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VENABLE: This is a resource potential, most certainly.

FLEISCHER: You do realize the Division of Natural Resources, which of course has responsibility for timber, has specifically said they feel it has no potential for economic benefit; that is, timber in the foreseeable future. Do you know that, sir?

VENABLE: Well, the statement was made in Fairbanks by other analysts, that is. Whose decision does one accept?

FLEISCHER: With respect to the cost for maintaining this road, you have seen the estimates from the State of Alaska, and realize that for the first year the State of Alaska has said it will cost the State \$27.6 million to maintain that road, and to otherwise establish the necessary services; did you know that, sir?

VENABLE: Mr. Fleischer, that is one of many figures that has been circulated. However, let me point out that this is no more a subsidy or cost than education or policing is a cost. We have to consider the cost of the State by the benefits that are returned to the public through use and through the economics, so--

FLEISCHER: There are going to be substantial benefits to the truckers, are there not, sir, in having this road maintained by we, the taxpayers?

VENABLE: Mr. Fleischer, our case is for the people, and the right of the people to use this, not just from a selfish economic consideration.

FLEISCHER: Although it will have that effect as well, correct, sir?

VENABLE: Fifty percent of the people in this State are Government employees. This is something that leaves the private sector to carry the rest of that burden. Contrary to 20 percent in other states. We feel that private industry must be developed, and am certainly not apologizing for it.

FLEISCHER: Isn't it a fact, Mr. Venable, that the trucking industry could bear the cost of maintenance as you have estimated it as opposed to having that burden laid on the general taxpayers?

VENABLE: It would not be the trucking industry. It would be the consumer bearing the cost, Mr. Fleischer.

FLEISCHER: The trucking industry could do it and then pass it on to the consumer?

VENABLE: They would have no alternative.

McCONNELL: One final question, Mr. Fleischer.

FLEISCHER: You know that it is a fact, Mr. Venable, that the trucking industry did at one time propose that it pay the cost of construction the Haul Road to the north?

VENABLE: That was at one time. That is correct.

FLEISCHER: So there is no reason why they couldn't maintain those costs today, correct?

VENABLE: Not with a review of the cost. It would be somewhat difficult.

McCONNELL: Thank you, Mr. Fleischer. Mr. Venable, thank you for being with the Alaskan Advocates. Mr. McGrath your next witness?

McGRATH: Yes. We will call Mr. Herbert.

McCONNELL: Mr. Herbert, welcome to the Alaskan Advocates.

McGRATH: Mr. Herbert, you have spent a good deal of time up in the Arctic, haven't you?

HERBERT: Well, in the Brooks Range.

McGRATH: What was the reason, and for how long a period have you been associated with that part of the world?

HERBERT: I first went up there about 38 years ago. And I have been in and out of there a number of times, most particularly within the last two or three years.

McGRATH: What was the reason for your involvement in that part of the world?

HERBERT: Well, first of all, I love the country, and it is a good place to go look for a mine.

McGRATH: You are a miner and geologist, are you not?

HERBERT: That's right.

McGRATH: And, I believe, you were also at one time the Commissioner of Natural Resources for the State of Alaska?

HERBERT: That's correct.

McGRATH: And you were the Commissioner at the time the State entered into various agreements with Alyeska and with the Federal Government to build this highway, were you not?

HERBERT: Yes.

McGRATH: Mr. Parker, who was the former Commissioner of the Department of Highways, when he was a member of the Department of Highways, or Commissioner, wrote to the Federal Highway Administrator in regard to the cost that the State may have to pay back: "The State of Alaska has never contended that the Yukon River Bridge would not be open to the public. The \$24 million of Federal aid funds which were committed to this bridge make this position self-evident and not truly subject to debate." Now, I believe, actually \$24 million by the Federal Government went in, but the total cost of the bridge was more in the neighborhood of \$40 million, is that right?

HERBERT: That's my understanding.

McGRATH: Now, would you state how did we get ourselves involved with the Federal Government, we, being the people of the State of Alaska, and with Alyeska?

HERBERT: Well, first of all, Alyeska had no intention of building a finished highway when they first applied to the Federal Government for a permit. And then, when the conservationist managed to get an injunction against the issue and set up a Haul Road permit, the State then in the administration of Governor Miller, the Legislature adopted, I think it was, AS-1940, which has already been mentioned as the enabling act to permit the State to build that road and to acquire a permit. Now, in the Egan administration which followed, further argument was made with the contract that had been entered into under Governor Miller. It was decided then between the two parties to build the bridge across the Yukon River and to upgrade the road by reducing grades and curvatures here and there to make a very good secondary road.

McGRATH: Do you have an idea how much Alyeska paid as a result of these agreements?

HERBERT: That's a very difficult thing to estimate. My own figure -- and I would say from my own experience of building roads in various places in Alaska, the cost must have gone up at least 30 percent excluding the cost of the bridge.

McGRATH: I believe the figure that has been published by Alyeska is that the road cost a total of \$250 million to construct. Therefore, do we understand your testimony that it was \$70 or \$80 million more than Alyeska paid?

HERBERT: I would say so.

McGRATH: Now, as a result of paying that 70 or 80 million dollars more what is Alyeska to get under the agreement with the State?

HERBERT: My understanding is that the agreement is to turn the road over to the State and the State maintains it.

McGRATH: Now, with the Federal Government -- how much has the Federal Government put into this in order to make it a secondary highway?

HERBERT: Well, without going into great detail, first of all the major item -- when you mentioned the \$24 million and the bridge somewhere near a million and a half or so has been spent on surveillance during road construction, and the free gravel is estimated at a value of between three and five million dollars, making a total of somewhere around 30 million.

McGRATH: So we have therefore in excess of \$100 million that has been paid on the assumption that Alyeska would operate this highway as a public highway, is that correct?

HERBERT: It would seem that way to me.

McGRATH: Mr. Motley has written in the same report I quoted before, to the Governor's office, "The roadway transverses an area of geological potential for hard mineral currently unexplored. This is certainly to become more attractive in view of rapidly developing national shortages and domestic production capacity for mineral raw materials." Do you agree with Mr. Motley's, Commissioner Motley's assessment?

HERBERT: I most certainly do. He is drawing attention to the growing mineral shortages that can be very serious in a few years, I believe. And also he is quite correct that geologically the Brooks Range is very, very favorable. And as a matter of fact, if we can use dollars as a measure of something really needed for this country, already around \$4 billion worth of metal has been developed by drilling.

McGRATH: Another Commissioner, the present Commissioner of the Department of Fish and Game, wrote to the office of the Governor in October of 1975, "We are most concerned, not with the road itself, but with possible unrestricted use of off-highway vehicles, aircraft, snow machines and equipment, et cetera, from the road. In summary, a road opened on a restrictive basis with a special restrictive rule with regard to lining the road with vehicles, might prove significant public benefit in regard to fish and wildlife resources at an acceptable environmental cost." Do you know Commissioner Brooks?

HERBERT: Oh, I most certainly do. Dr. Brooks is a well recognized authority on the Arctic and its wildlife.

McCONNELL: Mr. McGrath, I will have to call you to a halt on that, and bring forth Mr. Fleischer on cross-examination. Thank you very much.

FLEISCHER: That opinion you were just referring to was, of course, approximately a year ago, is that right, Mr. Herbert; that is Dr. Brooks's statement?

HERBERT: I believe so.

FLEISCHER: And, of course, he didn't have the benefit of the knowledge we now have about the crashing of the caribou herd, which of course has been a subject of a good deal of discussion in recent days; is that right?

HERBERT: No, I don't think so. I think that had been pretty well forecast, and have been warnings on that for some time. I don't think the figure of 52,000 was ever kicked around, but went down from 250 to 100.

FLEISCHER: Certainly was not. He also pointed out that there were, of course, some severe questions insofar as the danger to game; the wildlife and land that were going to have to be looked at and studied, which study we haven't seen yet; isn't that correct?

HERBERT: It might have done --

FLEISCHER: With respect to the mining potential of the area, you have had a good deal of experience in this area, haven't you, Mr. Herbert?

HERBERT: Yes, sir.

FLEISCHER: You also know, of course, that the State's present administration is looking at the question of mining potential, or any other questions relating to the Haul Road? Are you familiar with the fact that the Chief Geologist has specifically stated he feels that there is no economic potential for trucking of minerals at this time using the Haul Road?

HERBERT: Which Chief Geologist is that?

FLEISCHER: Mr. Shaff, the present Chief Geologist.

HERBERT: I haven't read that statement. It all depends on what property he is talking about.

FLEISCHER: Are you familiar with the studies that were run by the University of Alaska, Mr. Wolf and others, in which a decision was made, or a study was made, of the difference between aircraft as opposed to using the Haul Road for extracting minerals and the determination that aircraft was very competitive, if not better than the Haul Road?

HERBERT: I am familiar and I thoroughly disagree, not on the grounds of just dollars, but the fact that the petroleum resources of the world are very definitely limited. And to use aircraft where using a hundred and twenty times as much fuel as you could say on a railroad and around 40 times as much as you would on a highway, it is just wrong, and I can't be convinced it is correct.

FLEISCHER: You do know that there is substantial question even among the miners themselves as to whether they would be interested in using a road or, perhaps, the Bering Sea or some other alternative?

HERBERT: I am well aware of that.

FLEISCHER: Now, with respect to the cost factors insofar as maintenance of this road, Mr. Herbert, you are familiar with the fact that there have been a substantial number of failures among roadhouses along highways in Alaska; are you not? Isn't it reasonable then, sir, to believe that this road is going to necessarily have to be supported by State tax dollars in terms of basic facilities and accommodations as well as all the other services that are normally furnished?

HERBERT: Well, I would hope not -- I don't like to see the State support private industry in that particular regard. If the roadhouses will not maintain themselves, well, then, of course, people will have to go without them. But the Department of Highways a

few years ago did make quite a study on that question. I don't have it, and have not read it recently. All I know is that it is in existence, and they were considering at that time reserving -- in fact, rather detailed plans were drawn to reserve certain of the development portions along the highway for lease for not only maintenance, but for tourist services.

FLEISCHER: You know that Mr. Motley in the same report you referred to as well as the Department of Natural Resources, as well as other departments, have raised very serious questions about the economic possibilities for private enterprise on such a road as the Haul Road, do you not?

HERBERT: Yes.

FLEISCHER: You know those questions have been raised. Further, Mr. Herbert, going back to the history of the enactment of the enabling legislation, as you have described it, the Governor, then Governor Miller, made a request of the Legislature to appropriate State money to build that road, and he was turned down flat by the Legislature? You know that as well, do you not, sir?

HERBERT: Yes.

FLEISCHER: There is some serious question of just how much State support there was for the road at that point. Let me ask you further, is it not a fact that when the Pipeline Act was being considered and enacted that that was the focus -- that was the focal point of all the discussions, the pipeline and oil rather than this road? Isn't that true?

HERBERT: Are you referring to the Act that passed the Congress?

FLEISCHER: I am, yes.

HERBERT: Yes.

FLEISCHER: Thank you. I have no further questions.

McCONNELL: Thank you, Mr. Fleischer. Thank you, Mr. Herbert. For those of you who may be joining us late, the Alaskan Advocates is coming to you from the studios of KAKM in Anchorage. Advocate Allen McGrath and his witnesses have just presented their case that the North Slope Haul Road should eventually in the long run be open to everyone as part of the Alaska State Highway System. And now for the case against, and Advocate Hugh Fleischer, the floor is yours.

FLEISCHER: Thank you. Those who are against this Haul Road take the position that, first of all, the Attorney General's opinion, as referred to by Mr. McGrath, failed to recognize certain necessary considerations: the National Environmental Policy Act, the National Highway Act, the planning authority of the various governmental entities in the State. Further, however, and even if we were wrong on that point, we feel that if the State had to pay back every cent of money that had been expended on this road, that we would be in far better economic shape than having to maintain

the outrageous costly road for the foreseeable future. We are going to show that the road is going to have a detrimental effect on the land, on the people, on the wildlife and on our tax dollars. And in doing that, I would first like to call as my first witness, Roosevelt Paneak from Anaktuvuk Pass.

McCONNELL: Mr. Paneak, welcome to the Alaskan Advocates.

FLEISCHER: Your name is Roosevelt Paneak, correct, sir?

PANEAK: Correct.

FLEISCHER: And you live in Anaktuvuk Pass?

PANEAK: Yes, sir.

FLEISCHER: Could you briefly describe life in Anaktuvuk Pass?

PANEAK: Anaktuvuk Pass has a population of approximately 150 people. And it's different from most of the Alaskan villages in that it is landlocked. We have no navigable waters near by.

FLEISCHER: All right. Could you tell me -- Mr. Paneak, you are a member of the local boundary or the Planning Commission for the North Slope Borough, is that correct?

PANEAK: Yes, that's correct.

FLEISCHER: And that serves the entire area of the north from the 68th Degree Parallel north to the Arctic Ocean?

PANEAK: Yes, that's correct.

FLEISCHER: Based upon your residency in Anaktuvuk Pass, and on your knowledge as a member of that Planning Commission, could you state what effect you think the opening of this Haul Road to unlimited access, would have on the land and on your people?

PANEAK: The effect would be most apparent in that the animal habitat in the Brooks Range would be greatly affected. And by this, I mean that the noise and traffic going through the road would tend to move the animals from their main habitats and the life style of the local people.

FLEISCHER: On the basis of those reasons does the village presently oppose the opening of this Paul Road to the north?

PANEAK: Yes.

FLEISCHER: Can you tell me if you feel that the opening of this Haul Road would help reduce cost of delivery of goods to the village?

PANEAK: At present I cannot foresee the asset it would provide for the village itself.

FLEISCHER: Do you see any effect on charter airplanes bearing hunting parties if this road were opened up?

PANEAK: Yes.

FLEISCHER: And what do you see happening?

PANEAK: If the Haul Road were to be opened we would see more of airplanes, air taxis situated on the pipeline road.

FLEISCHER: Does the village presently use subsistence level of life; that is, actually hunting for food and your necessities?

PANEAK: Yes, to a great extent.

FLEISCHER: And is there presently an abundance of caribou, for instance, to serve those needs, or are there problems?

PANEAK: There are problems.

FLEISCHER: And do you feel those problems are going to get more severe if this road is opened?

PANEAK: Yes.

FLEISCHER: Mr. Paneak, you stated before you were on the Planning Commission. Has that Commission for the North Slope Borough set priorities for the expenditure of State money in the North Slope?

PANEAK: Yes, sir.

FLEISCHER: And briefly what are those priorities, sir?

PANEAK: The priorities would be the local service roads from the village to the airport, or to the marine terminals.

FLEISCHER: And have those needs been met? Have you gotten the dollars from the State?

PANEAK: No.

FLEISCHER: And is it your statement, or is the position of the Borough, that you want those roads and those other expenditures before you have this Haul Road that you don't want?

PANEAK: Yes. This would be my statement.

FLEISCHER: I have no further questions of Mr. Paneak at this time.

McCONNELL: Thank you very much, Mr. Fleischer. Mr. Paneak, Mr. McGrath will have some questions for you now.

MCCRATH: Mr. Paneak, Anaktuvuk Pass is not on the highway, is it?

PANEAK: No.

MCCRATH: Approximately how far -- we don't have a map here, but how far from the highway is your village?

PANEAK: I would put it at about 70 miles, air miles.

McGRATH: Air miles. And at the present time are you affected by the utilization of the road as it exists now?

PANEAK: Yes, to some degree.

McGRATH: And what sort of effect do you feel?

PANEAK: First of all, we have no access to the road itself, and therefore, we cannot utilize the road.

McGRATH: So do you believe that -- would your condition be improved if you were hooked up to the road?

PANEAK: I would rather doubt it at this time.

McGRATH: As far as the subsistence qualities of your life, your dependence to a large extent on the wildlife in the area, is that affected by the industrial use that is now taking place on the highway?

PANEAK: Oh, yes.

McGRATH: It is?

PANEAK: It is most apparent with the caribou migration of the Eastern Porcupine herd.

McGRATH: How long a period does that occur in the course of a year, that migration?

PANEAK: Once in the fall.

McGRATH: For a period of how long, about two weeks?

PANEAK: About a month, normally.

