of the oil & gas revenues should be put into the fund (we could set aside anywhere from 25 - 100%)

Which goal is more important to you in the management of the permanent fund?

- (1) The permanent fund should be managed to assist Alaska directly through low-interest loans for such things as community development, fisheries enhancement, etc.
- (2) The permanent fund should be managed to assist Alaska indirectly through making high-interest investments outside (like in the stockmarket); and the interest should then be used as loans or actual expenditures to meet Alaskan needs.

The interest earned by permanent fund loans or investments should be used in what way?

- (1) It should all be put back into the fund.
- (2) It should be directly distributed to citizens of the state just like dividends are paid to people who own stock in corporations?
- (3) It should be put into the general fund where it can then be spent just like other state funds.
- (4) Other

next page continues.

How much money should go into the fund is another question. We could put anywhere from 25 - 100% of oil & gas revenues into it. Which do you prefer:

*problem:
what about
taxes*

- (1) We should put as little as possible into it (25%)
- (2) We should put all we can into it (100%)
- (3) We should put whatever amount into it that is above and beyond what we need to maintain our present state spending and services
- (4) We should moderately increase our present state expenditures and services and put the excess into the permanent fund.

Rewrite as follows:

- 31 "More and more people have been coming to Alaska in recent years. Do you view this as a trend the state should
- (1) actively encourage
 - (2) actively discourage
 - (3) not get involved in
- 32 Change to: "If you would like the state to encourage more people to come to Alaska and your community, how should this be done?"
- 33 Change to: "If you would like the state to discourage more people from coming to Alaska and your community, how should this be done?"
- 34 Eliminate (56 is a better question and all you need)
- 36-39 Definitely eliminate these -- that has already been asked in my suggested permanent fund questions.
- 40-48 I already suggested that these be the first questions.
- 49 Is an important question, but it asks only the methods and ignores the policies. The question should be rephrased:
- "Public schools are presently financed in the following manner: Areas that have local governments receive some state funds and also tax resident property owners to provide local funds. Bush areas which have no local governments do not tax property owners; and so education is totally paid out of state funds. Do you think this system should be changed? If so, how?"
- 50 I hate that question.

56 Rephrase this question as follows:

State-owned oil and gas can be sold to bring in money to the state. Some of that money will go into the permanent fund and some will go into the general fund where it can be spent like all other state money. However, unlike fish and timber, oil & gas does not regenerate once it is removed. It is a non-renewable resources; and hence when we sell this resource is an important question. Which policy for the sale of oil & gas do you prefer?

- (1) The State should try to sell all its oil & gas as quickly as possible.
- (2) The State should sell its oil and gas at a rate needed to obtain desired growth objectives and to meet projected budget needs.
- (3) The State should not sell any more oil and gas; and should simply wait while the federal government sells its Alaskan oil (such as that on the Outer Continental Shelf) and while private landowners sell theirs (regional native corporations).
- (4) Other

57 Rephrase the question:

When Alaska sells its oil & gas it does so in a way which provides the state a "royalty" when the gas begins to flow. A royalty means that the state can choose to receive a set % of the oil or it can receive cash for that amount of oil (and gas) In deciding how to use our royalty oil, which goal(s) do you think most important?

- (1) The State should receive its royalty in whatever way will provide the most money to the state treasury.
- (2) The State should choose to receive some of its royalty as real oil and should then resell that oil on its own to
 - (a) promote industrial development that needs oil for energy or materials ~~(\$/BBL/\$)~~
 - (b) ensure a reasonably priced energy source for use by Alaskans in heating homes and as motor fuel.
- (3) other

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

CITIZEN FEEDBACK

**A Survey of Alaskan Citizens
on
The Major Policy Questions
of the Day**

**Rowan Group Report
for**

**The Office of the Governor
Juneau, Alaska**

November, 1976

01. Are you a resident of Alaska

100.0% Yes
0.0 No

02. What would you say are the two or three major problems facing Alaska today?

03.

04.	First	Second	Third	Total	
	8.3%	9.2%	6.1%	23.6%	Inflation/cost of living (economy)
	3.5	3.5	5.1	12.1	Unemployment/jobs
	16.6	6.7	3.2	26.5	Influx of people (overcrowdedness)
	10.8	4.1	2.2	17.1	Fast/uncontrolled growth (need planning)
	7.3	3.8	2.5	13.6	Pipeline/pipeline impact
	2.5	2.9	3.8	9.2	Conservation/environment (pollution)
	5.7	7.3	3.8	16.8	Wise use of resources (should protect/orderly develop.)
	7.3	3.5	2.9	13.7	State spending/budgeting (too much spending/too fast)
	1.9	1.9	2.5	6.3	Check the bureaucracy
	1.6	1.0	1.0	3.6	Poor leadership
	1.0	0.6	1.3	2.9	Other governmental comments
	5.1	9.6	4.1	18.8	Crime/police/the courts
	5.4	5.4	2.9	13.7	Highways/roads (traffic)
	0.6	2.5	0.0	3.1	Outside interference in state (special interests/ business exploitation/Federal intervention)
	2.2	4.1	1.9	8.2	Industry/unions/business (too industrialized/too many small businesses/not enough industry/union power)
	2.2	3.8	1.6	7.6	Alcohol/drugs
	2.9	2.9	1.3	7.1	Housing/rents
	1.9	2.9	2.2	7.0	Education/schools
	1.6	1.9	3.5	7.0	Transportation/communication
	1.9	2.2	1.6	5.7	Fish and Game (Limited Entry)
	2.5	1.3	1.9	5.7	Taxes
	0.6	2.9	1.0	4.5	Health/welfare/social services
	1.3	2.2	0.6	4.1	Alaska Natives problems/Land Claims Act
	4.1	6.4	3.8	14.3	Other
	1.0	7.3	39.2	47.5	No opinion

Other comments in numbers; not percents: Capital move (13); need recreation (6); Apathy (4); Haul Road should be open (2); Legalize prostitution (2); Isolation (2); Morality (2); Too much gun control; Elderly; Lack energy; Change 30 day voter registration; Full year pilot insurance; Aged; Gas line through Alaska; Utilities; Boomers; Gasline; Minorities; Poor quality of life; Postal service.

05. Of all the problems you mention, which one do you feel that state government should be working on first and hardest?

- 7.0% Inflation/cost of living (economy)
- 5.7 Unemployment/jobs
- 10.8 Rapid growth/population influx
- 4.8 Pipeline/pipeline impact
- 5.1 Conservation/environment
- 7.3 Wise use of resources
- 5.7 State government (leadership/bureaucracy)
- 1.3 Outside interference in Alaska (Feds/business exploitation/special interests)
- 9.6 State spending/budgeting
- 8.6 Crime/police/the courts
- 1.6 Alcohol/drugs
- 2.9 Housing/rents
- 3.8 Education/schools
- 6.1 Highways/roads (includes traffic)
- 2.9 Fish and Game
- 2.2 Taxes
- 1.9 Health/welfare/social services
- 1.6 Alaska Native problems
- 5.4 Other
- 5.7 No opinion

Other comments in numbers; not percents: Union situation (2); Public utilities; Airplane insurance; Change of 30 day registration for voting; Capital move (3); Energy-develop hydro power sources; Keeping money here (2); Land; Rural development; Moral issues; Lack of order in collective bargaining with public; Recreation for kids; Postal services.

06. How should the state government solve that problem?

- 8.4 Reduce spending (too many employees; better budgeting)
- 6.8 Better planning (wise choice of consultants)
- 9.0 Better leadership (state government work harder; legislature work for people; represent people not special interests; work together on all levels)
- 5.5 Environmental research (more conservation; harvest resources in an environmental way)
- 5.2 Encourage business/industry (capital loans; competition; tax breaks)
- 2.6 Discourage business/industry (higher tax on outside interests)
- 1.6 Even-growth policies
- 4.2 More police (crack down on drugs)
- 4.2 Better courts (tougher sentences; mandatory sentences)
- 3.2 Highway construction (increase; better road planning)
- 3.9 Schools (more money; teachers; schools for villages; a better curriculum)
- 3.5 Low cost housing (more low income housing; rent controls)
- 5.2 Discourage non-residents (keep outsiders out; discourage those w/o jobs)
- 17.7 Other
- 19.0 Don't know

06. (con't) Other comments in numbers; not percents: More money to hatcheries; Develop public service jobs (2); Encourage food co-ops; Increase state income tax; Develop public transportation; Develop energy, Susitna hydro-electric facility; More authority for state from Federal; Don't move capital for at least five years; Keep prices down (3); Open more land to public; Work through insurance commission on pilot insurance; New voter registration requirement of 1 year; Disclosure of profits; Revise laws and bring up to date; Move capital; Railroad to lower 48; Send some Natives back to their own villages; Lower property taxes in alignment with services received; Don't give away so much for free; Becoming aware of Native importance and issues; Money for Day care; Careful scrutiny of eligibility for welfare; Restrictions on sale of alcohol; No Canadian pipeline; State should have more control, less Federal control; Allow professionals to advertise so we know what they really do; More insitutions than just API; More money for alcoholism programs; Retain Limited Entry; Old age care; Recreation programs for young; Improve utilities; Good homestead laws; Constitution change so government doesn't have control of all agencies; Reevaluate Limited Entry; More land for homesite use only; Legalize gambling/prostitution; Cut taxes; Keep Japanese fishermen out (2); Public sale of land; Organize plan preventing and rehabilitation for alcohol; Restrict unions more; Task force on oil impact; Stop giving Natives everything; Don't allow non-property taxpayer vote on issues affecting property taxpayers; Input from people throughout state; Invest in fish hatcheries (2); Don't move capital; Invest in preventative programs for child and family crisis; More for employees.

07. What in your opinion will be the major problems of Alaska two or three years from now?

09.

First	Second	Third	Total	
14.3%	7.0%	3.8%	25.1%	Unemployment/jobs
10.2	6.7	4.8	21.7	Inflation/cost of living (economy)
15.0	6.7	1.6	23.3	Population influx
5.1	6.7	1.6	13.4	Crime/police
3.8	5.4	1.0	10.2	Wise resource development
3.5	3.2	1.9	8.6	Environmental protection
5.1	3.8	1.6	10.5	Government spending/budgeting
1.3	1.6	1.0	3.9	Government (bureaucracy/leadership)
2.9	1.6	0.6	5.1	Roads/highways
0.6	1.6	0.6	2.8	Traffic/congestion
0.6	1.6	0.6	2.8	Transportation
1.3	1.9	1.3	4.5	Education/schools
4.1	3.5	0.6	8.2	Housing
3.2	1.9	1.3	6.4	Industry/unions/business
6.7	2.9	1.9	11.5	Pipeline/gas line
0.6	1.6	1.0	3.2	Alcohol/drugs
1.9	1.3	0.3	3.5	Fisheries
1.0	1.0	0.6	2.6	Native problems
1.6	2.2	1.3	5.1	Lack public services
0.3	0.6	1.0	1.9	Taxes
0.6	1.0	0.0	1.6	Medical/medical costs
0.6	0.3	1.0	1.9	Lower quality of life
7.6	3.5	1.0	12.1	Rapid growth
2.2	3.5	1.0	6.7	Other
5.7	29.0	68.7	103.4	No opinion

07 - 09 (Con't) Other comments in numbers; not percents: Hydro-electric power; Exploiting Native cultures; Capital (8); Urban area control; Interference by outsiders; Recreation (3); Minorities; Individual identity crisis; Welfare (2); Hippies; Isolation

10. What would you say are the two or three major problems right here in this
 11. community?

First	Second	Total	
4.1%	5.1%	9.2%	Inflation/cost of living (economy)
1.6	1.9	3.5	Unemployment/jobs
7.0	5.1	12.1	Population influx (overcrowdedness)
8.6	6.1	14.7	Roads/highways (maintenance)
10.8	3.2	14.0	Traffic/parking
1.3	2.9	4.2	Expand mass transit
13.7	9.9	23.6	Crime/police/the courts
6.1	8.6	14.7	Housing/rents
2.5	2.5	5.0	Taxes
2.9	3.5	6.4	Education/schools
6.4	3.5	9.9	Growth/development (rapid/unplanned)
4.5	1.9	6.4	Lack recreation activities
8.0	4.5	12.5	Poor local government (apathy/access/communication/bickering)
1.9	5.4	7.3	Industry/commerce
1.3	0.6	1.9	Post-pipeline impact
1.6	1.0	2.6	Fisheries/fishing
6.1	6.4	12.5	Alcohol/drugs
2.2	1.6	3.8	Pollution/ice fog
1.6	1.6	3.2	None
4.8	6.1	10.9	Other
3.2	18.5	21.7	No opinion

Other comments in numbers; not percents: Stray dogs; sewer and water (2); Harbor facilities (2); Lack of services (2); Lack of revenue; Fire prevention; Race conflicts; Bad medical facilities; Racism; Not enough shopping facilities; Do control; Apathy; No available land; Capital move (10); Agricultural situation; Tramway (2); airline situation; Parents should pay more attention to youth.