McGRATH: Normally?

PANEAK: Normally.

McGRATH: Now, do you believe that if there was a highway that was opened up, are there any restrictions that could be placed upon the highway that would assist you in maintaining your way of life? In other words, would it be of assistance if the highway were closed for a period of a month during the caribou migration in your area?

PANEAK: This would help to some degree, but as it is now the people there have hunted more than 200 miles from Anaktuvuk eastward.

McGRATH: The people coming in by plane?

PANEAK: Yes.

McGRATH: I see. So, as it exists now your subsistence life is being threatened by hunters coming in by plane?

PANEAK: Yes, sir.

McGRATH: Would you not be in a better position then, if we put in the Haul Road, and we built a zone around your village of, say, 50 miles, where there would be no hunting except hunting by people of the village?

PANEAK: But this would still affect the game near the Haul Road. The 50-mile radius would not mean anything.

McGRATH: Well, how about if no hunting is allowed off the road, and that no off-road vehicles are allowed on the Haul Road?

PANEAK: This would help.

McGRATH: So, would you not be in a better position, you being the people of Anaktuvuk Pass, for the maintenance of your way of life if we have a Haul Road, we have no off-highway vehicles allowed on that, we have no hunting from the highway, and that we build a zone around your village where not only people are not allowed to come by road, but people are not allowed to fly in. Would that not preserve your way of life more effectively then against the dangers that you now face today from flying hunters?

PANEAK: Let's again think about the immediate area around the Haul Road; how the tourists would come in. This would be with campers and buses and what not, not counting the local air taxis that would be sprouting up along the pipeline camps. And I think we should have a coordinated effort in controlling these factors.

McGRATH: We agree, certainly. Do you see any reason why we cannot restrict the use of the highway itself?

PANEAK: I can't see it at this time.

McGRATH: You can't see any reason why we can't, or you can't see that we can restrict it?

PANEAK: I can't see how you could restrict it.

McGRATH: Okay. Is there anything -- if we do put the highway in is there anything we can do for your village in order to help maintain your way of life based on partially a subsistence living?

PANEAK: Well, first of all, again it would be an indirect answer to your question, is the North Slope Borough Planning Commission has to come through with the land use report on the 68th Parallel. And, therefore, at this time I would not be able to comment on what uses we could impose.

McGRATH: So your message is one of "Don't open the road," but not that you don't have any suggestions at this time as to what land policy we should have?

PANEAK: Yes, sir.

McGRATH: If we restrict the highway, can we not in effect better

your way of life up there by protecting you from the dangers that you now face from outside hunters?

PANEAK: Yes. At this time I would oppose greatly the opening of the Haul Road north of the 68th Parallel unless the local needs and priorities have been met.

McCONNELL: Thank you very much, Mr. Paneak. And thank you, Mr. McGrath. Mr. Fleischer, would you bring forth your second witness?

FLEISCHER: Thank you. I call Dr. David Klein to the stand.

McCONNELL: Dr. Klein, welcome to the Alaskan Advocates.

FLEISCHER: Doctor, would you state your name and present position?

KLEIN: I am David Klein, and I am on the faculty at the University of Alaska in the Division of Life Sciences. I am also Director of the Wildlife Research at the University.

FLEISCHER: It was mentioned earlier that you are also a member of the Alaska Growth Policy Council, but you are here as an individual?

KLEIN: Yes. I am glad that you made that point.

FLEISCHER: Dr. Klein, could you briefly describe your background and training?

KLEIN: Yes. I have been in Alaska for about 26 years. And I got my Master's Degree at the University of Alaska at Fairbanks, and my Ph.D Degree at the University of British Columbia, and I have worked with the Alaska Department of Fish and Game and before statehood with the Alaska State Game. And I have been at the University on the faculty since 1962.

FLEISCHER: In addition to that, Dr. Klein, have you had any personal experience with the Haul Road that is under question here today?

KLEIN: Yes. There has been considerable research done through our Research Unit. I have been involved in this research that is related to the North Slope, Prudhoe Bay and along the haul Road. We have been looking at the impacts of the pipeline construction Haul Road use in relationship to wildlife.

FLEISCHER: I would like to ask you, then, based upon that study, and based upon your information, whether you have determined what you consider to be the probable effects on both the land and wildlife if this Haul Road were opened up to unlimited access?

KLEIN: I think the real catch here is when you say "unlimited access." Then, we run into some serious problems. And already our studies have indicated problems that relate to particularly caribou. And, perhaps secondarily, the grizzly bears. But studies done cooperatively by our unit and the Department of Fish and Game, which were recently reported on, show there is already decrease in the use of the area adjacent to the Haul Road on the North Slope by cows and calves of the caribou that are in

the area, bulls to a lesser extent, and also there are other factors. Wolves predation seems to be more efficient along the Haul Road. Wolves have learned to use the Haul Road in stalking caribou. It looks like already there are effects on the caribou population -- movement of caribou in the area has been restricted as a result of traffic.

FLEISCHER: There are severe problems with the Western Arctic caribou herd at this time, are there not, Doctor?

KLEIN: Yes. This has been brought out earlier. There has been a drastic reduction in the herd. And certainly one of our major concerns is the Western Arctic Caribou herd which used to migrate across the Haul Road in large numbers, particularly south of the Brooks Range, which included a portion of their wintering area. They have not done this now for several years.

FLEISCHER: Are you considering in this assessment that there would be some hunting pressures and off-road pressures if this road were opened to the general public?

KLEIN: Well, if the road were opened, and hunting were allowed. Presently, of course there is a 10-mile corridor that is closed. And there was considerable controversy when that closure was made because it excluded a lot of area from hunting in the north from both subsistence users and sport users. And it has been assumed if the road were opened it would be desirable to open that area to hunting. However, our studies indicate that there would be some very serious problems in allowing hunting in the area because of difficulty of controlling the impact of this hunting both in terms of removal of the animals plus the disturbances that could be associated with it. Wildlife populations in the north are particularly vulnerable because there is very little cover in their habitat for them. This is true of caribou and moose, for example.

FLEISCHER: What experience have we had based upon other areas of the State, in terms of being able to control those kinds of effects; that is, off-road vehicles and unlawful hunting?

KLEIN: Well, yes. Unlawful hunting would be difficult to control as you pointed out earlier. It has been difficult to control in other parts of Alaska where access isn't such a serious problem. It is partly a problem of insufficient funds to hire enforcement personnel, but also the difficulty of apprehending violators in the field which requires aircraft. And even then, it is extremely difficult. As far as off-road vehicles are concerned, again, the record in Alaska of both State and Federal agencies that have responsibility for this has not been good. B.L.M. for example, does not have strong teeth in their regulations governing the use of off-road vehicles with success.

FLEISCHER: Doctor, I would like to ask you one other question. This establishment of a public road through the north is obviously a major land use decision. What planning process do you feel would be necessary, if any, before such a decision were actually made?

KLEIN: I think we are talking about a vast area that has been

largely unexplored. There is not a clear understanding of what resources are available. There are the speculations that there are large amounts of mineral resources in the area, but we should know what those resources are, and what the potential for developments are, and what the consequences of their development would be in terms of benefits as well as costs. Comprehensive planning has to follow the development and use of transportation corridors, has to proceed the development of those corridors, and not the reverse. I think you know, it is essential that the land ownership question is cleared up before we can really know what is going to happen in the north. The question has not been resolved. As Mr. Paneak pointed out, the North Slope Borough has not resolved their planning problems in the north. I think that the problem really is that we need more information. We need more time in order to evaluate what the consequences would be of more ready access of the general public into that area.

McCONNELL: Dr. Klein, thank you. Mr. McGrath.

McGRATH: Dr. Klein, I have heard mention in the past, and something that I believe that the Arctic area up there that we have talked about, contains answers to questions that we have not yet learned to raise. Have you hear that stated?

KLEIN: I am sure that could be said of almost any area in the world.

McGRATH: Do you agree with that?

KLEIN: Of course.

McGRATH: Now, one think that has always puzzled me about the various studies, and we have proposals by every A, B, C agency and bureaucracy involved in the State, and everybody is dying to start this huge industry, as I see it, of studying this area. What are we going to know? I think the Land Use Commission wants to have two years to sketch out the major parameters. Whatever that means, I don't know. It might mean something to you, but it does not to me. What are we going to know two years from now about those questions that we don't know now?

KLEIN: Well, if we look at the accumulation of knowledge that has occurred since the pipeline project has been authorized, and weight those volumes of information, we can see that there has been a tremendous accumulation of knowledge in a short period of time as far as government studying things to death. I mean, this isn't novel. Industry if it is going to make a profit, it has to do research and development work. Certainly the oil industry gets tremendous benefits from their research money.

McGRATH: How long are you proposing that we take to study this?

KLEIN: I think it should be studied indefinitely, just as industry continues to study their problems that they deal with. They have to continually upgrade their operation, and I assume the government will do the same thing.

McGRATH: I think we are in total agreement, Professor, because

you have not heard us advocate that we are not for studying this project, but if I understood, you are for closing the road while this takes place.

KLEIN: I didn't say that.

McGRATH: I am sorry.

KLEIN: I think we should use all the information that is available upon which to make a decision. At this point in time, if you will pardon an ex-Nixonian expression, we don't have enough information to say the road should be open to the public. I think that maybe in 50 or a hundred years or less time we might want to re-evaluate, and I would hope that we would re-evaluate, perhaps, on an annual basis.

McGRATH: What do you do next April when the pipeline begins flowing, and we the people of the State of Alaska find ourselves with this road? What do you do with it? I agree with you that we should study the environment.

KLEIN: Right now I think the road should be closed to the public. Next year I might not say that, because I think we would have more information. I think a re-evaluation should be made.

McGRATH: Maybe next April or so when we do get the highway your position might be changed?

KLEIN: I think we should continue this debate indefinitely and continue to hold the option open for use of that area.

McGRATH: I think we are in agreement there, certainly. You mentioned the fact that your previous decisions were based upon unlimited access by the public. What did you mean by these studies that have accrued so far, the unlimited access? What do you mean by that? Does that mean I can hop in my Volvo and just ride up there or some of my neighbors can use a camper and go off the highway and hunt?

KLEIN: I am not sure what type of access may be permitted. Perhaps, unlimited was a poor choice of words.

McGRATH: What is your study based on?

KLEIN: Our study is based on the amount of traffic presently using the road and we see the effects of the present levels of traffic, and we see the direct correlation between the influences on the caribou movements and use of the area in relationship to the intensity and degree of traffic on the road. So, what I am saying is if traffic increases we can anticipate greater responses of the wildlife population.

McGRATH: Are you envisioning the users leave the road, that you have off-highway use in the predictions that you have made so far?

KLEIN: Not in the studies we have made so far because that is very limited now. But I would anticipate if there is off-road

use it would spread the effects over a much broader area,

McCONNELL: Thank you very much, Mr. McGrath. Thank you, Dr. Klein, for being with the Alaskan Advocates. Well, that completes our cases. And now it's time for each of our advocates to summarize his case. So, Mr. Fleischer, let's begin with your summary, please.

FLEISCHER: Thank you. It's our position that the Haul Road should not be a public highway. We feel that the basis for this is the fact that there is present use by industrial users, which is going to threaten the safety of individual motorists who might otherwise use, or try to use the highway. Further, it is based, and very importantly, on the fact that the people of the north, the people who are most directly affected by this decision, are presently opposed to the question of having this road opened up to the general public. If it were merely whim, it would be one thing, but we are talking about basic rights, basic interests, that these people have in terms of their subsistence living, in terms of their very culture and lifestyle. And we feel the State should and must listen to them. We further heard strong evidence of the fact that we can and do anticipate a very significant detrimental impact on the land, the fragile land of the north, and the game, and all other elements of wildlife. We have seen that even the present use of the road as it is being maintained today under a very restrictive basis had a substantial impact there, and obviously, opening it up to the general public is going to increase that impact, and perhaps threaten the existence of the game and wildlife of the north.

We further have heard evidence of the fact that there is a sub-serious question, a land use planning question, which maybe Mr. McGrath may wish to belittle or knock down, but the fact of the matter is there are serious questions that confront the local communities, the State and the Federal Government before any such major question of land use can or should be decided.

On the question of costs, it is our position that it's the taxpayer who will bear a substantial burden in having this Haul Road opened up to the general public; a burden which we cannot and should not have to bear. The fact of the matter is, we have present existing roads in the State of Alaska which are not being properly maintained. We have, in fact, crying needs for such maintenance among those roads which are going to continue to not be met if we have to expend the kind of money that has been projected for this road; \$30 million plus the first year and millions of dollars each and every year thereafter. It isn't worth it when we consider the threat to the lives, the threat to the land, the threat to our economy. Further, and as was stated earlier in one of the Growth Policy Council meetings by Peg Tilston, "Wilderness is an important resource," and it is one of the most important resources of the Arctic.

McCONNELL: Thank you very much, Mr. Fleischer, Mr. McGrath.

McGRATH: I don't believe that Mr. Fleischer has carefully analyzed what we attempted to get across. And perhaps that is due to the

shortage of time, but we have not taken the position that we are against, by any means, any land use. What we have been discussing here, and solely, is not whether or not we are going to study the land, not whether or not we are going to protect the environment, because we have avowed that to be a part of our position. What we have said is that -- and if I understand Mr. Fleischer's position and his witnesses, is that they want to close the road to public access and close it now, or at that time when we the people of the State of Alaska obtain that from the Alyeska Pipeline. What they have carefully avoided, and what we have had testimony on the stand to the effect was that if we do that, and the Attorney General -- Mr. Fleischer may not like what the Attorney General has to say -- but the Attorney General has said, you have got to pay these people back -- and these people being Alyeska Pipeline -- because they have a contract with the State of Alaska. We either keep that road open for their use over the course of the maintenance of that Alyeska Pipeline -- and Mr. Fleischer knows this -- or we are going to have to pay them to the tune of perhaps \$80 million, \$30 million to pay back for what we have gotten free of charge from the Federal Government on the assumption we were going to have a public highway.

Now, we can all say, "Well, let's forget about that." And apparently that is what these people have done. They have simply forgotten about it. What we owe the rest of the citizens of the United States is just something that is an obligation that we the people of the State of Alaska can just hide our heads to. That's not the way we run our personal lives, and if that's going to be the new theme of government, I suggest that the age -- as the Doctor referred to the age of Nixon -- has not particularly banished itself from this globe. That is not the type of personal morality, not the type of public morality that we want to see take place.

We can give Mr. Paneak and the people of Anaktuvuk more protection. And what they have complained about was not the dangers arising from this highway, but from all of the dangers that also exist presently, right now. We must remember what Mr. Paneak has said. He has said his village needs protection, not against the highway, but it needs protection in general. Let's give him a reserve up there where all of us keep out except the people from his village that actually need that hunting ground.

McCONNELL: Thank you very much, Mr. McGrath. Now, it's time for those viewing at home to get into the act by becoming involved in the many town meetings and public workshops of the Alaska Public Forum, which will be held throughout the State this fall, winter and spring. Please attend these meetings and tell the Growth Policy Council, the Governor and Legislators from your area what you think the eventual decision should be, not only on the Haul Road, but on many other issues facing the State. For more information about the Public Forum's agenda of issues to be discussed and schedules of meetings to come, and also for a free transcript of this program, please write to the Alaska Public Forum, 429 "D" Street, Suite 310, Anchorage, Alaska 99501. That's the Alaska Public Forum, 429 "D" Street, Suite 310, Anchorage, Alaska 99501.

Money, schools, other state issues are targets of Forum TV shows

Six issues of vital importance to all Alaskans will be debated on the television airwaves this week.

The Alaska Public Forum, with the cooperation of all four Anchorage stations, will offer a series of special programs dealing with education costs, oil and gas leasing policies, human resources, state land management, the permanent fund and the state's royalty oil and gas.

THE SHOWS will be constructed around a "Meet the Press" type of format, in which members of the local press corps interview state, local and bush leaders about the issues.

The questions were developed by the Alaska Growth Policy Council, the overseers of the Public Forum.