12. Which level of government should be most responsible for solving the problems of this community?

15.3%	The state government
17.6	The borough government
49.2	The municipal government
15.7	Other
2.2	Don't know

KOWAN GROUP INC.

Look at this list and tell me who spends its money most efficiently in this community. Please rank them first, second, third and fourth, as you see it:

	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>All</u>	<u>None</u>	<u>Don't know</u>
13. People	50.3%	6.7%	7.0%	12.7%	0.0	9.6%	13.7%
14. Federal Govt	8.6	14.0	15.0	35.0	0.0	12.1	15.3
15. State Govt.	8.0	20.7	31.5	12.1	0.0	12.1	15.6
16. Local Govt.	9.6	29.6	15.9	17.2	0.0	12.1	15.6

17. What services do you receive for your state tax dollars?

18.

<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Total</u>	
13.4%	15.0%	12.1%	40.5%	Education/schools (U of A; Community colleges, included)
40.8	19.1	7.7	67.6	Highways/roads
13.4	8.9	8.0	30.3	Police protection (state troopers)
0.0	1.6	1.9	3.5	Courts (judicial services/corrections)
1.0	2.9	1.3	5.2	Fire protection
2.2	3.2	4.2	9.6	Fish and Game (management/protection)
2.2	4.8	3.8	10.8	Parks and Recreation
1.6	1.0	1.3	3.9	Libraries
1.0	5.4	3.5	9.9	Airport facilities
1.9	2.5	1.0	5.4	Ferries
1.9	0.6	0.0	2.5	Harbor/port facilities
2.5	1.9	5.8	10.2	Health services (mental health facilities)
0.6	2.2	2.2	5.0	Social services (welfare/food stamps)
0.0	1.3	1.3	2.6	Elderly services (Pioneer homes/care)
3.5	1.6	1.6	6.7	Unemployment (job services)
0.0	2.2	1.0	3.2	Utilities (water/sewer/garbage)
1.0	0.6	1.6	3.2	Legislative (state congress; representation)
1.6	1.9	2.2	5.7	Specific funding (Art council; rent review/ small business Admin; Impact funds, etc)
5.1	4.8	4.8	14.7	None
1.9	3.2	1.0	6.1	Other
4.5	15.3	33.9	53.7	Don't know

Other comments in numbers; not percents: Sub-contracts; Postal (2); Transportation and busses; Government employees; National Guard; State housing; Communications; Pollution Control; State employee benefits; waterway benefits; People Mover; Attorney General should be elected not appointed; State troopers in Anchorage should be handle by municipal; Use of public buildings; Church tax breaks; Fluoridation; Coast Guard; Drainage; Environmental protection.

20. Which of these services is the best?

21.

First	Second	Total	
19.1%	2.6%	21.7%	Education/schools (U of A; Community Colleges included)
13.4	1.6	15.0	Highways/roads
4.5	1.6	6.1	Other transportation (airports/ferries)
2.5	1.0	3.5	Fish/game/wildlife
5.4	0.3	5.7	Parks/recreation
6.4	0.6	7.0	Police/enforcement (public safety)
6.4	0.0	6.4	State police
2.9	0.0	2.9	Fire department
2.5	0.6	3.1	Health services
1.9	0.3	2.2	Employment/job services
1.3	0.0	1.3	State employee benefits
1.6	0.6	2.2	Elderly
7.3	0.0	7.3	Other
24.8	90.7	115.5	Don't know/none

Other comments in numbers; not percents: Utilities; sewer; Rent review board; Sub-contracts; Alaska Legal services; Library (3); All (3); Housing; Mail Government (2); Social services (2); courts, Environment (2); Art Council; Construction grants.

22. Which of these services are the worst?

23.

First	Second	Total	
7.3%	7.3%	14.6	None
25.8	1.0	26.8	Roads/highways (maintenance)
2.9	1.3	4.2	Other transportation (ferries/airports)
7.0	1.0	8.0	Police/courts/troopers
7.3	0.6	7.9	Education/schools
4.8	1.3	6.1	Social services/welfare
3.2	0.3	3.5	Fish/game/welfare
1.9	0.0	1.9	Employment services
1.0	0.3	1.3	Health services
5.7	1.3	7.0	Other
33.1	85.7	118.8	Don't know

Other comments in numbers; not percents: Too many state employees; Legislature (2); Postal; Liquor Control Board; State funding allocations; State tax information; State government; Needs that should be provided by the city; Recreation (2); Environment; Duplicative services; Office facilities; Housing; Land management.

24. Which state services ought to be eliminated?

25.

First	Second	Total	
36.9%	36.6%	73.5%	None
12.7	0.0	12.7	Excess welfare (food stamps; unemployment sent outside)
3.2	0.3	3.5	Specific commissions (public utilities; rent review;)
5.4	0.0	5.4	Duplication (bureaucracy; inefficiency; employees)
1.3	0.3	1.6	Office of Governor
8.0	1.0	9.0	Other
32.5	61.8	94.3	Don't know

24. (Con't) Others in numbers; not percents: Services which interfere with individual freedom; Agriculture loan program; Possible Native programs (4); School (2); State involvement in adoption of children by spouse of child's natural parent; High wages; Evaluate state employees over \$40,000 per year; Highway department to private contractor; Day centers (3); Rehabilitation type of grants; Dumping salt on highways; Native corporations should take over state functions in rural areas; Capital move; Sewer tax; Let local government take over building of roads; Fluoridation; Change control of services to local contractors; Fish and Game protection officers maybe; Drug enforcement; Highway construction.

26. Overall, would you say the net effect of the trans-Alaska oil pipeline has been positive or negative?

55.1% Positive
 35.0 Negative
 9.9 Don't know

27. (IF POSITIVE) Why is that?

44.3% Not applicable
 19.4 Increased employment
 11.5 Built up Alaska (proved AK resources; helped state grow/develop)
 5.1 Provided state revenue (tax base)
 7.3 Commerce/business growth
 1.9 Increased population (influx of skilled/knowledgable people)
 1.9 Increased standard of living
 5.1 Give U.S. needed resources
 0.3 Other
 3.2 No opinion

Other comments in numbers; not percents: Expedited Alaska Native Land Claims Settlement.

28. (IF NEGATIVE) Why is that?

64.0% Not applicable
 8.6 Economic (too high wages; prices; cost of living, etc.)
 9.2 Population influx (transient problems/overcrowded)
 3.2 Rapid growth/development
 4.1 Lower quality of life
 3.8 Encroaching on environment
 2.5 Increased crime
 2.2 Poor workers (outsiders)
 1.6 Other
 0.6 Don't know

Other comments in numbers; not percents: Revenue leaving state; No benefits; Lost skilled workers in area to pipeline; No oil has started to flow.