THE SIX-SHOW series debuts tonight at 7 p.m. on Channel 2 with the question, "How should the permanent fund be invested?" The panelists will be Jamie Love of the Alaska Public Interest Research Group; Robert Richards, vice-president of the Alaska Pacific Bank; and Pat Rodey, state senator from Spenard. These three will be facing press representatives Flip Todd, freelance business writer; Pat Fullerton, news director of radio station KANC; and Virginia McKinney, writer for Alaska Industry Magazine.

The second show in the series, to be aired Sunday at 10 p.m. on Channel 11, will focus on the question "What areas of human need do you feel require most attention?" The panelists are Frank Williamson, commissioner of Health and Social Services; Jewel Mason, the director of human services for the Municipality of Anchorage; and Gordon Jackson, former human resources director of the Alaska Federation of Natives Inc. The reporters will be Greg Clapper, news reporter for Channel 11; Ed Bennett, producer, reporter and director of "Alaska Review;" and Donn Liston, editor of the Nor-

thern Observer, a local community newspaper.

"How should public school construction be financed in both the organized and unorganized borough?" will be the third question, to be discussed Tuesday on Channel 7. The three panelists, all involved with education are Marshall Lind, commissioner of education; Heather Flynn, Anchorage School Board member; and George White, Northwest Arctic School District superintendent. The press contingent will include Pam Rogers, Channel 7, news director; Jeanne Abbott, education reporter for The Daily News; and Jeff Richardson, a reporter for the Tundra Times.

ON WEDNESDAY, at 6:30 p.m. on Channel 11, a group will debate, "What should be the objectives for managing Alaska's land?" On the Panel will be Mike Smith, director of the state Division of Lands; Bob Hartig, president of the Anchorage Chamber of Commerce; and Joe Josephson, a local attorney who represents Native clients. From the press will come Pete Carran, news director for KFQD radio; Kathy Madison, news director for Channel 11; and Al Campbell, news editor of the Palmer Frontiersman.

"What should be the state's policy on future oil and gas lease sales?" will be discussed Thursday at 7:30 p.m. on Channel 2 by panelists State Sen. Chancy Croft; Kenai Borough Mayor Don Gilman, and a representative from the Alaska Oil and Gas Association. The press participants are Rosemary Shinohara, oil and gas reporter from The Daily News; Gary Williams, editor of the Homer News; and Channel 2 news director Paul Wonder.

The series will end Friday at 6:30 p.m. on Channel 13 with the question "What is the best use of Alaska's royalty oil and gas?" Panelists will be Commissioner of Natural



Alaska's nest egg — the state's permanent fund — will be the topic of the first Alaska Public Forum show. Panelists will debate how the fund should be invested.

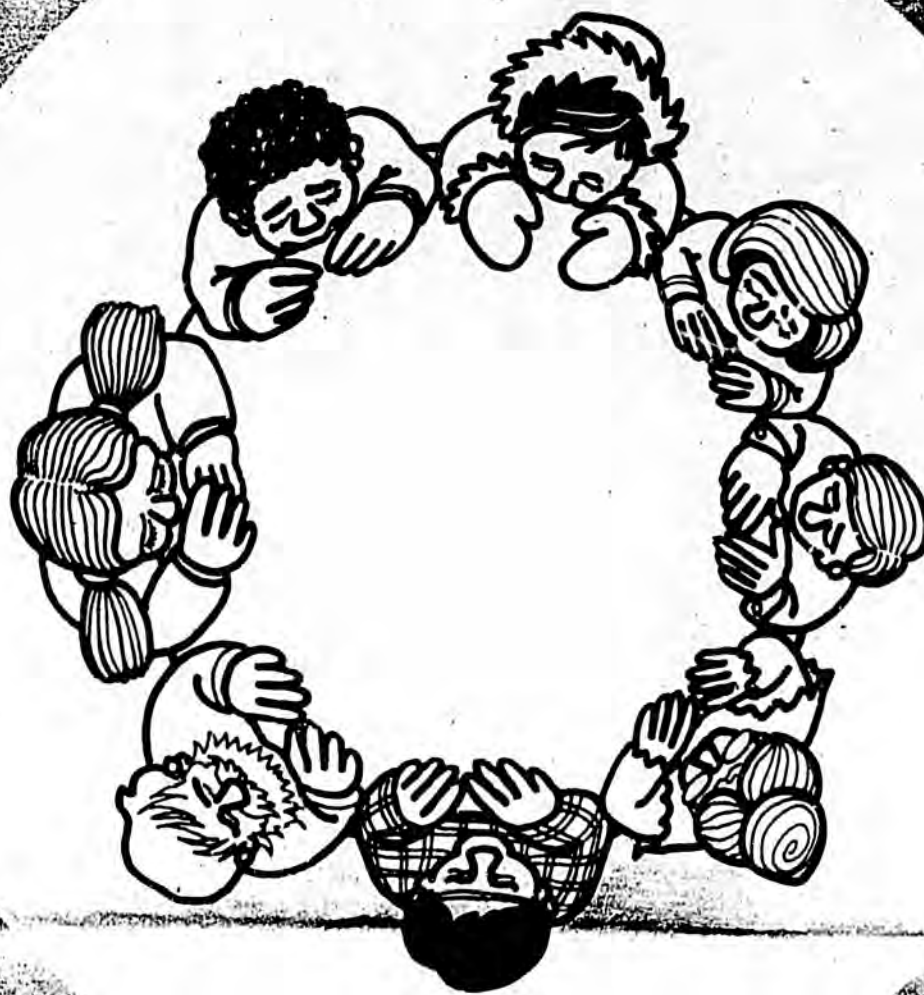
Resources Guy Martin; Tom Fink, former legislator and newspaper columnist; and a representative of the oil industry. Media representatives will be KIMO News Director

Ginny Morgan; Sherida Hughes, news director of radio stations KHAR and KKLTV; and Howard Weaver, editor of the Alaska Advocate.

"A touching story beautifully told"

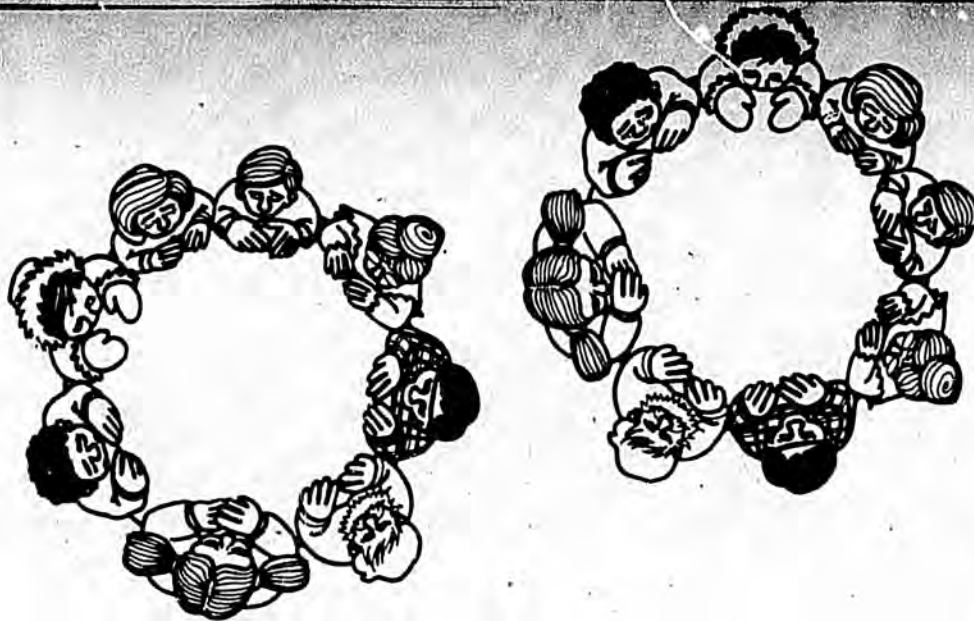
OUT THERE

"Best Alaskan film yet"



The Alaska Public Forum

A program of the Alaska Growth Policy Council



The Alaska Public Forum

What is it?

All Political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole.
The Constitution of the State of Alaska

The Alaska Public Forum is the people of Alaska discussing major state issues and making recommendations on them to the Governor and state leaders. It is the leaders of the state listening to the ideas of Alaskans. Finally, it is decision-makers incorporating the suggestions of the people into the activities which will shape the future of the state. This is the Alaska Public Forum.

The Public Forum provides a method for people to voice their opinions on a series of state issues and to be heard. Alaskans are asked to read and think about, to discuss and recommend action on such areas as oil and gas revenues, leasing and royalties, priorities for human needs, and land use planning.

The Alaska Public Forum is directed by the Alaska Growth Policy Council. That eleven member council was set up by Governor Hammond in 1975 to include the points of view of citizens in decisions on important state issues. Through the Public Forum process the Council hopes to broaden citizen involvement.

The Alaska Growth Policy Council Members are:
Mark Boesser Leonard Lane
John Borbridge Harold Pomeroy
Tim Bradner Lida Selkregg
Frank Homan Herbert Smelcer
David Klein Diana Tillion
Lowell Thomas, Jr. Chairman

How does it work?

The Alaska Public Forum will be highlighted by seven regional workshops scheduled for:
Southeast November 13, 14
North December 4, 5
South Central January 15, 16
Copper River February 11, 12
Southwest March 5, 6
Gulf Coast March 26, 27
Interior April 16, 17

In addition to the regional workshops, the Public Forum will hold a series of local meetings for those persons who are unable to attend the larger workshops.

The Alaska Public Forum extends one step further for people who cannot attend either the regional or local meetings. This newspaper you are presently reading contains a questionnaire on the last page. This may be filled out and mailed in without attending any previous meetings. The information contained in this paper is the same material which will make up the workshop agendas.

Regional Workshop Locations



How can I participate?

The Alaska Public Forum meetings are open to everyone and you are encouraged to attend. Additionally, 25 persons from the general public will be selected at random in each region to participate in the regional workshops. Leaders and representatives of community organizations will be invited to lend their experiences to the discussions. The local Public Forum workshops will also be open to all those who want to participate and discuss their opinions on major state issues.

If you cannot attend a workshop, please fill out the questionnaire at the end of this paper and send it to the Growth Policy Council. Your thoughts on these issues are extremely important. They will be made available to both the legislature and the Governor for use in upcoming legislative sessions and in the preparation of the state budget.

There are decision-makers who *want* to know what you think. That is what makes the Public Forum unique. Your response will not be lost—if you want to play a role in determining the future of Alaska for yourself and your children.

Since no man has the only road map, what we need up here are many alternative visions of where Alaskans want to go, and from this amalgamation put forward positive images of tomorrow. The major question is, of course, what kind of Alaska do we want, both for ourselves and for our children's children.

Governor Jay Hammond

About this publication

This newspaper is your invitation to participate in the Alaska Public Forum, whether you choose to do so at home or at a workshop. At public meetings, this publication will be used as the agenda. You will be asked to read and discuss the background information provided on these pages. From there you will be able to answer a series of questions which will serve as your recommendations to state leaders.

If you choose to participate in the Forum at home, we urge you to read the following pages, answer the questions at the end, tear off the last page, fold it as directed and mail it back to us. No postage is necessary.

There is a wealth of information contained in this paper. It has been accumulated by knowledgeable people in each field and then condensed to provide you with the basic information you need to answer the questions.

We've tried to keep from overloading the pages with technical material, and yet some background is helpful to better understand the implications of each question and answer.

Any comments you have about the Public Forum process would be welcomed by us, so feel free to jot them down at the end.

We urge you to participate. We look forward to receiving your answers.

When tomorrow becomes today

A chance to plan ahead

We, as a nation, have notoriously responded first to crises—energy, environmental, economic, racial, and others. When the crisis becomes too great, we jump to our collective feet and demand action. And the government responds predictably. Federal Energy Agencies, Environmental Protection Agencies, Cost of Living Councils, and Offices of Civil Rights spring up overnight. On the state level, we respond similarly. Belt-tightening administrations are elected into office and Commissions on Energy and the Environment appear throughout the country.

And, we continue to be a nation without a future plan. Moving from one crisis to another, doing battle, winning and moving on just in time to grapple with the next urgent situation.

Alaska's approach has been no different. But at this time the State has a unique opportunity. The chance to plan ahead.

We are maturing as a state everyday, which means growth and development. This is a natural phenomenon and only becomes a problem when we can no longer manage it.

There are several important questions about this change for which we will need answers. Simply,

How fast?

How much?

What kind?

And further,

What role should the State take in these changing events?

In order to fully understand these issues, we should look back and retrace the steps which brought us here.

Before Statehood

Historically, Alaska has suffered at the hands of outside exploiters. Its development has been in waves and in direct response to the most recent discovery, whether it has been furs, gold, fish, timber or oil. People have swelled the population size of the State but then have taken the wealth away with them when the job was done. Very little of Alaska's riches have been spent by or for Alaskans.

The Sixties

In the first years after statehood, the economic future of the State looked somewhat shaky. Apart from Federal Government spending, the fishing and timber industries were the economic mainstays in those early days. But, it was the discovery of oil and gas in the Kenai-Cook Inlet fields that gave the young state its biggest boost.

By the end of the 60's, the oil and gas potential in the State showed great promise. And the decade



reached a climax in 1969, when the State sold the Prudhoe Bay oil leases for \$900 million which ushered in the oil age.

The Seventies

During the first five years of the 70's, events tumbled together in rapid succession. Alaska today is very different from Alaska ten years ago.

For Alaska to expand and grow in tune with these changes, it was first necessary to settle the question of land ownership between the State and the other two major owners—first, the Native people, who if they did not "own" the land through conventional title, certainly owned portions of it through time and past use; and second, the federal government, whose involvement and control of Alaska land long preceded the State government.

The result was the passage of the Alaska Native Claims Settlement Act in 1971. This Act gave Eskimo, Indian and Aleut people of Alaska 40 million acres of land and \$1 billion. At the same time, the Act set aside 80 million acres from the Federal domain for possible additions to national parks, wildlife refuges, forests and wild and scenic rivers.

This parcelling of land, while fragmenting ownership around the State, also cleared the way legally for construction of the oil pipeline. Any further reservation about its future was overridden in the wake of a nationwide "energy crisis".

Today and Tomorrow

And where are we today? Generally, we are in the middle of a prosperous era with no immediate end in sight.

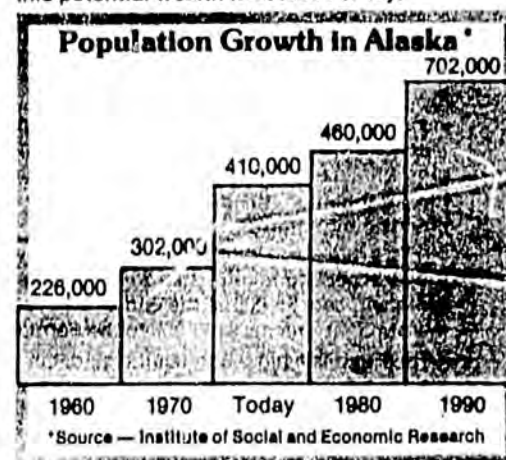
But you are an Alaskan, and what does all this mean to you? Probably, it means more people in your town, more job opportunities, more items at

the local store, often at higher prices, better schools and more cars on the road. Even in rural Alaska, this growth is present. And it means that if you look at the future you want, you must carefully weigh the importance of these new activities in your life. Every new benefit comes with a price tag, not always measured in dollars, and only you can decide whether the price is right for you.

You, as an Alaskan, have a share in the ownership of this State:

- 103 million acres of land, at least 30 percent of which the State has not yet selected.
- 3 miles of off-shore waters with untapped oil reserves.
- 12½ percent of all the oil brought out of the ground to use in Alaska or to sell for profit.
- 12½ percent of gas brought out of the ground to use for Alaska's needs or again, sell for a profit.
- 2,000,000 acres of commercial timber resources.
- One of the richest fishery resources in the world.
- And most important, 400,000 Alaskans with enormous human energy and resources.

All that is quite a responsibility. The way in which the State moves ahead and what it does with all this potential wealth is at issue today.





New Money For Alaska

Shortly after the oil begins to flow through the pipeline, Alaska will suddenly become very wealthy. We have had a trial run at this experience. In 1969, we received \$900 million from Prudhoe Bay lease sales. The money was spent primarily for education and a number of public services. Today, however, most of that money is gone.

Soon, the State will receive \$1 to \$2 billion and more per year from oil production. That is a lot of money, not only for a state like Alaska with its small population but for many other states.

And what will the State and we Alaskans do with that amount of money? Some of it—a minimum of 25 percent, maybe more—will go into the Permanent Fund (see this page). But the rest of the money may be spent or invested in a number of ways from increasing services such as education, highways, health or revenue sharing allocations to loaning it to industries or communities.

Not all this money comes from oil and gas revenues. The State continues to receive money from its timber and fishing industries, for example. It is important to remember that once the oil and gas have been taken from the ground they will be gone. They will not replenish themselves the way a new tree may grow again in the forest.

For this reason, we refer to oil and gas resources as *non-renewable* and resources such as fish and timber as *renewable*. Indeed, the new money is a bonanza for Alaska but its value is limited to the one time extraction of non-renewable oil and gas resources which at this time are estimated to last no more than another thirty to fifty years.

The Permanent Fund — Our Nest Egg

In November, 1976, voters of the state approved changing the language of the Alaska constitution to allow for "dedicated" monies to be set aside for a special purpose — the Permanent Fund.

In the case of this Fund, the voters agreed to use at least 25 percent of the oil revenues coming into the State for investment purposes. None of that money can be put into the General Fund for State programs. It can only be invested—through savings which accumulate interest or loans which are returned with interest. What may be spent in future years is the earnings from that investment.

For example, if the State put \$250 million into a savings account, it might earn interest at 7 percent. That interest over a five year period would amount to approximately \$87.5 million, plus what has been compounded. The State may spend the \$87.5 million, the *earnings*, but the \$250 million, the *principal*, must stay in the Permanent Fund for investments, which could be the same savings account.

The same idea applies to a loan. If the State loans a community \$100,000 to build a dock, it will expect to receive that \$100,000 back plus, say 6 percent interest. In this case the State will earn \$6,000 at the end of one year which it can spend on State activities. Again, the State returns the \$100,000 to the Permanent Fund for future investments.

The Fund is a big responsibility and it is critical that it is understood and managed properly. At this time there are several important questions about the Permanent Fund which will need answers soon.

For example:

1. How should the Permanent Fund money be invested?
2. How should the Permanent Fund earnings be used?
3. Should more than 25 percent of the new money be put into the Permanent Fund?
4. Who will manage the Permanent Fund?

The Public Forum will look at the first two questions. How this money is invested is extremely important, because the size of the Fund itself will grow rapidly. If the Permanent Fund is 25 percent of the total oil and gas revenues, it may grow from \$2.8 million dollars in 1977 to \$1.883 billion dollars by 1985. How should that money be used to make more money? Secondly, how should we spend the money produced from these investments and the balance of the new oil and gas revenues which could be as much as 75 percent of all the new money. The options are up to you.

Options for Investing the Permanent Fund

The 25 percent or more of oil and gas money put into the Permanent Fund must be invested to make money for the State. There are several ways this can happen.

Saving it:

If the money is saved either through a savings bank or government bonds, it will for the most part, be safe and tied up collecting interest. If it is put into banks or securities the returns (earnings) on the money will probably be high. This method of use, then, would be profitable and safe for the State.

Savings provide no threat to the money. Losses are avoided, financial gain is made, and there will be something for a rainy day.

Loaning it:

There are at least four major types of loans that the State could make with Permanent Fund money. **Community development loans** would provide money for community projects such as building and maintaining airfields, ports, housing projects, child care centers, etc. Generally these would contribute to the betterment of Alaska's communities by providing money to them with low interest rates to take on projects they could not otherwise afford. On the other hand, it would not produce a great financial gain for the State. This type of loan would probably stimulate some local growth and provide jobs at the community level.

Industrial development loans would provide the same incentive to industry that community loans provide to local areas. In this case, population, job opportunities and services would probably in-

crease. The long range economic growth potential would be greater and might be the kind that would make us less dependent on dwindling oil and gas revenues. Again, the State would probably sacrifice large immediate financial gains for the benefits derived from this economic development.

Renewable resource development loans would encourage the development of resources that can be used over again such as timber, fishing, and agriculture. This development would probably increase job opportunities, the population and new services slowly, over a longer period of time than the boom economy produced by oil production. And it would also provide a steady, long-range source of money for Alaska, unlike the revenues from non-renewable resources, which will end when oil and gas supplies are depleted.

Individual loans would provide money to private citizens for better housing, small businesses, and education opportunities, as examples. This option probably would not have a sizable effect on either population increases or economic growth. Again, as above, State profits would take second place to promoting the general good of Alaskans.

The \$900 Million

In addition to the Permanent Fund monies to be invested, the State will have to decide what to do with the earnings from the Fund as well as the remaining portion of the new oil and gas revenues not allocated to the Permanent Fund. That will be a good deal of money and it may be used in a variety of ways. However, before making a decision, let's look at the past.

The arrival of this new money will not be the first time that Alaska has found itself wealthy overnight because of its oil. In 1969, as we have seen, the State received \$900 million from the sale of Prudhoe Bay oil leases. What did we do with that money?

This bonanza came to a State government that had often operated on a shoestring budget. Largely, then, to compensate for those leaner years, much of this money went to areas which had not received full attention in the past.

These efforts were aimed at improving education, health and social services, public works (which includes building, marine transportation, airports, docks, etc.), and paying off the debt from State bonds. However, the new money was spread throughout the State budget, so all State operations increased.

As a matter of fact, this created a problem. Most people thought that the trans-Alaska pipeline would be completed by 1973. And Alaska used its money

based on the anticipation of receiving more money shortly. But as we chipped away at the \$900 million, pipeline construction was delayed and no new money arrived to replenish the State coffers.

Not all the \$900 million went into the General Fund, however. Some was put into small loans and mortgage programs for Alaskans. Close to \$100 million went into housing, veterans', small business, municipal and similar loans. Additionally, there was some \$300 million gained in major investment earnings. But at the same time, close to \$6 million was lost on an \$18 million investment in the stock market.

As it became painfully clear to everyone that state expenses were way up and the new money from the pipeline would not be available until at least 1977, state officials began to look into more immediate methods of producing money.

One method used by the State to meet a 1976-77 budget shortfall, was to enact a tax on oil in the ground before it is actually brought up. This, was in effect, a pre-payment of approximately \$500 million against future taxes. A second method under consideration would involve leasing additional areas of the state for oil exploration. (See section on Leasing our Oil and Gas Lands). This second plan would help to explain all the recent discussion on the Beaufort Sea oil potential.

Whatever the State decides to do in the next few years—and, more immediately, whatever recommendations you make in the Alaska Public Forum—should be made with our recent history in mind.

Options for surplus oil and gas money

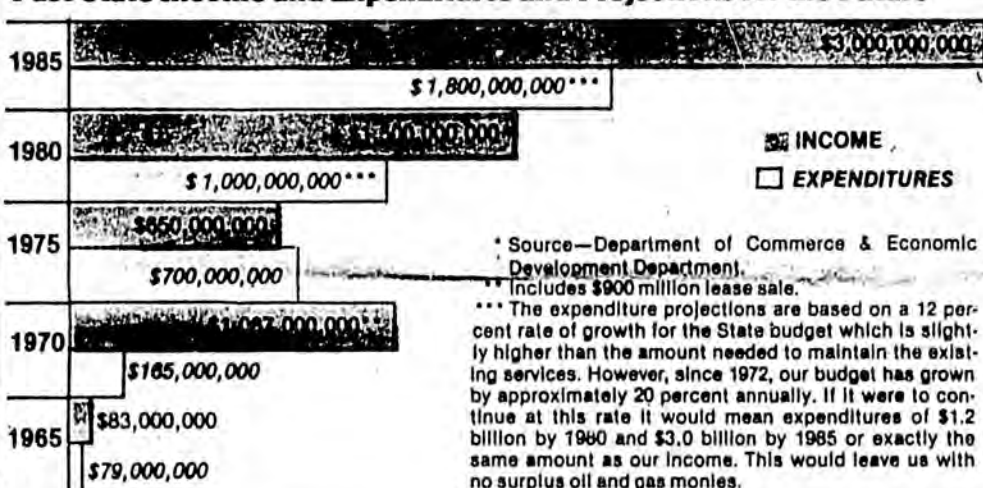
Oil and gas revenues not going into the Permanent Fund and those available as earnings from the Fund may be used for a number of purposes. As with the Fund, this money may be saved for future security or loaned to industries, communities or individuals providing a new kind of future for Alaska. (See options for use for the Permanent Fund.) It also may be spent in a variety of ways.

It might be given to communities for local services through larger amount of revenue sharing and municipal grants. Or it might be used to increase the benefits in existing State programs in education, health and social services, highway maintenance, criminal justice, land planning, alcoholism or a myriad of other State government activities.

The new money might be used to cut back the amount of State taxes we pay or it could be given out to Alaskans in cash payments like dividends in the stock market. The new money might be used to retire the State debt (paying off all its bonds). It might go to pay for public works projects such as building airports, docks, etc., in cash rather than taking out loans.

As you see, the choices are varied and numerous. But it's up to you. Consider what each means, not only to you but to the Alaska you want for your children. And know that your choice may make a difference.

Past State Income and Expenditures and Projections for the Future*



1.

The Question:

A.

How should the Permanent Fund money be invested? (Please rank your choices 1 through 4, with 1 the most important)

- ☐ a. Save it
- ☐ b. Loan it to communities
- ☐ c. Loan it for industrial development
- ☐ d. Loan it to develop renewable resource industries
- ☐ e. Loan it to individuals
- ☐ f. Other _____

B.

How should the State use its new oil and gas money? (All revenues except those invested in Permanent Fund.) (Please rank your choices 1 through 4 with 1 the most important)

- ☐ a. Use it for tax cuts for Alaskans
- ☐ b. Use it for cash payments to Alaskans
- ☐ c. Use it for community revenue sharing and community grants
- ☐ d. Use it for more State services
- ☐ e. Save it by increasing the Permanent Fund
- ☐ f. Loan it to communities
- ☐ g. Loan it for industrial development
- ☐ h. Loan it to develop renewable resource industries
- ☐ i. Loan it to individuals
- ☐ j. Other _____



Meeting Human Needs, Developing Human Resources

Meeting human needs

While many persons in Alaska today live in the prosperity of an economic boom, others are not as fortunate. Many face a constant struggle to meet their basic human needs.

And so, the state provides help for those who can't, at all times, provide it for themselves. It has recognized an obligation to house the homeless, feed the hungry, care for the elderly, heal the sick, whether they are crippled by physical or psychological illness, provide some income for those who have no means of their own, and care for children when the young have no one else.

Every year the State puts money into programs that will help eliminate some of these needs. Its range of activities is broad.

Beyond the needs...

Once the basic needs of people are met, has the State a further obligation?

In education, for example: The State has assumed a large part of the job of educating Alaskan children. It does this, even at the most elementary levels, in part, because it believes in the potential in each of us and the need to let it grow.

The State also recognizes the need for its people to have jobs. It provides access to on-the-job training programs and the chance for people, regardless of their profession, to upgrade their skills. Generally, people will develop their potential as contributing members of society if they produce work of which they can be proud.

Services the State Provides

ALCOHOLISM through the Department of Health and Social Services.

- provides money for detoxification centers, housing and outpatient treatment
- promotes research and education on alcohol-related problems and helps former alcoholics find jobs

CHILD AND YOUTH CARE through the Department of Health and Social Services.

- maintains and funds day care centers
- helps abused children
- funds treatment and counseling
- provides foster care for the orphaned
- provides rehabilitation for juveniles

EDUCATION through the Department of Education.

- provides 90% of basic need costs for schools in organized boroughs and some cities
- provides 100% of basic need costs of schools in the unorganized borough
- provides support services such as curriculum development, vocational and special education programs
- administers Federal funds for bilingual, counseling and special interest programs

PROGRAMS FOR THE ELDERLY through the Department of Health and Social Services.

- helps fund Salvation Army hot meals program

- provides money to local governments for transportation of the elderly
- provides grants for senior citizen centers
- provides legal assistance funds for the elderly through Alaska Legal Services

EMPLOYMENT through the Department of Labor and the CETA Manpower Division.

- provides Job Service Centers
- provides for on-the-job training programs
- administers the WIN program, Work Experience, and the Job Corps
- helps fund Seward Skill Center

HEALTH through the Department of Health and Social Services.

- provides doctors, nurses, and health centers for treatment, prevention, and control of illnesses
- provides mental health clinics
- administers family planning counseling
- funds programs for disabled persons

HOUSING through loans to the Alaska State Housing Authority.

- constructs homes for the elderly
- maintains low and middle income housing in urban and some rural areas

Federal involvement

It is important to note that a great portion of Human Resource money comes from the Federal Government. It also should be noted that while

these funds provide for a great many services, they generally come with a series of restrictions and regulations which can make them as much of a burden as a help.

The Question:

What areas of human need do you feel requires most attention? (Please rank your answers #1 through #8 in order of importance with #1 as the most important need.)

2

Priority (1-8)

☐ a. Alcoholism

☐ b. Care of Children

☐ c. Education

☐ d. Programs for the elderly

☐ e. Employment

☐ f. Health care

☐ g. Housing

☐ h. Other

The Cost of Schools

The State's responsibility to education

If we start with the idea that an educated society is a productive, vital one, it then becomes important that we look at one of the most debated subjects in Alaska: What is the responsibility of the State in educating its people?

The basic goal of the State government is to assure that every child has a quality education. However, that is not always as easy as it might sound.

If the community is unable to pay for itself, does the State absorb all the costs? What, then, is the obligation to those school districts that do have the means to contribute a major part of their educational expenses?

The cost of learning

The State provides for education through its Public School Foundation program, which today pays a minimum of 95 percent of "basic need" operating costs (teachers, books, desks, etc.) in organized boroughs — mostly urban areas — and first class cities throughout the State. It also pays 50 percent of these school construction costs. The other 50 percent comes from local property taxes.

In the unorganized borough — most of rural Alaska — State and Federal money covers 100 percent of both operating and construction costs. These expenses are mounting rapidly now more so than in the past years for two reasons. First, the State is assuming control over many rural schools formerly run by the Federal Bureau of Indian Affairs.

Second, it has been determined both through the expression of the people and through the courts that it shall no longer be necessary for students in rural areas to be separated from their homes and families in order to receive a high school education. This means, simply that the State must begin to build high school facilities in 126 communities where needed by 1980. Fiscally, this is a gigantic undertaking. For example, a six room high school

for approximately 90 students recently built in the village of Kivalina cost \$1.7 million. If the State were to meet its legal obligation to provide high schools in even 60 of the possible 126 locations, it would cost approximately \$102 million. Added to this, urban area education costs are rising too.

It is possible that the State can provide 100 percent of the basic operating costs of education once the oil money begins to appear in its treasury, but it is unclear how the State will cover the new, as well as on-going, construction costs.

Who pays the school bill?

Between 1970 and 1976 State government funds for public school education increased from \$59 million to \$200 million. Operating costs during that period rose 240 percent and construction costs jumped by 200 percent.

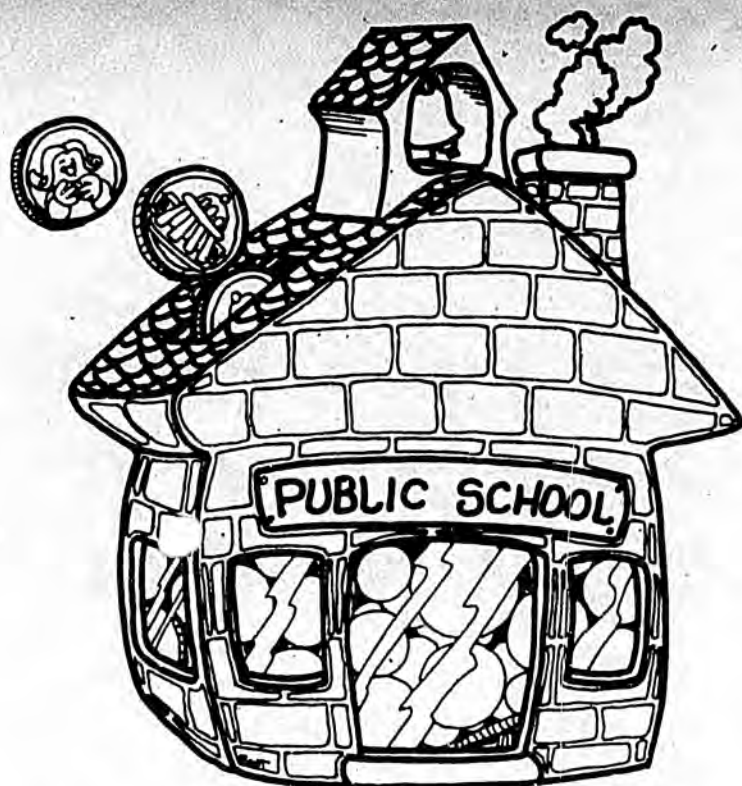
And as we have seen, the expenses in the years ahead, particularly in construction, will be even greater. But how should these be paid? Consider the options.