29. What benefits have you derived personally from the pipeline?

- 55.7% None
- 17.8 Jobs (relatives got jobs; more jobs in general)
- 10.5 Higher wages (higher standard of living)
- 7.6 More business activity (more commodities; money in economy)
- 2.2 Land values increased
- 3.5 Other
- 2.5 Don't know

Other comments in numbers; not percents: Satisfaction of knowing Alaska is contributing to oil crisis; Brought about the enactment of Native Land Claims Settlement; Gas available (2); Made some friends; A few drinks; Learned patience and job experience; Amusement; \$90 Native money; Lower state taxes (2).

30. What losses have you personally suffered because of the pipeline?

- 51.0% None
- 25.8 Economic (higher cost of living/prices/inflation/rents/taxes/jobs)
- 3.2 Population influx
- 8.9 Lower quality of life (worse neighborhoods/poor attitudes; unfriendly/privacy/immorality)
- 1.6 Poor roads/traffic
- 2.2 Lack safe feeling (crime/violence)
- 2.5 Environment/pollution
- 1.6 Had family problems (while on pipeline — missed family etc)
- 2.2 Other
- 1.0 No opinion

Other comments in numbers; not percents: Lost access to some hunting areas (2); Bumped off airline; Changing attitude toward government; Lost my good attitude of white people; Discrimination; Venereal disease.

31. Do you care which route a gas pipeline takes from Prudhoe Bay to the Lower '48?

- 76.8% Yes
- 15.6 No
- 7.6 Unsure

32. (IF YES) Which route do you favor?

- 53.5% North Slope - Valdez - ship
- 11.5 North Slope - Alaska Highway - Northwest
- 4.5 North Slope - Mackenzie/Canada - Midwest
- 5.1 Other
- 6.1 Has no route in mind
- 19.4 Not applicable

33. What benefits will you derive from this gas pipeline?

- 33.8% None
- 12.1 Cheaper fuel
- 5.7 More gas for state
- 7.3 More state revenues
- 11.8 More jobs
- 8.0 Bolster the economy (commerce/business)
- 1.6 Lessen tax burden
- 1.3 Better standard of living
- 5.7 Alaska will benefit
- 0.6 Other
- 12.1 Don't know

Other comments in numbers; not percents: Avoid Canadian blackmail;
Canadians won't have rate control.

34. Should we encourage a petrochemical industry in Alaska?

- 65.9% Yes
- 24.2 No
- 9.9 Don't know enough about it

35. Should Alaska sell its state owned natural gas cheaper to get the gas industry to come to Alaska?

- 20.7% Yes
- 68.5 No
- 10.8 Don't know

36. In developing the resources the state owns, should the state try to make a profit, take a loss, or break even?

- 79.3 Make a profit
- 0.6 Take a loss
- 15.3 Break even
- 4.8 Don't know

37. Are there any places in the state that should NOT be developed for oil and gas?

- 67.5% Yes
- 21.3 No
- 11.1 Don't know

38. (IF YES) Where?

- 31.5% Not applicable
 - 13.1 State/National parks (recreation areas)
 - 6.4 Kachemak Bay
 - 1.9 Gulf of Alaska
 - 1.9 South East Alaska waters
 - 16.9 Offshore areas (Bristol Bay; Beaufort Sea; Inlets, where fishing would be damaged)
 - 3.8 Wilderness areas
 - 3.8 Game reserves (wildlife refuges)
 - 5.4 Environmental risk areas (where it might infringe on other renewable resources)
 - 4.1 No new areas at all
 - 6.1 Other
 - 5.1 Don't know
- Other comments in numbers; not percents: Where people are (4); Kenai Peninsula (2); Seward (3); Not in central Alaska; Native Land Claims Act areas (3); Brooks Range (2); Pet 4 (2); Illiamna; Arctic; Specialized areas.

39. Should the state use the oil lease bonus, that is, the money paid the state by oil companies to lease state lands, to pay state employees?

- 38.5% Yes
- 49.4 No
- 12.1 Don't know

40. Should alcohol be taxed high enough to pay for alcoholism services?

- 76.1% Yes
- 20.7 No
- 3.2 Don't know

41. Should users of the haul road from Fairbanks to Prudhow pay the whole cost for its maintenance?

- 58.3% Yes
- 31.8 No
- 9.9 Don't know

42. Would you pay 2¢ per gallon of gas extra to have the haul road kept open to public traffic?

- 21.3% Yes
- 73.2 No
- 5.4 Don't know

43. Tell me this. Where should the state capitol be?

- 40.9% Juneau
- 15.3 Anchorage (near Anchorage)
- 12.8 Willow
- 6.7 Wasilla
- 2.6 Matanuska Valley/Palmer
- 3.2 Talkeetna
- 3.8 Between Anchorage and Fairbanks
- 8.9 Other
- 5.8 Don't know

Other comments in numbers; not percents: Soldatna; Railbelt (2);
 Wherever accessible (3); Fairbanks (2); Miami; Hurrigan Gulch;
 Mt. Yenlo (7); Larson Lake (3); Kenai; Central area (2); Mt. Susitna
 area; Sitka; Pelican; Nenana; Delta Junction.

44. Should public employees be allowed to unionize?

- 61.5% Yes
- 29.9 No
- 8.6 Don't know

45. Should public employees be allowed to strike?

- 52.2% Yes
- 40.4 No
- 7.3 Don't know

46. This year the Legislature approved a one-year operating budget of over \$700 million for Alaska. In your opinion, is this budget too high, too low, or just about right?

- 31.5% High
- 4.1 Low
- 24.8 About right
- 39.5 Don't know

47. Name for me areas or programs in the budget which you would cut or eliminate?

48.