First, the State could pay 100 percent of school construction costs by increasing the State income tax. For example, if it were to add 1 percent to the present 5 percent collection rate, it would receive close to \$20 million in the year 1978. This would provide an equitable contribution method for everyone in the State.

Second, the State could pay for the 100 percent of school construction costs with money gained from a statewide sales tax. A tax of 1 percent could produce close to \$60 million in one year. This, of course, taxes everyone and could be a problem for cities which already have a sales tax. If the existing source of revenue cannot be spared, people of those communities will be doubly taxed.

Third, the State could require that all areas impose a property tax much like organized boroughs have now. In this way, everyone would have a share in their own local school construction. However, most of rural Alaska — the unorganized borough — does not have regional or local governments with taxing powers. And further, if you consider the population in rural villages it soon becomes apparent that the cost of collecting the taxes and the amount collected would not support the effort, particularly in smaller communities. As with the sales tax, this would reduce the portion of property taxes people now pay for school construction in urban areas.

Fourth, the State and local communities could proceed as they have in the past. The State would provide 50 percent of construction financing in organized boroughs and 100 percent of the cost in rural Alaska. However, this system depends entirely on support from Alaskans through bond proposals.



The Question:

How should public school construction be financed in both organized and unorganized boroughs? (Please check the appropriate box.)

3.

- ☐ a. 100% State funding through an increase in the State income tax.
- ☐ b. 100% State funding from a statewide sales tax.
- ☐ c. Local property taxes throughout the State and supplemental funding where needed.

- ☐ d. Continue the present system which provides for property taxes plus supplemental State funding in organized boroughs and 100% State funding in the unorganized borough.

- ☐ e. Other _____

Alaska's Land

Distribution of Alaska's Land

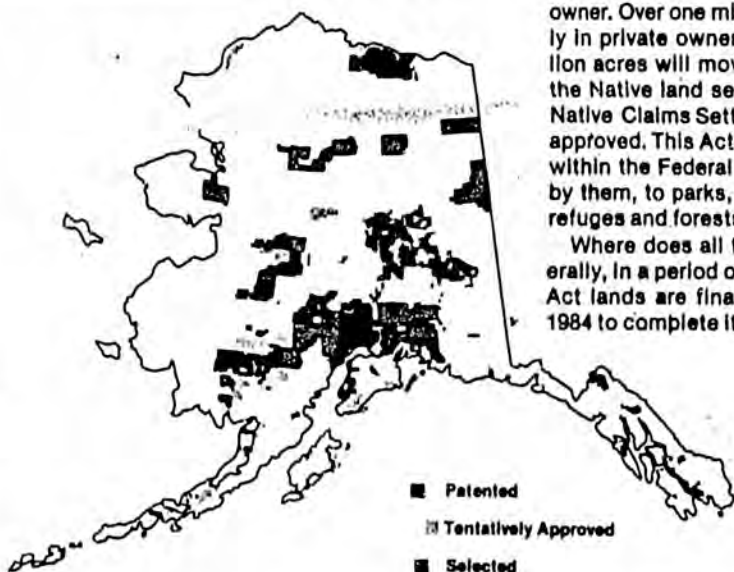
Alaska's land is its greatest wealth. It is the home and the parks of its people; it is the source of its oil and gas and minerals; and it is generally the basis of its economic development and its industries.

It is the most valuable commodity we own. And we do own it, whether privately or collectively as residents of the State. Either way, we own a large portion of land in Alaska—103 million acres through the State government and 226 million acres of Federal land.

As an Alaskan, you can participate in the management and choices affecting the 103 million acres of land we received from the Federal government at the time of statehood. This land has not all been selected by the State. As a matter of fact, we have only about 36 million acres today, with another 32 million waiting for approval from the Federal government. But let's retrace the history.

Selection of Lands

In its early days, the State's policy on selection was conservative. The young State had a limited



budget and often believed that it should leave lands which benefited from Federal money for fire protection and highway construction in Federal hands. But, more recently, two massive land selections in 1968 and 1972, indicated a new policy—namely, that the value of certain lands now far outweighed the earlier value placed on those Federal funds. These two major selections involved lands which the State thought to be rich in oil and minerals—the North Slope, the Copper River basin, and the Bristol Bay areas, in particular.

Alaska's Land

In total, Alaska contains 375 million acres of land that varies from Southeastern rain forests to the barren lands on the Arctic Slope. The Federal government is by far the largest land owner, with 226 million acres, once State selections have been made. The Statehood Act entitles Alaskans to 103 million acres, making us the second largest land owner. Over one million acres in Alaska are presently in private ownership; and an additional 44 million acres will move into private ownership when the Native land selections, as provided for in the Native Claims Settlement Act, are completed and approved. This Act also sets aside 80 million acres within the Federal domain for possible additions, by them, to parks, wild and scenic rivers, wildlife refuges and forests.

Where does all this activity leave Alaska? Generally, in a period of transition until the Settlement Act lands are finalized. The State then has until 1984 to complete its own selections.

OWNERSHIP OF ALASKA'S LAND

State	28%
Federal	60%
Native	11%
Private	1%

There are several important considerations. Namely, the State has a limited amount of good land for multiple use. It does not have enough quality land to do everything that Alaskans might think desirable. Because of this, management direction should be determined before the remaining 35 million acres of State land is selected.

Management Options

First, the State could manage its lands to encourage the kind of use that will produce the largest profit. For example, if the land has oil and gas or mineral potential which will produce large financial returns for the State, then the management plan should reflect this.

Second, the State could manage its lands primarily to meet people's needs. Lands could be set aside for homesites, for future hunting and fishing use, for public access, and parks and recreation areas. The interests would be determined by the people and the management would provide for the greatest use by all Alaskans. Here State profits would take second place to people's needs.

Third, the State's goal could encourage land management for renewable resource development—agriculture, forestry, fisheries or tourism. This would provide for present, as well as, future revenues from the land.

Fourth, the land management could encourage economic development throughout the State by promoting industrial uses of the land and managing it to accommodate this goal. In some cases, the State could provide incentives to industries. Although this might prove less profitable in the short run, the long term economic gains could make it a worthwhile pursuit.

Fifth, the State could manage its lands to preserve the natural environment. This option would include the protection and maintenance of areas where both wildlife and wilderness could always exist. The natural wealth of Alaska's land would take preference over other land uses.

The Question:

What should be the objectives for managing Alaska's land? (Please rank your choices 1 through 5, with 1 the most important.)

4.

- ☐ a. To raise revenues for the State
- ☐ b. To provide land for people's needs
- ☐ c. To promote renewable resource development

- ☐ d. To promote industrial growth and development
- ☐ e. To preserve the natural environment
- ☐ f. Other _____

Leasing our oil and gas lands

Revenues

There is much discussion about oil and gas in Alaska's future, principally for two reasons:

- 1) The money for the State from those resources is enormous, and
- 2) The impact on the future of the State, its communities and its people is far reaching.

All the oil and gas activities hinge on one process—leasing the land. Once the state sells its leases, it commits itself to the resource and to some development in that area of the state on behalf of all Alaskans.

The lease itself may bring in a large amount of revenue. But it is a once-only bundle of money, called **bonus** money. Additional revenues flow over a longer period of time, if and when oil and gas is found. These other revenues come from taxes on the oil when it is brought up from the ground (**severance** tax). Last of all, the State receives revenues from the royalty oil and gas—its share in the actual substance. (See section on Our Royalty Riches) It is estimated that the period of oil production and, consequently, its revenues can be expected to continue in Alaska for the next 30 to 50 years.

Impacts

The process that starts the revenue flow begins with the first lease sale. But more than money, the sale will bring with it development of the area. The impacts are far reaching—some of them are productive and some are not.

The State was, to an extent, startled by the impact of the trans-Alaska pipeline. Suddenly, new workers appeared in Alaska. Prices increased, roads became crowded and rents and housing costs soared. For many local communities it became a matter of playing catch-up with these demands. By the second year of pipeline construction, these problems were much more manageable.

We had learned a lot as a State about our capabilities to handle sudden prosperity. Now, for many it is a matter of making the most of those opportunities, such as higher incomes, more services, improved facilities, etc. But these areas may never again resemble the communities they were before the development began. These trade-offs—which simply means you give up some things to get others—must be looked at to understand the significance of oil and gas lease sales.

What Can We Expect

There is much land in Alaska with oil and gas potential. The State government has indicated its own best potential for future oil and gas leasing is probably on the Arctic Slope—in the upland areas just north of the Brooks Range and in the shallow

waters of the Beaufort Sea north of Prudhoe Bay.

It also believes that oil and gas might be found on other land it owns, both onshore and offshore, but specifically offshore, in the northeast and northwest Gulf of Alaska, the Aleutian Chain, Bristol Bay, and the Bering Sea. However, there is no proven potential in any of these areas.

For this reason, these sites, described as "wildcat" areas, will require further work, including drilling.

It is likely that State, Federal and Native regional corporation leasing efforts will affect and stimulate each other. For example, the Prudhoe Bay discovery and the trans-Alaska pipeline have "opened up" the North Slope and surrounding areas and some lands along the pipeline corridor to new leasing and exploration by each of the three land owners. It is generally easier and cheaper to extend development in areas already open than in more remote, isolated areas. Since the Federal Outer Continental Shelf (OCS) leasing program is by far the largest in Alaska, it could pull State and regional corporation oil leasing and development activity along in its wake.

At this point, the State has several leasing choices. It could sell them as fast as possible which would bring in a large amount of revenue immediately. Or it could sell its leases at a more constant pace so that there would always be some money coming into the State for its oil and gas as long as the supply lasts. It could sell leases only

when it wants to raise extra monies to meet immediate needs. And it could stop further leasing and make the best long term use of the revenues it will receive from Prudhoe Bay production alone.

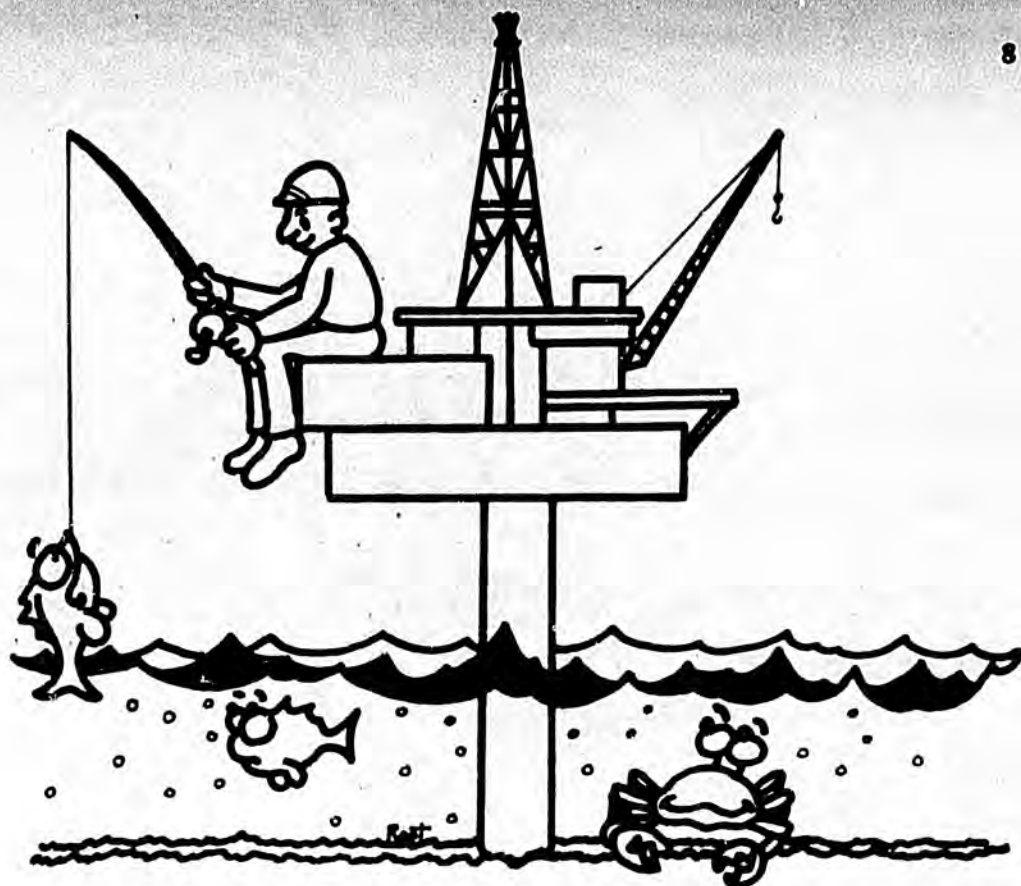
Alaska's Lease Sales

There have been major lease sales in three areas since statehood:

Cook Inlet—several sales in the 1960's. These resulted in bonus revenues for the State of approximately \$95 million. The Cook Inlet fields are still operating successfully and are producing 200,000 barrels of oil a day.

Prudhoe Bay in 1969. The State received \$900 million from this lease sale. Oil will begin to flow sometime after mid-1977, at an average peak rate of approximately 1.6 million barrels a day, and tax and royalties could amount to \$1 billion a year by 1980.

Kachemak Bay in 1974. This sale brought in \$27 million in bonus money, but the sale has produced controversy over the adequacy of public notice and public involvement in the leasing decision. Also at issue is the potential conflict with the fishing industry, if there is oil development. In 1976, the legislature passed a bill asking that the Kachemak Bay leases be bought back by the State.



The Question:

What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)

5.

- | | |
|---|--|
| ☐ a. It should sell leases as fast as possible to bring in a lot of money immediately. | ☐ d. It should do no further leasing and make the best use of present income. |
| ☐ b. It should sell leases at a constant pace to assure a steady flow of income for a long period of time. | ☐ e. Other _____ |
| ☐ c. It should lease when the State needs large sums of money to meet public needs. | _____ |



Our Royalty Riches

What is royalty oil and gas?

A major portion of Alaska's new wealth will come in the form of oil and gas. This share of the actual substance brought up from the ground is the payment, by the producers, to the State, for use of the land. The same principle applies when the private landowner receives royalties—a portion of the actual oil and gas—from the companies that found oil on his land.

In Alaska, we will receive approximately 12½ percent (or 1/8) of all the oil and gas substance brought up from the ground. That is a lot of oil and gas. For example, it is estimated that close to 9.6 billion barrels of oil and some 28 trillion cubic feet of gas will be recovered from Prudhoe Bay. The State's royalty share therefore is approximately 1.2 billion barrels of crude oil and 3.25 trillion cubic feet of natural gas. Another way to look at Alaska's share is: at its peak, the pipeline will provide 2 million barrels of oil a day. In turn, Alaska will receive 250 thousand of those barrels each day.

What will the State do with this wealth? There are several options. But before we look at the specific ways in which we could use this oil and gas, it is important to note the peculiarities of these two substances. Specifically, if you wish to use the oil for either private or industrial in-state activities, the substance first must be *refined*. Oil just out of the ground is unusable in that form and for that reason it is called *crude*. Therefore, any in-state use of oil will mean that a refinery must be located in Alaska to convert the oil from crude to gasoline or other products.

Gas may be used essentially as it is when it is removed from the ground, but it must be transported from the well site to the site where it will be used—a private home or a business, for example. If the gas is to be sold out of State, it must be *liquefied* before it can be transported by tanker. A liquefaction plant must be built to meet this need. To skip the liquefaction process, the gas could be transported to outside markets by an overland pipeline.

Therefore, in some cases the oil and gas would require in-state industrial development before it could be used. The development may be relatively small, but it is important to remember when you consider the options.

Options for Use

There are a number of ways the State could use its royalty wealth. **First**, the state could sell its oil and gas on the outside market for profit, which would give the State an additional source of money. The sale could be made in two ways: 1) The State could let the oil companies at Prudhoe Bay sell the oil as it comes out of the ground at the *wellhead price*—the going price at the well. It would then give the State its 12½ percent royalty share in money. Or 2) the State could take the 12½ percent in actual oil and gas which it could sell on the open market on the chance that it could get a higher price for it.

Part of the money—a minimum of 25 percent—would go into the Permanent Fund. (See section on New Money for Alaska.) Further, there are many who feel that the money could be kept safe with little effect on Alaska's growth, and ultimately be of more benefit to the people of the State as cash than as oil and gas.

A **second** option could promote industrial development in the State. To do this, Alaska might sell the oil and gas to industries, perhaps at a lower rate than it might get on the open market, in order to create the incentive for them to locate in the State. Two types of industry might develop: 1) those that need large amounts of oil and gas to operate, i.e. mineral processing, and 2) *petrochemical* industries, those that produce oil and gas based products i.e. fertilizers and plastics.

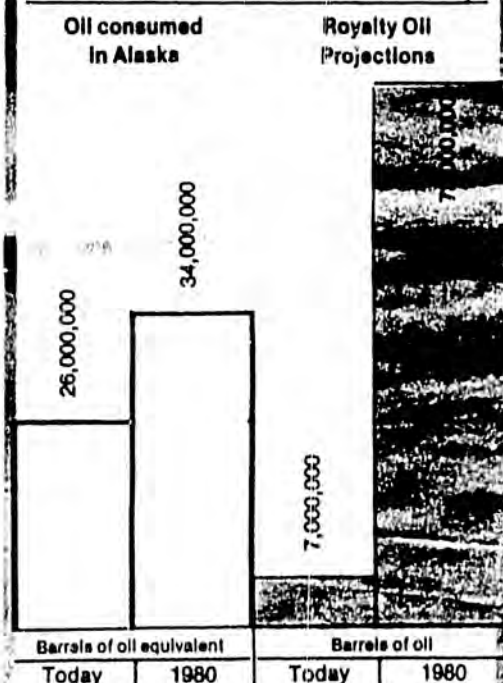
In this case, as with most industrial development, benefits such as job opportunities and improved services must be weighed against the possibility of increasing the population and environmental impact.

A **third** option for the royalty oil and gas would

use it within the State for individual energy needs—gas for your car, heating fuel for your home. This, as with the second option, would provide less revenue for the State but would insure that Alaskans have an available supply of energy. The State might ask Alaskans to buy the oil and gas for their personal use at the market price or at a discount rate.

How much oil we use annually*

How much royalty oil is there



*Source — Department of Natural Resources

The Question:

What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box).

6.

- | | |
|---|---|
| ☐ a. The State should sell its royalties to make money. | ☐ c. The State should provide in-state residential use of the royalty oil and gas. |
| ☐ b. The State should use its royalty oil and gas primarily for promoting industrial development in the State. | ☐ d. Other _____ |

The Alaska Public Forum Questionnaire

10

Please fill out this questionnaire. There are decision-makers who want to know what you think. Right now, your opinion can make a real difference in the future of Alaska. Answer the questions, tear off the back page and mail your opinions to us. Thank you.

1. The Question:

- A.** How should the Permanent Fund money be invested? (Please rank your choices 1-4, with 1 the most important)
- | | |
|--|--|
| ☐ a. Save it | ☐ d. Loan it to develop renewable resource industries |
| ☐ b. Loan it to communities | ☐ e. Loan it to individuals |
| ☐ c. Loan it for industrial development | ☐ f. Other _____ |
- B.** How should the State use its new oil and gas money? (All revenues except those invested in the Permanent Fund.) (Please rank your choices 1-4, with 1 the most important)
- | |
|--|
| ☐ a. Use it for tax cuts for Alaskans |
| ☐ b. Use it for cash payments to Alaskans |
| ☐ c. Use it for more community revenue sharing and community grants |
| ☐ d. Use it for more State services |
| ☐ e. Save it by increasing the Permanent Fund |
| ☐ f. Loan it to communities |
| ☐ g. Loan it for industrial development |
| ☐ h. Loan it to develop renewable resource industries |
| ☐ i. Loan it to individuals |
| ☐ j. Other _____ |

2. The Question:

What areas of human need do you feel require most attention? (Please rank your answers 1 through 8 in order of importance with 1 as the most important need.)

- | | |
|--|---|
| ☐ a. Alcoholism | ☐ e. Employment |
| ☐ b. Care of Children | ☐ f. Health care |
| ☐ c. Education | ☐ g. Housing |
| ☐ d. Programs for the Elderly | ☐ h. Other _____ |

3. The Question:

How should public school construction be financed in both organized and unorganized boroughs? (Please check the appropriate box.)

- | |
|--|
| ☐ a. 100% State funding through an increase in the State income tax. |
| ☐ b. 100% State funding from a statewide sales tax. |
| ☐ c. Local property taxes throughout the State and supplemental funding where needed. |
| ☐ d. Continue the present system which provides for land taxes plus supplemental State funding in organized boroughs and 100% State funding in the unorganized borough. |
| ☐ e. Other _____ |

4. The Question:

What should the objectives for managing Alaska's land? (Please rank your choices 1 through 5, with 1 the most important.)

- | |
|--|
| ☐ a. To raise revenues for the State |
| ☐ b. To provide land for people's needs |
| ☐ c. To promote renewable resource development |
| ☐ d. To promote industrial growth and development |
| ☐ e. To preserve the natural environment |
| ☐ f. Other _____ |

5. The Question:

What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)

- | |
|---|
| ☐ a. It should sell leases as fast as possible to bring in a lot of money immediately. |
| ☐ b. It should sell leases at a constant pace to assure a steady flow of income for a long period of time. |
| ☐ c. It should lease when the State needs large sums of money to meet public needs. |
| ☐ d. It should do no further leasing and make the best use of present income. |
| ☐ e. Other _____ |

6. The Question:

What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box.)

- | |
|---|
| ☐ a. The State should sell its royalties to make money. |
| ☐ b. The State should use its royalty oil and gas primarily for promoting industrial development in the State. |
| ☐ c. The State should provide in-state residential use of the royalty oil and gas. |
| ☐ d. Other _____ |

7. The Question:

What other important State problems do you feel should be considered? (Please provide questions and possible answers. You may continue your answer on the top of the back page.)

Please tell us:

Did you receive this newspaper from
☐ workshop ☐ town meeting ☐ other _____

Your community _____

Your age _____ Male ☐ Female ☐

What kind of work do you do? _____

How long have you been in Alaska? _____

**THIS MAY BE A
SUPPLEMENT TO:**

A.
Anchorage Daily Times
Anchorage Daily News
Fairbanks Daily News-Miner
Southeast Alaska Empire

Ketchikan Daily News
Sitka Sentinel
Kodiak Mirror
Homer News

Valdez Copper Basin News
Petersburg Pilot
Wrangell Sentinel
Seward Phoenix Log

Peninsula Clarion
Nome Nugget
Cordova Times
Tundra Times

Pioneer All Alaska Weekly
Palmer Frontiersman
Tundra Drums
The North Wind
The Chilkat Valley News

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To Mail This Questionnaire

1. Tear off this page.
2. Fold Flap "C" over Flap "A" with address on the outside and staple or tape where indicated.
3. Mail the folded page — No postage is necessary.



----- Fold Here -----

B.
Alaska Public Forum
Workshop

Business Reply
Permit
#148

BUSINESS REPLY MAIL

No Postage Stamp Necessary If Mailed in United States

Postage will be paid by

**Alaska Growth Policy Council
429 D Street, Suite 310
Anchorage, Alaska 99501**

C.

Fold this flap last



Tape or staple here

MEMORANDUM

ALASKA GROWTH POLICY COUNCIL
ALASKA PUBLIC FORUM

TO: ☐

Alaska Growth Policy Council

DATE : March 4, 1977

FROM:

SUBJECT: Mid Year Report - Round II

Diane Burgin *Dae*

Here is the second and almost final round of the mid-year report. Once again, for the sake of time, I will be proofing it after it has been mailed to you so please excuse the errors. (I've also discovered that the lede on the Southcentral Profile is not quite right so I will be redoing that paragraph, for sure. I expect that I will run into other areas here and there that need a bit of help too.) In the meantime, I will be reviewing it as you are.

Please, please try to get your comments to me as soon as possible. I will station myself by the phone Monday and Tuesday to await your suggestions. I hope to be able to get the final copy to the type shop Wednesday or Thursday. They will need three to four days. Then Phyllice Bradner who is helping me with the graphics will need another four days to put the camera-ready copy together which she will take to the State print shop in Juneau. At that point, it will take another week at the printers. You can see my concern for speeding up our part of the process.

Thank you very much for making room in your busy schedules. Won't it be nice to have it out!



Alaska

PUBLIC FORUM

A program of the Alaska Growth Policy Council

VOLUME I NUMBER I

January, 1977

Northwest Alaskans attend Public Forum meetings

On December 4, Governor Jay Hammond, Senator Frank Ferguson and representative, Leo Schaeffer sat in the Kotzebue School listening to over 100 people discuss the future of Alaska. It was the second Alaska Growth Policy Council regional workshop called the Alaska Public Forum.

The participants had come from throughout the Northwestern part of the state to talk about the six Public Forum issues and their local concerns. Like the Southeast workshop, the program began with the selection of local issues by participants which in this case were alcoholism, transportation, communications and fisheries.

On alcoholism, participants recommended that a tax be put on alcohol beverages to pay for rehabilitating the alcoholic. On transportation, when was severely criticized. "Our goods come ruined, produce is frozen, frozen foods arrive defrosted, mail is weeks late," commented a participant. On communications, it was suggested that there be more than one phone in each village. Finally, people discussed fish hatcheries as a possible solution to poor fish runs.

In workshop groups attended by the Governor, participants discussed the six questions which the Growth Policy Council is taking throughout the State. The following information is only a consensus from the Kotzebue workshop but not the unanimous opinion in each case.

Leasing Oil and Gas Lands—Lease at a moderate rate and involve the local community in the process. It was suggested that training programs could provide opportunities for local hire.

Royalty Oil and Gas—Should be kept for instate use but prices should be made equitable throughout the State.

Local meeting held

Meetings were held throughout the Northwest so that people who could not attend the Kotzebue workshop could still participate in the Public Forum.

For example, in Nome, despite the season's first basketball game on the same night, people turned out in force to discuss the State's future with their representative, Al Nakak and Growth Policy Council member, Leonard Lane. Heading their concerns was oil leasing impact on the city of Nome. "Front Street could end up looking like 2nd Ave. in Fairbanks if we don't plan ahead," said one participant. People also expressed the need for more efficient air cargo service.

In the small village of Deering, residents voiced the need for jobs for local people and a seawall to protect the village. They urged the State to help isolated communities who haven't the means to meet all their own needs.

Meetings were held from Shungnak to Stebbins as a part of the Alaska Public Forum.

Workshop held in Ketchikan

Over 100 people attended the first of seven Alaska Public Forum meetings in mid November in Ketchikan—among them Governor Jay Hammond and

Representative Terry Gardiner. It was the start of the Alaska Growth Policy Council's year of workshops with Alaskans and a follow-up to its Haul Road

meetings.

Participants came from 18 communities throughout the Southeastern part of the State. Some were selected at random from voter registration lists and all represented a cross-section of the area from fisherman to choir directors, bartenders to legislators, teachers to loggers.

Many such as Ida Kadashan from Hoonah had never participated in anything like the Public Forum before. Many like Charlie Jim from Angoon had never been so close to the Governor. And many, like the mayors of four communities recognized the Public Forum as an opportunity to participate with others in shaping Alaska's future.

First, participants voted to discuss transportation, energy and fisheries as issues of local concern and after doing so, reported their thoughts to the Governor. On transportation, they asked for improvements in the ferry system. Said one participant: "After all it is our high way." On energy, people recommended hydro-electric power for Southeast. On fisheries, citizens asked the Department of Fish and Game to become sensitive to public needs and requested there be serious efforts to rehabilitate the depleted reserve of fish.

It also became clear that land availability was a personal concern to the people throughout land poor Southeast. "I just want to buy—not get a hand-out—buy, about five acres of land to raise chickens and a garden," said one participant.

Next, Public Forum participants discussed the six major issues which the Growth Policy Council is taking to the people of Alaska. Although each workshop came up with a consensus, there were not necessarily unanimous recommendations. Majority as well as minority reports were presented to the Governor.

Ketchikan Issue recommendations

Oil and Gas Wealth—Develop renewable resources, i.e. fishing and timber. Use it for community loans or larger shares of revenue sharing and grants. Save it.

Human Needs—Education, Alcoholism, Care of children.

School Construction—Continue with taxes and supplemental State funding in organized boroughs and 100% State funding in the unorganized borough.

State Lands—Encourage renewable resource industries but retain multi-use land. Participants urged that more land be made available for homesites.

Leasing Oil and Gas Lands—Lease at a moderate rate for a steady flow of revenues.

Royalty Oil and Gas—Meet Alaska's residential needs and any excess should be sold to increase State revenues.



Growth Policy Council members (L to R) Harold Pomeroy and Lt. Governor Lowell Thomas sit with Governor Hammond at the Southeast Regional workshop listening to participant, Judy Slajer report on group discussions.

Growth Council listens to Southeast Alaskans

The Alaska Growth Policy Council met with Southeastern Alaskans from Haines to Craig in local evening meetings patterned after the Public Forum regional workshops. Although the Council cannot reach every community, it tries to talk to as many people as possible.

Council members do not look for unanimous decisions on the six Public Forum questions but

participants often reach a consensus of opinion. What follows are some general thoughts from several of the Southeast meetings. Often these ideas were repeated in more than one community:

Most communities, 1) expressed the need for more land at affordable prices for homesites and 2) stressed that new oil and gas monies should not be used to move the Capitol.

In Sitka, people told the Growth Policy Council that the State should make land available at a low cost for residential use, save as much of its oil wealth as possible, finance education 100% and discourage development for development's sake in order to preserve the Alaskan way of life.

In Wrangell, participants thought hydroelectric power should be harnessed as an alternate energy source. On the distribution of land people asked why a state as big as Alaska with as few people should have so little land available to build homesites on.

In Petersburg, people generally agreed that the new oil and gas money should be invested in renewable resource industries and that the money should be invested in instate projects and used responsibly.

In Haines, participants urged that there be more local industry reflecting the town's recent hardship i.e. both mills, the primary sources of employment, had closed down leaving most people in the town jobless.

that's their only source of income for the year."

Close to the end of the weekend, during a discussion of fisheries rehabilitation, Charlie Jim had his chance to address the Governor.

In a quiet voice he told of the people who were arrested for fishing in closed areas; he spoke of the expense involved in fishing for the people of his village and if they cannot fish for food they cannot survive; he told the Governor if they have to fight in the courts they will avoid such hardships. "Fish and game sell us fishing licenses, gear licenses and commercial licenses and then we can only sit on the beach and watch the fish go by."

Then Charlie Jim presented a formal report to the Governor. Hammond received it with a promise that he would see to the problems.

Later, Jim explained that he had stopped talking to the white man a long time ago and had not been sure whether to attend the Public Forum. Now, he concluded, it might be time to start talking again because it seems people are listening.

Angoon comes to Ketchikan

Angoon sent some of its finest residents to the Ketchikan Public Forum workshop. Charlie Jim was selected at random by the Forum to represent his village. Mayor Peter Jack and community representative Jay Levan also came because they all wanted to tell the Governor that the people of Angoon needed help after a disastrous fishing season.

"The best fisherman made only \$5,000 when he usually makes \$15,000 a year," commented Jay Levan. "One man's catch for a day was 7 fish. And

Kotzebue issue recommendations

Oil and Gas Wealth—Develop renewable resource industries i.e. fishing and herding. Use it for community revenue sharing and grants and loan it to communities.