First	Second	Total	
5.4%	4.8%	10.2%	None
8.3	2.2	10.5	State payroll
6.4	1.3	7.7	Excess personnel
13.7	3.5	17.2	Social services/welfare
2.2	0.6	2.8	Education
0.3	1.6	1.9	Job services
0.5	0.6	1.1	Native services
11.8	3.2	15.0	Duplication/bureaucracy (eliminate non-essentials)
1.3	0.3	1.6	Capital move
4.5	1.9	6.4	Other
45.5	79.9	125.4	Dont' know

47. (con't) Other comments in numbers; not percents: Environmental; ferry service;
48. Forest exploration; Limited Entry Commission; Hydro-electric dam, Highways (4); BIA; Local government; Grants to Natives; Senior citizens; Evaluation surveys; All new programs; Too many facilities; Operating by principles a profit making organization; Agricultural funding; Licensing boards; Park maintenance.
49. If the state needed more money, would you prefer that the money be raised with...
- 25.5% A sales tax
 - 12.7 An income tax
 - 1.0 A property tax, or
 - 18.5 A business tax
 - 30.6 Opposes all taxes or increases
 - 11.8 Don't know
50. Would you vote if there were a referendum in Alaska regarding the long range spending plan of the government?
- 73.9% Yes
 - 12.1 No
 - 14.0 Don't know
51. How well would you say the state has managed the fish and wildlife of Alaska? Would you rate it is...
- 7.6% Excellent
 - 32.2 Pretty good
 - 25.5 Only fair
 - 28.0 Poor
 - 6.7 Don't know
52. Tell me the status of fish and wildlife in this area. Are there...
- 5.7% More than before
 - 12.7 About the same as before
 - 67.8 Fewer than before
 - 13.7 Don't know
53. (IF FEWER) What should be done to improve this situation?
- 30.6% Not applicable
 - 10.2 More hatcheries (restock fish)
 - 9.2 More/better management (research and development programs)
 - 5.7 Increase enforcement (stricter laws/penalties)
 - 4.8 Stop hunting (fishing)
 - 4.5 Shorten season (reduce hunting)
 - 4.5 Lower quotas (permit only)
 - 6.1 Fewer non-residents (lower the population; keep outsiders out)
 - 2.9 Stop cow moose season
 - 9.6 Other
 - 12.1 Don't know

53. (con't) Other comments in numbers; not percents: Definite and non-discriminating hunting and fishing regulations; Increase cost of license to support additional resources; Clean-up pollution in Anchorage streams that kill fish; 700 mile limit (3); Save land for them instead of all construction; Don't shoot wolves; Get input from subsistence hunters; No airplanes for hunting; Gun control laws; Subsistence only; Eliminate limited entry; Stop exporting our wildlife; Outlaw subsistence fishing in streams; More preservation in wildlife areas; Control water drainage basins from roads and development; Preserve park land; Stop building; Keep limited entry (3); No trophy hunting; Limit commercial fishing; Ban snow machine hunting (2); Control trophy hunting; Tear down pipeline; Limite fishing to sport only; Locate male salmon and more streams.

54. Tell me what a permanent fund would do for the state.

- 3.8% Emergency reserve
 - 8.0 Provide financial stability (security/cushion for the future)
 - 3.2 After resource depletion
 - 3.2 Reduce tax burden
 - 9.6 Investment/savings
 - 15.3 State projects/programs (education/health/child care/ environment/ youth/ jobs/social services/law enforcement/capital improvements, etc.)
 - 4.1 Loan money
 - 3.2 Keep state solvent
 - 0.6 Help cities
 - 7.0 Anti-fund comments (nothing/more money to waste/bad for state, etc.)
 - 1.0 Other
 - 41.1 Don't know
- Other comments in numbers; not percents: Slow down progress;
Relief from special interest pressure; keep big spenders down.

55. Ten years from now, would you wan this community to have...

- 22.3% More people than it does now,
- 44.6 About the same number of people it has now, or
- 30.6 Fewer people than it has now
- 2.5 Don't know

56. Should public employees be able to be fired easily, or should they have many protections against being fired easily?

- 40.8% Easy firing
- 29.9 Hard to fire
- 20.9 Don't know
- 8.9 In between

57. Should new industry in Alaska...

- 74.5% Be introduced only if it can pay its own way
- 9.2 Should it be subsidized by other taxpayers
- 16.2 Don't know/depends

58. Are environmental regulations for this area...

- 33.1% Too lenient
- 13.7 Too strict
- 39.8 Just about right
- 13.5 Don't know enough about it

59. From your point of view, has life in Alaska since you've been here...

- 31.8% Improved
- 15.3 Stayed the same
- 45.9 Gotten worse
- 7.0 Undecided

60. (IF IMPROVED) What factors caused this improvement?

- 66.9% Not applicable
 - 7.0 Economic (wages, jobs, money, economy)
 - 1.9 Improved government
 - 3.5 Transportation (roads, highways, air)
 - 3.2 Pipeline/oil development
 - 3.5 More business/commerce
 - 7.0 Growth/progress (increased population)
 - 4.8 Better services (education; communication, etc.)
 - 1.3 Other
 - 1.0 Don't know
- Other comments in numbers; not percents: Can be more independent;
Women; Cleaner.

61. Let me ask this final question. If you were suddenly governor, what change would you make first?

- 5.7% Reduce state spending (cut budget; streamline budget)
- 12.1 Reduce government (less committees/agencies/cut bureaucracy/weed out some jobs/too many employees)
- 8.0 Better officials (fire legislators/administrators, start over/get rid of crooked politicians)
- 2.9 Respond to public (get people input)
- 4.8 Solve tax problem (fair taxation to everyone; reevaluate industry tax)
- 5.1 Law and order problem (rebuild criminal justice system/tougher courts, sentences, laws)
- 3.5 Environmental protection (stop exploiting resources/utilize resources non-destructively)
- 2.2 Economic relief (rent control; lower prices/more jobs)
- 3.2 Highway construction (improve roads)
- 5.1 Encourage business/industry (look for more resources/new economic base)
- 3.8 Discourage business/industry (get rid of pipeline/stop oil lease)
- 4.5 Social services reform (cut welfare/give less to Natives)
- 1.9 Fisheries help (protect fisheries)
- 14.0 Other
- 23.2 Don't know

61. (con't) Other comments in numbers; not percents: Welfare for old top priority; Let Alaskans have final say on any new pipeline not Federal Government; Change location of legislature to rotating basis; Fewer elections; Use same route for gas line; Less school days (longer sessions 4 days a week); Money to meet Federal matching funds for day care; Local hire should have priority; Improvement for people's benefit; More recreation areas; Work on morality issues; Legalize gambling/prostitution (2); Stop Susitna dam project; Move capital (3); Change state parks strict rules and regulations; More consistent handling of international problem; Curb population growth; Straighten out revenue sharing; More money to humanistic programs; Get rid of environmentalists (3); Improve education (2); Check where most profit is being made; Work on pipeline and oil development related problems; Recreation for teens; Keep capital in Juneau (2); Railroad connecting with Canadian system; More VA medical coordination treatment here instead of going to Seattle; Bring in Christianity; More money for education; Land controls; Stop selling to Japan; More feeling of unity in State; Run off the niggers and the Natives - drown the Aleuts; Order full scale investigation of pipeline and the graft involved; Fire Jesse Car; Good alcoholism program.

62. Are you...

66.6%	Employed
6.1	Unemployed
3.8	A student
16.9	A house/wife/husband/person
6.7	Retired

63. How many years have you lived in Alaska?

15.0%	All life
36.6	Over 10 years
25.5	5 - 10 years
22.9	Less than five years

64. What is the last level of education you completed?

9.2%	Incomplete high school
28.3	High school graduate
35.4	Incomplete college
27.1	College graduate or beyond

65. Into which of the following categories does the total family income here fall?

4.1%	Under \$6,000
13.7	\$6,000 - \$13,000
31.2	\$13,000 - \$25,000
43.6	\$25,000 or more
7.3	Refused

66. How many people live in this household?

13.1%	One
67.2	Two, three, four
19.7	Five or more

67. Are you a registered Alaska voter?

86.6%	Yes
13.1	No
0.3	Not sure

68. Age

22.6%	16 - 25
46.2	26 - 39
26.1	40 - 59
5.1	60+

69. Sex

47.5%	Male
52.5	Female

70. Location

45.5%	Anchorage
15.0	Fairbanks
17.8	Juneau, Ketchikan, Sitka
12.4	Palmer, Wasilla, Kenai, Kodiak
9.2	Dillingham, Bethel, None

Citizens Feedback #1

A Survey of Alaskan Citizens on the Major Policy Questions of the Day
November, 1976

by: Rowan Group for the Office of the Governor

In the first Citizens Feedback Report only one questions (#54) deals with possible uses of the Permanent Fund. Because of the date of this poll, the responses are only rough preliminary indicators of public sentiment regarding the Fund as there is still a lack of understanding and information. Citizens Feedback #2 (July, 1977) is a better indicator of the desires of the state, but Rowan Group points out that the public hasn't made up its mind what the fund is, only that it should exist.

Citizens Feedback #1

Question 54

Tell me what a permanent fund would do for the state.

- 3.8% Emergency reserve
- 8.0 Provide financial stability (security/cushion for the future)
- 3.2 After resource depletion
- 3.2 Reduce tax burden
- 9.6 Investment/savings
- 15.3 State projects/programs (education/health/child care/ environment/ youth/jobs/social services/law enforcement/capital improvements, etc.)
- 4.1 Loan money
- 3.2 Keep state solvent
- 0.6 Help cities
- 7.0 Anti-fund comments (nothing/more money to waste/bad for state, etc.)
- 1.0 Other
- 41.1 Don't know

Other comments in numbers; not percents: Slow down progress;
Relief from special interest pressure; keep big spenders down.

Citizen Feedback #2

A Survey of Alaskan Citizens on the Major Policy Questions of the Day

July, 1977

by: Rowan Group for the Office of the Governor

Interviews were conducted in 17 communities of the State in a distribution plan giving proportional representation to all sections of the State. Applicants were all residents and adults of 16 years or older. The State was considered in five regions: Anchorage, Fairbanks, Southeastern, Southcentral, and rural Alaska.

Questions 41 through 48 deal with the Permanent Fund. The vast majority of Alaskans are thinking of ways of investing money wisely in Alaska and most ideas are similar to the capital improvement concepts emerging from the government. 72% felt "the permanent fund should be managed to assist Alaska directly through low-interest loans for such things as community development, fisheries enhancement, and so on." 18% chose high interest investment outside with interest used as loans or expenditures to meet Alaska's needs. The public appears to want to put as much as possible in the Fund after the operating expenses of government. With regard to annual earnings of the fund, 24% wish to use it to pay off debts, bond obligations, etc., 22% want to put it into loan programs, 16% want to put it back in the permanent fund, and 10% wish to give it to Alaskan residents. The Alaska, Inc. concept was referred to and was opposed by 51% with 30% in favor. This survey marked the introduction of the Permanent Fund concept to intensive research thus the results must be taken in the context of a discussion over a subject not well known. The public hasn't made up its mind what the fund is, only that it should exist.

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41. Soon after Alaska's permanent fund is established, it will have assets of billions of dollars from the oil revenue. What should be done with those assets?

- 14.28 Invest wisely
 - 7.8 Promote industry/development (build up economy/state; Diversify economy; further Alaska; bring up to date)
 - 8.1 Resource management/protection/development (forestry; wildlife; fisheries; natural resources development; renewable resources protection/enhancement)
 - 6.4 Improve transportation (roads; highways; airports)
 - 5.3 Reduce taxes
 - 3.9 Health/social services (underprivileged; welfare; elderly; alcoholism programs; health services)
 - 5.8 Government operations/services (general fund; for self-sufficiency; improve state government; services; use as income; for debts)
 - 5.0 Save it (put it in permanent fund; hold interest)
 - 7.2 State capital development (plant development)
 - 3.9 Business/individual/housing loans
 - 5.0 Some to investments - some to services
 - 3.1 Education/schools
 - 2.2 Invest some/save some
 - 1.9 Return to people
 - 1.1 Recreation/parks
 - 19 Allocate through Legislature/people
 - 3.6 To best use/benefit
 - 1.9 Community development
 - 1.9 Other
 - 9.5 Don't know
- Other comments in numbers; not percents: Help ease Alaska's high inflation; Don't believe in permanent fund; Improve quality of life (2); For better living like lower cost of housing; Maintain high quality of life; Rebates to the oil company's to encourage expansion.

42. Which goal is more important to you in the management of the permanent fund?

- 71.68 The permanent fund should be managed to assist Alaska directly through low-interest loans for such things as community development, fisheries enhancement, etc.
- 17.5 The permanent fund should be managed to assist Alaska indirectly through making high-interest investments outside (like in the stockmarket); and the interest should then be used as loans or actual expenditures to meet Alaskan needs.
- 8.4 Don't know
- 2.5 Combination of the two

43. How much money should go into the permanent fund, as you see it? Should the policy be:

- 3.9% To put as little as possible in it
- 27.6 To put as much as possible in it
- 32.6 To put whatever amount is surplus after meeting the goals of increasingly larger annual budgets
- 23.4 To put whatever amount is surplus after meeting the goal of reducing annual budgets to the lowest possible amount
- 7.2 Other
- 5.3 Don't know

Other comments in numbers; not percents: None (2); Put one half in and make one half available for business, not for legislature use; 75% should go into permanent fund; Specific percent of revenues-not just surplus; Surplus after maintenance budget (3); A set percentage of money received; A large amount in permanent fund to be used which could be taken out in loans and put back to make available money in Alaska for projects; All of oil and gas revenue should be put in permanent fund; 50% (2); Set percentage without regard to annual budget; 25% of income from all sources (3); 10% of amount available; Put in specific amount (25% to 50%) annually; All surplus goes in, interest to be used for meeting state budget; Largest possible amount consistent with meeting state's legitimate needs for income-not spent just because its there; Pay off debts and put surplus in; Some large portion; Assist in developing, renewable resources; Set percentage go into permanent fund.