Human Needs—Education, Alcoholism, Housing, Health, School Construction—100% State funded from the General fund.

State Lands—encourage renewable resource development and provide for individuals needs.

PUBLIC FORUM WORKSHOPS

* South Central Region
Anchorage
January 15, 16

* Copper River Region
Glennallen
February 11, 12

* Southwest Region
Bethel
March 5, 6

* Gulf Coast Region
Cordova
March 26, 27

* Interior
Fairbanks
April 18, 17

About your concerns: Alaska's land

Alaska, through the Statehood Act, is entitled to select 400,000 acres of forest land from the Chugach and Tongass National Forests. At this time, it has chosen only 54,785 acres. This has affected Southeastern Alaskans more seriously than people in any other part of the state. Geographically, Southeast is largely water and mountainous timber land, the latter, the Tongass National Forest,

owned by the U.S. Forest Service. With no room to move, people have long requested the State for more land to meet their needs.

Now, as a result of the Alaska Public Forum and other public expressions of needs, the Department of Natural Resources has set the wheels in motion to develop a comprehensive plan for state selection in both National Forests areas.

Commissioner of Natural Resources, Guy Martin, explained in a recent speech:

To facilitate immediate land selections the State sent out nomination packets to communities, interested groups and agencies asking them to identify priority lands. This is the first phase of a planned two-phase process...

Phase two of the land selections process will begin

early in 1977 when "communities, government agencies, interest groups and others will be asked in a responsible way for responsible nominations."

Sitka is the one community in Southeast which seems to have the greatest need for land selections at this time, Martin indicated.

The State will be developing its comprehensive National Forest selection program over

the next year and before they are concluded there will be a chance for a public review of the selection sites.

If you are interested in more information about state land selection in National Forests, you may request a copy of their free information packet from: The Forest Land Selection Team, c/o The Office of the Commissioner, Department of Natural Resources, Pouch M, Juneau, 99811.

Speak Out on Land...

The following section includes some of your comments from the Alaska Public Forum questionnaire. We have taken the subject of land because it

relates closely to the story on this page, ABOUT YOUR CONCERNS. Please write us with any comments you have on these thoughts below or on the

area of Transportation which will be out next Speak Out issue. Send your comments to: Alaska Public Forum-Speak Out, 429 D Street, Suite 310, Anchorage, Alaska 99501.

KETCHIKAN:

"We need more highway construction in order to open up more land for additional industrial development. Alaska is such a large state with such a small population that all living costs are higher than in the South '48. More people would generate more money in the economy thereby lowering the cost of living."

PETERSBURG:

"Should public lands be available for homestead or homestead development? Yes, with time limitations on development."

JUNEAU:

"The environmental impact on virgin land is easily the biggest cost we need to consider."

NOME:

"The Department of Natural Resources should have a Commissioner in the Division of Lands to control the distribution of land and to sell or lease it, whichever is profitable."

SITKA:

"Release land for homesteading and make federal lands available for long-term leasing."

WRANGELL:

"I believe that the state should use its oil and gas money to purchase vast tracts of land for its own use. (The Federal Government doesn't need it.) This land should be made available to industry and the public for its highest economic use."

KETCHIKAN:

"The state should complete their land selections and make some available for private ownership. With the vast area of government land it is morally wrong for land prices to be so high now that young people cannot afford to buy a lot on which to build a home."

HAINES:

(There should be) "utilization of the state's potential food-producing areas, without jeopardizing the environment. Surely this can be realized."

KUPREANOF:

(There should be) "rehabilitation of lands messed up by mining and establish a tax structure to enforce rehabilitation in the future."

Come to the Forum*



[Not just another boring meeting]

*The Alaska Public Forum
Alaskans deciding Alaska issues
Coming to Anchorage the weekend of January 15th & 16th

The South Central Workshop

The South Central Regional Workshop will be held in Anchorage on January 15 and 16. Meetings will be held in five schools—Clark, Romig, Diamond, Service-Hanshaw and Pioneer Schoolhouse—simultaneously on Saturday. On Sunday, the groups will report the recommendations from each of the sessions to the Governor and legislators. These reports will be televised on KTVA Channel 11 in Anchorage at 5 p.m. Sunday afternoon, January 16.

Representatives from the Anchorage, Kenai and Matanuska-Susitna boroughs will take part in the workshop. Smaller local community meetings will be held in late January and early February.

Dear Alaska Public Forum Friends:

The Alaska Public Forum is well underway and your enthusiasm has made it a tremendously exciting experience for all of us.

Already we have learned a great deal about the concerns you and other Alaskans have. It is interesting for us to note that many of the problems of Southeast Alaskans are shared by the people from the Northwest. While one worries about improving the ferry system, the other is anxious that plane service be more responsive to people's needs, but both are concerned with transportation.

The Alaska Public Forum has held two regional workshops, one in Ketchikan for the Southeast and one in Kotzebue for the Northwest. It is now preparing for its third in Anchorage for the South Central region.

Both Governor Hammond and the legislators who have participated in the Forum have expressed great support for the process and the opportunity to meet directly with people throughout the state. It is a new concept and your participation is proving to state leaders that the people of Alaska are in fact decision-makers.

We hope you will continue to participate in the Alaska Public Forum by sending us your comments for the Speak Out section and by encouraging others in your community to fill out and mail in the questionnaire in the Public Forum newspaper.

Thank you for your participation.

Lowell Thomas, Jr.
Lt. Governor, State of Alaska
Alaska Growth Policy Council, Chairman

How the Alaska Public Forum findings will be used

You have worked hard to provide us with a lot of important information on state and local issues. What will happen to all of that material?

First, through this and following bulletins, participants from one region may learn the ideas and recommendations of people in other areas of the state. There will also be further information on issues you have identified. In this way the information will circulate statewide.

Second, a regional report will be written which reviews the results of regional workshops, local meetings (community by community) and questionnaire answers. This document will also contain a list of participants and organizations. It will be made available to the Alaska Public Forum participants from that region, the Governor, the

legislature and committees, and state officials.

Third, a mid-year and year-end report, both written and video, will be turned over to the Governor, legislature and state officials. The comprehensive video summaries will also be sent to television stations statewide and made available through the Department of Education film library to anyone around the state interested in viewing it. (There will be more information on this as the mid-year report reaches completion.)

Finally, there are plans to formulate state policy and legislation based on your participation. Later this year, we hope to bring participants together with state leaders to accomplish this goal. You will hear more of this in upcoming bulletins.

ALASKA GROWTH POLICY COUNCIL
429 D Street, Suite 310
Anchorage, Alaska 99501

BULK RATE
#960 766
Anch. Ak.

*TO GET YOUR PUBLIC FORUM ISSUE PAPER PLEASE SEND A REQUEST TO THE ALASKA GROWTH POLICY COUNCIL AT THE ABOVE ADDRESS.

Alaska Public Forum Friends:

What you will find on the following pages is the compilation of the first half of the suggestions for the Alaska Public Forum program. It is the opinions and words of over 2,000 people who have attended community meetings and regional workshops representing a total of 49 communities throughout three regions--Southeast, North and Southcentral. It is the work of three and a half months, eleven Growth Policy Council members, a fulltime staff of six, and numbers of volunteers.

When we ask people to participate in the Alaska Public Forum, we ask them what they think about some major state issues identified by the Governor, legislators, state officials, the Growth Policy Council and people throughout Alaska.

The summary of suggestions on the questions from the three regions is written from two sets of information 1) the results of the Public Forum meetings based on notes and recordings; and 2) the tabulated responses of the Alaska Public Forum questionnaire which people fill out and return either after attending a meeting or on their own having retrieved the questionnaire from a newspaper insert.

These two forms of information have the potential to provide very different responses to the questions. One of the exciting features of the public forum meeting is that people have the opportunity to sit together and reach a consensus on different subjects. This option is not available to the participant who fills out his form alone at home.

A second and important consideration for the reader is that there has been a major effort made in every regional meeting to have representatives from throughout the area attend and present their local viewpoints. The method has been to select participants at random from voter registration lists and bring those that accept the invitation, into the location of the regional meetings. From the comments we receive, "I've never sat down at the same table with so many different types of people before,"

it appears that there is generally a good cross-section of people. In large part this seems to be the success of the Alaska Public Forum so far. Yet it also means that many of these participants have never been involved in anything like the Forum before. Within a short amount of time, workshop participants receive information from the newspaper publication, the small group moderators, state resource people and often, each other. This option, with the exception of the newspaper information, is not available to the participant filling out the form at home.

The base of information from which the answers spring must be considered and varying interpretations on subjects such as tax cuts, or land for public needs for example, must all go into any analysis of the findings.

Most important, what you will find are a series of comments, a grouping of statistics, an indication of what we've heard, but there is always so much more-- so many innovative ideas, imaginative suggestions, sensible solutions. We've tried to weave those in but it is impossible to cover it all. And with that caution, we present the first half year of the Alaska Public Forum.

Sincerely,

Lowell Thomas, Jr.
Chairman
Alaska Growth Policy Council

A THANK YOU

To the People of Alaska who have given the State their time, energy and enthusiasm through the Alaska Public Forum, reconfirming their belief in the democratic process and the future of Alaska.

And to State Leaders who can respond with sensitivity to the People of Alaska through their leadership and policy decisions.

The People Who Make the Public Forum Work

It's the people, pure and simple. It's the people who give up an evening or even a weekend to find out what the Alaska Public Forum really is, only to find out that they are the Forum.

We don't know how or why it evolves as it does. But we who are closely connected with the Public Forum have had any previous skepticism stripped away by the people who have come to work with us. They come hesitantly, cynically, reluctantly, expectantly, curiously, and sometimes late. They come to listen, to complain, to learn and to lobby.

Some come because the Governor has offered to bring them to a regional center at his expense to talk to him and local legislators. Others come because they have a cause, something they want to get off their minds, in person, not through a letter.

A few people come timidly because they have never been out of their communities before and they don't know what they're going to say. But after all, the Governor asked them, so they should go. Some people have a great deal of experience at the supermarket, gas station, and at local school meetings but have no experience with government and no idea what such things as "royalty oil and gas" mean. But what better time to find out and maybe meet the Governor.

Whatever motivates them, and most generally from evaluation comments it appears to be curiosity, people do come to the Public Forum bringing with them their interests, experiences and perspectives. But even more exciting, they stay. Not for an hour or two, but for the whole day. And they come back on Sunday. They talk. First, hesitantly, but then more readily, anxious that the group understand exactly what the issues mean to their own community, or their family, or their schools. They talk with each other; they participate.

It is a remarkable experience to sit at a table and watch a fisherman, a teacher, a student, a welfare worker, a self-employed businessman, a subsistence hunter, a

legislator, a bookkeeper, and a Teamster trucker exchange ideas about the future of Alaska.

And what is most important about the Alaska Public Forum is that before these people leave the table, they generally have reached a consensus, not unanimous agreement, but a consensus about almost every issue. They might vote one way as individuals answering each question, but placed in a group where they must consider other interests and trade-offs, participants become policy-makers. Their considerations become broad; their basis for selecting answers far less personal and far more sensitive to the general good.

It is these people then, their hard work, their commitment to the future of Alaska, their determination to give the democratic process another try, and their belief that someone is listening that has made the Alaska Public Forum's first half year a very important experience. It is the people's sincerity and energy that will help us keep their opinions before decision-makers.

We begin with this report.

The Alaska Growth Policy Council
March, 1977

ABOUT THIS REPORT:

This mid-year report is divided into several sections which discuss:

- Background or What we've done, how we've done it, where we've been and who's been there.
- A breakdown of recommendations on the seven questions or What the people think about some major State issues.
- A summary, some secondary suggestions and program evaluations, or Where we can go from here.

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Snow Goose Productions

This report was written and edited by Diane Burgin.
The Southcentral portion was written by Cathy Allen
Graphics by Snow Goose Productions
Tabulation and analysis of questionnaires by Jack Kruse, ISGR University of Alaska

Background

What and

How

THE ALASKA PUBLIC FORUM

The Alaska Public Forum is the people of Alaska discussing major state issues and making recommendations on them to the Governor and state leaders. It is the leaders of the state listening to these suggestions and incorporating them into the decisions that will shape the future of Alaska.

The Public Forum is a program of the Alaska Growth Policy Council, an eleven member board created by Governor Hammond to provide him with a broad range of citizen recommendations on major state issues. Through the Alaska Public Forum, the Council is taking six issues of immediate state concern to the people of Alaska and listening to a seventh issue area chosen by the people, the latter providing a regional perspective. The public makes recommendations on these seven issues through regional workshops, local community meetings, and mail-in questionnaires. Their comments are turned over to decision-makers--the Governor, legislators and state officials for action.

The overall goal of the Alaska Public Forum is to open the communications network between Alaskans and their State leaders by broadening people's participation in developing major state policy, particularly in areas that have the most serious implications for the future of all Alaskans.

BACKGROUND

Determining the Issues

The early months of the Public Forum were spent selecting the six major issues. The Growth Policy Council, working from a list of concerns itemized by Governor Hammond, made suggestions and passed them on to the legislature and state agencies for comment.

The product of this was taken to the public, inviting recommendations through letters and a statewide meeting held in Anchorage on October 20, 1976. The Growth Policy Council then made its final suggestions to Governor Hammond based on all the above involvement.

Informing the Public

Once the issues were chosen, background on them was written up in the Alaska Public Forum newspaper. The first edition was completed in time to serve as the agenda for the first regional workshop held in Ketchikan on November 13 and 14.

It should be noted that the first edition of the newspaper was tested in both the Southeast and Northern regions of the state. Problems were noted and corrected for a reprinted version used in the Southcentral and subsequent regions.

The newspaper is an educational package as well as the agenda for the Forum process. It poses a question, suggests possible options and provides background information on each issue. It defines terms such as "renewable resources" and "royalty oil and gas" and discusses previous state policy like the use of oil and gas revenues so that Public Forum participants have a framework in which to view the state's present situation.

The Alaska Public Forum newspaper is the key tool in the program so it must be distributed widely in order to get maximum participation. The principle method is to place it in local newspapers.

Then there are the meetings.

The Public Forum is the people who participate, but the outreach to spark the enthusiasm of a community is a long process. Like it or not, Alaskans are "workshopped to death". These days, reaction to a meeting is rarely more than a ho-hum. But anyone who has had anything to do with the Alaska Public Forum will support the Anchorage workshop theme--Not Just Another Boring Meeting.

The effort to explain this generally begins several months before the workshop. It begins with the enthusiasm for the Alaska Public Forum. The rest, then, becomes easier. It can include as many as two or three pre-workshop trips by staff and sometimes Growth Policy Council members. It involves time aside to appear on radio and television talk shows; creating and taping public service announcements, news stories and newspaper advertisements, endless appearances at luncheons and dinners for the Lions, the Rotary, the Chamber of Commerce; it involves presentations to city councils, village councils, Native Corporations--profit and non profit; discussions with business, school, and government officials requesting their help to notify their employees; it includes mass distribution of the Public Forum newspaper through local mailboxes, and community papers; and hours of time around town leaving newspapers on store counters and hanging posters telling people when and where; it means time aside to talk to senior citizens' lunch groups, church meetings, social service gatherings, and of course visits to bingo games. And it means, after all this, to find out that three days earlier the school

scheduled a make-up basketball game--the town's season opener the same time as the Public Forum meeting. But the day of the workshop arrives and the people come. And once they are there, they usually become supporters.

All this activity occurs for both types of Alaska Public Forum meetings--the regional and the community meeting. However, for a regional workshop there is one added step--inviting the "randomly selected participants". It starts by pouring over voter registration lists, mathematically counting and selecting the names of people from every area of a region. These people are then sent a letter from the Lt. Governor asking them to participate in the Public Forum as the guests of the Alaska Growth Policy Council. If the person expresses an interest, a follow-up letter is sent from Governor Hammond. Others letters of invitation are sent to community leaders throughout a region but only those randomly chosen have their expenses paid by the Public Forum. In this way, people who don't usually attend meetings are invited and encouraged to participate. And after the newness of the first few hours, they generally make use of the opportunity and jump right in.