44. Those assets in the permanent fund should maintain significant annual earnings, running into the millions each year. What should be done with the earnings?

- 15.6% Add to the permanent fund
- 21.7 Put it into loan programs
- 4.7 Increase state spending
- 9.5 Give the money to Alaska residents
- 24.0 Use it to pay off bond obligations
- 22.0 Other
- 2.5 Don't know

Other comments in numbers; not percents: Development and and state budget; Into loans and to pay off bonds (14); Cut taxes (5); Help retired people to stay in Alaska; Eliminate state taxes; Lend money back to Alaskans (6); Against permanent fund; Into permanent fund, loans, state spending, and bonds (2); Into permanent fund, state spending and bonds; Into loans; money back to Alaskans and pay off bonds (4); Increase state spending and give money back to residents; Increase state spending and

44. (Con't) pay off bonds; Into permanent fund, loans and bonds (7); Into permanent fund and loan programs (4); Lower taxes; Into permanent fund and bonds (4); All of them (9); Into loans, state spending and bonds; Multiple uses; Money back to residents and bonds (3); 75% into loans, 25% into bonds; General fund to be spent by legislature; 50% to permanent fund; 15% to loans, 10% to money back to residents and 10% to bonds; Pay off obligations first then increase general fund at rate of population growth; Develop community and social overhead; Into loans and state spending; Reduce income taxes; Into permanent fund then divide into uses for future and uses for now; loan programs for homes; Decided as need arises (legislature) not referendum; Use for development; Increase state spending to limits of about 12% per year; Improve sewer system in the state; Consider alternate energy, education, unknown needs, planning for the future.

45. One proposal is to make every citizen of Alaska a stockholder in a public corporation where the earnings from the permanent fund would be paid out as a dividend annually to each stockholder. What do you think of that proposal?

- 33.8% Against it/not a good idea (don't like it; not practical; no; stinks; nuts; bad; no way; stupid; disagree)
- 30.2 Like it/good idea (agree; OK; for it; sounds nice; excellent; reasonable; has possibilities; interesting)
- 5.6 Must clarify "citizen"
- 3.6 Use for services/programs (provide quality services; for betterment of Alaskan communities; loans; education; needs, etc)
- 3.6 Won't work
- 2.8 Prefer tax reduction
- 3.1 Too much bureaucracy/administrational problems
- 2.0 Money wouldn't amount to much
- 5.0 Other
- 10.3 No opinion

Other comments in numbers; not percents: Would just contribute to alcoholism in Alaska; If they meet their other obligations first; It redundant, by being a citizen of Alaska, we are automatically stockholders and thereby reap the benefits; Fine if other things are paid up; Should re-invest and make money out of it; Rather see in controlled by legislature than corporation; Possibly an attempt to deceive the public-suspicious; Add it to the permanent fund; I think it would bring lots more people to Alaska; Would only increase desirability of Alaska to outsiders; Would need additional information; The governor is trying to help in this small way; Need to know more-interesting;

45. (Con't) Not all the money should be handled this way; Should be tried on a temporary basis; Excess immigration of free loaders might result; Might bring 700,000 people to Alaska; Political gain; Might make citizens more aware of what is happening in general.

46. Do you agree or disagree with the idea that a portion of the earnings (only) from the permanent fund should be distributed as stock or money directly to the Alaska people?

34.8% Agree
47.4 Disagree
17.8 Unsure

47. How do you feel about the alternative idea that the earnings in the permanent fund should be added to the total used by the government in its annual budget process.

35.1% Agree
46.0 Disagree
18.9 Unsure

48. Do you have any other ideas about how the earnings from the permanent fund could or should be used?

6.4% Reduce taxes
5.3 Community development/services/improvements (including public facilities; recreation)
5.6 Resource management/development/protection (fishing; renewable resources)
3.6 Economic/industrial development
5.6 Loan programs
4.2 Health/social services (alcoholism programs; pioneer home; elderly; poor)
1.7 Energy development (alternatives; energy plan)
3.1 Roads/highways
2.2 Education/schools (student loans)
2.2 Public services/programs (no specifics mentioned here)
3.1 General comment - to Alaska's benefit
1.7 Investment
2.0 Pay debts
1.7 Return to people
5.3 Other
46.2 No opinion

Other comments in numbers; not percents: Should be put up for public vote; Save it for 20 years and buy our independence; Settle with Natives and open up land for development; Insurance programs (2); Through various media the people should be taught to recognize both the problems facing us today and tomorrow; Proved higher standard of living; Buy back Alaska land; Increasing retirement for Alaska Guard personnel; Government

48. (Con't) should be wise enough to figure out way it should be spent; State spending; Provide jobs; Satellite communications; Maintain Alaska's individuality; Re-investment in permanent fund (2); Bring down cost of living; Survey state lands for possible release for homesites; Equal help for white minority.

49. More and more people have been coming to Alaska in recent years. Do you view this as a trend the state should...

- 12.5% Actively encourage
- 36.5 Actively discourage
- 43.7 Not get involved in
- 7.2 Don't know

50. How do you feel about offshore oil development here compared to other areas of Alaska?

- 24.7% Believes offshore development should be considered almost everywhere before it is considered for this area.
- 50.6 Believes that this area is equal to most others and if oil appears to be present, development here would be all right.
- 10.1 Believes that this area should be considered first or in an early priority for offshore development
- 9.3 Don't know
- 3.7 Against all offshore development
- 1.7 Not applicable-lives inland

51. If a state facility such as an airport, ferry or museum, can earn money in its operation -- how should it initially be paid for? From...

- 2.2% New or additional taxes
- 39.0 Bonds
- 20.9 General fund
- 18.7 User fees
- 11.7 Other
- 8.5 Don't know

Other comments in numbers; not percents: Loans from permanent fund; Should be a building fund established with earnings from permanent fund; Excess from permanent fund; Use permanent fund (4); Most economical way; Surplus money from oil revenue; Federal funds; Bonds and general fund (7); If it can make money somebody other than the state should do it; Borrow from oil monies (2) If it can pay for itself in 20 years it should be bonds--if not use taxes; Bonds and user fees (3) Part from general fund but not all; Separate and special revenue bond; General fund and user fees (3);

51. (Con't) Taxes and bonds; Bonds, general fund and user fees (5); All ways; Government is to provide services, any profit should be used to reduce taxes; Loans from general fund; Sales tax; Oil and gas revenue.

In terms of public participation and major problems in Alaska, let me raise two possible topics for evaluations of this type. Give me your reaction to each one.

52. A complete re-evaluation of the University of Alaska, its size, services, budget, what Alaskans want from it and what they are getting, new directions, policy, and so on.

- 37.9% High priority
- 27.0 Moderate priority
- 12.5 Evaluation should be done but other problems are more important for public participation
- 14.8 Evaluation can be done by the University itself,
- 0.6 ... or need not be done.
- 1.4 Other reaction
- 5.8 Don't know

Other comments in numbers; not percents: Get new people in there that would solve the problem; State should get out of higher education; There should be a group that looks at it--part by the general citizenship--if there's significant difference in what they're getting versus what's needed; Fairbanks should be established as the the major campus; Outside professional evaluation.

53. A complete re-evaluation of how the state police spend their budget and time, how they make decisions about what kinds of problems to investigate, and how all this relates to crime in Alaska and the public need.

- 37.3% High priority
- 24.5 Moderate priority
- 14.5 Evaluation should be done but other problems are more important for public participation.
- 10.6 Evaluation can be done by police themselves,
- 4.5 ...or need not be done
- 3.1 Other reaction
- 5.6 Don't know

Other comments in numbers; not percents: High priority-- evaluation can be done by police themselves; We need to be more responsive to their needs--they need more morals and more pay; They need more of them--the've been doing a good job; Moderate priority and extensive public input; They are doing a splendid job, give them more money and back them up; Too few police--need more support;

53. (Con't) Maybe courts need re-evaluation more than state police or both!; Laws being passed aren't being enforced; Need constant evaluation; Quit having coffee with police; High priority--but no Teamsters.

54. Are you...

68.8% Employed
 9.5 Unemployed
 3.1 A student
 12.8 House person
 5.8 Retired

55. How many years have you lived in Alaska?

13.6% All life
 40.4 Over 10 years
 22.3 5 - 10 years
 23.7 Less than 5 years

56. What is the last level of education you completed?

8.6% Incomplete high school
 25.3 High school graduate
 26.7 Incomplete college
 39.3 College graduate or beyond

57. Into which of the following categories does the total family income here fall?

4.2% Under \$6,000
 12.0 \$6,000 - \$13,000
 32.3 \$13,000 - \$25,000
 44.8 \$25,000 or more
 6.7 Refused

58. How many people live in this household?

16.4% One
 65.5 Two, three, four
 18.1 Five or more

59. Are you a registered Alaska voter?

85.2% Yes
 12.8 No
 1.9 Not sure

60. Age

18.4%	16 - 25
44.6	26 - 39
30.9	40 - 59
6.1	60+

61. Sex

51.8%	Male
48.2	Female

62. Location

43.2%	Anchorage
13.1	Fairbanks
17.3	Southeast
16.4	Palmer, Wasilla, Kenai, Kodiak, etc.
10.0	Dillingham, Bethel, Nome, etc.

ROWAN GROUP INC.

CITIZEN FEEDBACK #2

A Survey of Alaskan Citizens
on
The Major Policy Questions
of the Day

Rowan Group Report
for
The Office of the Governor
Juneau, Alaska

July 1977

Introduction

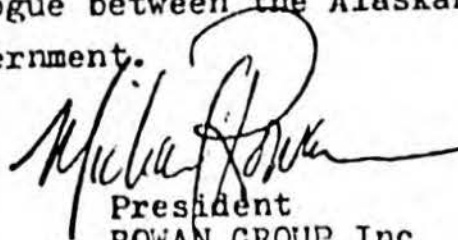
This is a report on a statewide survey of Alaskans conducted in April and May to gain "citizen feedback" on major policy questions facing the state government.

The survey questionnaire was compiled from input from the Governor, personally; his assigned aides; the Cabinet; the Speaker of the House and the President of the Senate (or their aides); and other relevant Members of the Legislature. The questions were framed by the leaders of government; the responses are given freely by the people of the state. It is the hope of everyone that such a survey contributes to the dialogue necessary for successful policy-development in a healthy and vigorous democracy, like Alaska.

The survey was commissioned by the Office of the Governor and is hereby delivered to Ms. Frances Ulmer of that office. We stand prepared to help in the clarification or use of this material in any way we can.

The report includes an analysis of the data, a data-narrative section, and a description of the sample design and methodology. The computer printout has been delivered under separate cover, earlier.

We hope this has been a useful and valuable addition to the dialogue between the Alaskan people and their government.



President
ROWAN GROUP Inc
525 W. 3rd Ave.
Anchorage, Alaska 99501

THE SAMPLE PLAN
AND INTERVIEWING METHODOLOGY

A sample plan was devised giving proportional representation to all sections of the state. The interviews were conducted in 17 communities of the state under a distribution plan utilized for the last ten years by the company, and amended annually by data certified about the Alaska population.

The survey includes data from 359 personal interviews conducted by professional interviewers especially instructed for this assignment. All interviews were conducted in the home of the qualified respondents, all of whom were Alaska residents.

As in CFS-1, the proportion of interviews for rural Alaska were conducted with village people found in regional centers (e.g., Dillingham, Barrow, Bethel, Nome, Kotzebue, Fort Yukon, etc.); otherwise, the costs of travelling to the villages would have been prohibitive. This system has worked admirably in the past for reflecting the views of the people of rural or village Alaska.

As a rule, the interview took half an hour to complete. Interviews were validated and we can vouch for the certainty of the data, and its reliability. The interviews were conducted during April and May, 1977, statewide.

STATE OF ALASKA

OFFICE OF THE GOVERNOR

STATE POLICY DEVELOPMENT AND PLANNING

JAY S. HAMMOND, GOVERNOR

PGUCH AD - JUNEAU 99811
PHONE 465-3512

August 5, 1977

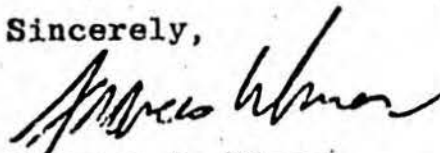
Governor
Lt. Governor
Legislators
Commissioners
Governor's Office Staff

This is the second of a series of Citizen Feedback Surveys sponsored by the Division of Policy Development and Planning to obtain input from Alaskans on Alaskan issues.

I am hopeful that as a policymaker this survey is helpful to you in making the difficult decisions which you face.

I would appreciate hearing from you about the usefulness of this survey and any recommendations you might have regarding future Citizen Feedback Surveys.

Sincerely,



Frances A. Ulmer
Director