Regional Workshops

There are seven regional workshops scheduled for the Alaska Public Forum. The first three regional meetings have been held:

Southeast
Ketchikan
November 13, 14

North
Kotzebue
December 4, 5

Southcentral
Anchorage
January 15, 16

The regional workshops are two day meetings. On the first day,

participants break into small workshop groups to discuss the six issues and a seventh which all the participants have voted their most important concern. The second day, group spokespersons report the recommendations of their small groups to a general session. At that time, people can discuss majority and minority views on each issue.

There are resource people on hand at each regional workshop and at some community meetings to provide background on the technical issues. These resource people are usually State persons familiar with all aspects of a given area, i.e. oil and gas, lands, health and social services, etc.

Community Meetings

The second type of meeting, the community meeting, is usually held in several locations throughout each region. Generally, it takes place in the evening and is three to four hours in length. This means that the amount of discussion on each issue is less detailed than in a regional meeting. It also means that an abbreviated format is used. If the participants break into small workshop groups, they only have time to discuss two or three issues and then report those back to a general session later in the evening. In some community meetings, participants only meet as one large group and discuss the options to each question in a general session.

Barrow provided an exception to both the local evening meetings and the regional workshop format. In this study, the North Slope is treated as a part of the Northern region but participants from the North Slope did not attend the Kotzebue regional workshop because of the enormous travel expense. Instead, a special one-day meeting

was held in Barrow, January 29, with representatives from six North Slope villages among the participants.

The Governor, Legislators, and Growth Policy Council

The Governor has been a regular participant in the regional Public Forum meetings, as have local legislators. In Southeast, the Governor spent the second day of the weekend listening to recommendations of workshop participants. In the North, he spoke with participants on the first day of the workshop and along with legislators attended the small group discussions to watch the recommendation process evolve.

Finally, in Southcentral, on the first day, he visited small group discussions at five meetings around Anchorage. On the second day, he, along with many local legislators, listened to and discussed the results of these small meetings at a general session at the Captain Cook Hotel.

Throughout all the meetings, members of the Growth Policy Council have moderated and recorded the proceedings in order to document the recommendations and various ideas of participants. These, along with questionnaire tabulation will be formally presented by them to the legislature and the Governor through this mid-year report and a year-end summary.

The Questionnaire

The third method of participating in the Alaska Public Forum is by filling out and mailing in the questionnaire on the back page of the Public Forum newspaper. This can and has been used by a wide range of people above and beyond workshop participants. The results of these suggestions have been tabulated and documented in this report, but because the questionnaires continue to arrive every day the information is current but not final.

Funding

The Alaska Public Forum operates on a budget of \$290,000 approp-

riated by the State legislature and supplemental funding of \$60,000 from the State Department of Commerce and Economic Development; \$40,000 from the State Coastal Zone Management Program and \$25,000 from the Alaska Humanities Forum.

The Recommendations

People who have participated in the Alaska Public Forum have given their time, energy and enthusiasm to the process. They spend long hours analyzing every Public Forum issue. They look at the positive and the negative side, what it means to their culture, their family, their schools, their communities, their employment. They discuss the trade-offs implicit in each decision and then they vote for what they think State leaders ought to do.

Common comments on the Forum range from "Why couldn't it have been longer?" to "We'll see if anyone is really listening." But, almost everyone seems anxious that the process continue. For this reason, follow-up is very important.

Follow-up in this case means respecting the energy and the expectations of the people who have participated in the Forum. And follow-up carries with it a responsibility for two groups of people: 1) The Alaska Growth Policy Council, who first will see that the suggestions of participants reach the State's decision-makers; and second, keep in touch with participants so that the Forum is in fact a continuing process; and 2) State leaders who will make every effort to act on these recommendations in a serious, thoughtful manner.

The Public Forum recommendations come in two forms which make the findings unique.

First, out of the regional workshops and community meetings come recommendations often in the form of group consensus. These are valuable because they are the result of discussing trade-offs and often

provide a balance of community and State, personal and group needs. The suggestions are generally a group's assessment of the "best way to go". As one participant explained in a Letter to the Editor in the Anchorage Times:

"For those attending, (a Public Forum regional meeting,) it was a small taste of what our men in Juneau go through when they have so many things to learn at once and so little time in which to come up with the right answers."

Second, the Public Forum asks both workshop participants and those unable to attend a meeting, to fill out and return the questionnaire at the end of the Alaska Public Forum newspaper. These responses are generally without benefit of group discussion and therefore are often different from group recommendations.

These written suggestions have been tabulated and discussed throughout the report. The answers cut across demographic categories and indicate that Public Forum participants although not a true proportional cross-section of each region (see regional profile sections) respond similarly to the various recommendations. Where there are differences in groups, these have been noted in the text.

This report will look at both sets of responses---individual and group. It will also quote directly from the people. It is hoped that through these different methods of hearing the public, you will come away understanding both the common thread of people's hopes for the future of Alaska and at the same time their extraordinary individuality.

Background

where,
when
who

SOUTHEAST PROFILE*

The major concerns of Southeast participants in all the meetings were renewable resources, community services, land selections and transportation. A look at the Region may help explain some of the comments that appear in response to the seven questions.

Southeast has throughout its history under American rule been the center of government, and trading. It is an area rich in wood, fish and minerals, all of which have kept the area bustling and kept it the focus of most outsiders attention.

The Southeast population in the 1970 census count was 39,472 which is approximately 13% of the total state population. More than three fourths of the people live in the five towns of Juneau, Ketchikan, Sitka, Petersburg and Wrangell. Most of the total Southeast population (71%) is white which is a slightly lower proportion of white to non-white (79%) than in the rest of the state. The non-white population is made up almost entirely of Tlingit, Haidas and Tsimshian Indians with a small number of blacks and Chinese.

The economy of Southeast has depended largely on its natural resource wealth - - fish, timber and minerals which are far from depleted and may continue to provide a stable economic base in the future.

Government is the largest employer in the region. However, with the plans to move the state capital and most of the federal and state services with it, a disruptive concern has been created. In Juneau alone there are 2,850 state employees, 1,100 federal employees, 1,000 borough employees or more than 50% of the Juneau work force.

*Source: Alaska Regional Profiles, Southeast Region Vol. IV, Lidia Selkregg, University of Alaska, Arctic Environmental Information and Data Center.

Today, timber is the main economic support in Southeast and the third largest in the State. Fishing has always been the economic base of the region and today ranks closely behind the timber industry. Tourism and recreation is third among southeast industries and growing rapidly.

Close to 95% of the land in the Southeast region is under federal control, 73% of that is in the Tongass National Forest. Although portions of this may be selected by the state for its use or for it to turn over to borough governments throughout the region, not much of this has been done to date. Therefore, little land exists that may be used for homes and recreational purposes in this part of the state, which is a problem for many Southeasterners.

For the most part, people have located along waterways in small isolated communities connected to the outside world through the ferry system and charter plane service. (There is some commercial air service as well through the five larger towns.) There are few roads in Southeast.

THE ALASKA PUBLIC FORUM PARTICIPANTS - Southeast

	1970 Census Information on Population Distribution Southeast 1.	Alaska Public Forum Participants Population Distribution Southeast 2
Age:		
under 25	23%	14%
25-34	24%	26%
25-44	19%	20%
45-54	16%	20%
55 and over	18%	20%
Sex:		
Female	47%	33%
Male	53%	67%
Occupation: (Civilian Population) 3.		
Professional- Technical	27%	29%
White Collar	20%	24%
Blue Collar	12%	26%
Not in the Civilian Labor Force	41%	21%
Length of Residency in Alaska:		
3 years or less	--	18%
4-10 years	--	23%
over 10 years	--	59%

1. Source: U. S. Department of Commerce, Bureau of the Census, 1970,
General Population of Characteristics, Alaska.

2. Alaska Public Forum Newspaper demographic information from 475 Southeast questionnaires

3. Occupational Categories.

Professional-Technical includes:

Accountants, Engineers, Lawyers, Librarians, Doctors, Nurses, Clergymen,
Social and Recreational workers, Teachers, Pilots, Technicians, Counselors,
Writers, Researchers, etc.

2. (continued)

White Collar includes:

School Administrators, Postmasters, Hotel managers, Sales personnel, Insurance agents, Real estate agents, Bank tellers, Cashiers, Bookkeepers, File clerks, Insurance adjustors, Mail Carriers, Payroll clerks, Receptionists, Secretaries, Teacher aides, Telephone operators, etc.

Blue Collar includes:

Carpenters, dental technicians, electricians, road machine operators, machinists, mechanics, repairmen, plasterers, plumbers, roofers, tailors, dressmakers, gas station attendants, graders, welders, bus drivers, taxicab drivers, construction workers, fishermen, lumbermen, teamsters, warehousemen, farmers, bartenders, hotel maids, cooks, dishwashers, dental assistants, health aides, airline stewardesses, barbers, childcare workers, firemen, policemen, etc.

Not in the Civilian Labor Force includes:

Military, housewives, unemployed, retired, subsistence hunters, or persons for any other reason not in the labor force.

NORTH PROFILE*

First, it should be noted that findings in the North tended to be regional in perspective. The geographic boundaries of the area the Public Forum called the North, included three distinct Native regions. Despite the fact that the entire area is made up principally of Inupiat Eskimo people (with a generous sprinkling of whites), the thinking from one area to another was often very different. The most notable distinction was that of the North Slope community, where participants repeatedly responded to questions from the perspective of their regional needs, i.e., "our land is producing most of the wealth for the state so how will we be compensated, in turn?" Or, "the state should lease onshore lands for oil exploration before offshore, otherwise sea mammals - -our livelihood - - will be in jeopardy maybe forever."

Nome participants, to a large extent, were representative of the town's white community. Participants from this meeting made up 1/3 of the questionnaire sample and the statistics on them indicate that they were generally between the ages of 35-44, male and most often in the professional-technical occupation category. Although 46% of the Nome people were residents of Alaska for over 10 years, this figure is far less than the 76% in the rest of the North.

Generally, the themes coming out of the North correspond surprisingly with those in Southeast. People expressed concern over their communities, renewable resources and the land. In the North, these three areas are closely intertwined. It is often difficult to determine where concern for renewable resources as an economic factor ends and renewable resources as a subsistence need begins. So too, it is with the community structures and the land in the North.

*Source: Alaska Regional Profiles, Northwest Region Vol. V, and Arctic Region Vol. II, Lidia Selkregg, University of Alaska, Arctic Environmental Information and Data Center.

The North region of today is the product of both its own traditional culture and the sometimes painful "opening up" experiences it has gone through. First with the arrival of the whalers, then the miners, and eventually government activities whether through management of Federal reserves like Pet 4 and the Naval Arctic Research Laboratory on the Arctic Slope or through government services throughout the region. Now the area finds itself in the midst of yet another "opening up" experience with the exploration of oil and gas.

The initial and most severe disruption was from the whalers. While the eskimos exchanged gifts of baleen, caribou meat and furs with the whalers, they received in return, rifles, ammunition, liquor, flour, black tobacco, molasses and lead - - not to mention, measles, smallpox, whooping cough and influenza. While disease caused the death rate to soar, at the same time there was a serious depletion of caribou herds either due to the use of firearms or the cyclical change in caribou population. Both of these factors saw populations decrease radically. For example, Barrow declined from 1,000 persons in 1828 to 309 people in 1863.

Today, the 1970 census figures show the North region with a population of 13,334 or slightly larger than 4% of the state's population. Alaska Natives make up 85% of the 1970 figure for the region. There is a much higher percentage of young to middle age people than old.

The economy is based on subsistence lifestyles but there is an involvement, particularly among the white population, with a cash economy. Nonetheless, low income and high unemployment characterize the region's position. Most of the employment that exists is seasonal and includes commercial fishing, herding, limited tourism and arts and crafts. Government, pipeline and mining jobs throughout the North provide some alternatives to seasonal employment.

Although government is a major employer, it is perhaps even more so, in the North Slope area of the state which is now under borough status and has an active administrative office in Barrow, managing the services throughout its far flung region. The rest of the North for the most part, is a part of the unorganized borough and looks to the state legislature to meet its local government needs.

Land in the North is largely under federal jurisdiction with large sections of it tied up in the Pet 4 and Arctic Wildlife reserves. Other sections will be released to local Natives through the Land Claims Settlement Act. All the land in this region has been used primarily for subsistence and remains so today with the exception of natural resource exploration and development.

People generally have chosen to live in isolated, small communities along coastal and river sites favorable for subsistence activities. Only Nome owes its development to mining rather than subsistence pursuits. In more recent years however, people are beginning to move into the larger service areas of Nome, Kotzebue and Barrow, to gain access to better services and more employment opportunities. Poor transportation and communications have in the past and continue today, to hamper the delivery of services throughout the region.

The Alaska Public Forum Participants - North

	1970 Census information on Population Distribution 1. North	Alaska Public Forum Parti- cipants Population Distri- bution 2. North
Age:		
under 25	34%	17%
25-34	22%	36%
35-44	16%	29%
45-54	12%	10%
55 and over	16%	8%
Sex:		
Female	45%	42%
Male	55%	58%
Occupation: (Civilian Population) 3.		
Professional-Technical	7%	38%
White Collar	9%	24%
Blue Collar	19%	23%
Not in the Civilian Labor Force	65%	15%
Length of Residency in Alaska:		
3 years or less	--	14%
4-10 years	--	20%
over 10 years	--	66%

} large imbalance

1. Source: U. S. Department of Commerce, Bureau of the Census, 1970,
General Population of Characteristics, Alaska

2. Alaska Public Forum Newspaper demographic information from 134 North questionnaires

3. Occupational Categories: See Southeast Section

SOUTHCENTRAL PROFILE*

Southcentral has the largest population of any other part of the state. However, most of those people are located in Anchorage, the state's largest city, a place that is not typical of the rest of Alaska. It is more recently developed, feels the influence of the lower 48 more sharply and its population is often made up of large numbers of professional, if transient, residents. Outside of Anchorage, the population more closely resembles other parts of Alaska. A look at the region might help put some of the Public Forum responses in perspective.

Southcentral is perhaps the most newly developed region. Its history in light of its present situation is relatively recent. Waves of people migrated into the region at different periods beginning with railroad construction workers at the turn of the century. Population growth continued with the arrival of the Matanuska colonists in the mid-thirties, through the influx of military personnel during World War II, then into the present day growth from oil activities in the Kenai and Prudhoe Bay fields.

Its relatively new and rapid growth sets it apart from other areas of the state.

In the 1970 census, Southcentral region consisted of 145,301 people or close to 48% of the state's population. Today, it more accurately contains over half of the people in the state. Close to 90% of the 1970 population is white, much higher than the state average of 79%. Much of the non-white population is Alaska Native--both those who have migrated to Anchorage from around the state and the original local inhabitants, the Athapaskan Indians and Chugach Eskimo. There is a significant proportion of blacks, Filipinos and Orientals as well. In Southcentral a large percentage of the population is young to middle age.

*Source: Alaska Regional Profiles, Southcentral Region Vol. I, Lidia Selkregg, University of Alaska, Arctic Environmental Information and Data Center.

The economic base of the region has shifted as the area has grown. At first, the economy was supported by fishing and mining, with some trapping and hunting. Most people maintained a subsistence existence. During World War II, military and federal government activities became the economic base for the region until more recently when Anchorage has become the center for operations of the state's private sector. The petroleum industry role is also a dominant economic force.

Southcentral can boast the highest level of employment and the largest share of Alaska's total personal income. Fisheries are the oldest industry of major importance in the region but its activity has become modified by economic and biological factors. The petroleum industry, which includes secondary business as well as oil company activities, has recently taken the lead as the region's biggest private industry. The Federal government both military and civilian has decreased its impact on the economy slowly since World War II and its role as employer is now shared with the state and local governments. The entire region is made up of three boroughs -- Kenai, Matanuska-Susitna and Anchorage. Government, then, is the largest employer in Southcentral followed by trade for goods and services.

Land in Southcentral has been developed in a relatively small amount. Less than 3% is privately owned and not all that is developed. Uses of the land may range from metropolitan to subsistence in close proximity.

Half the population of the state resides in and around Anchorage. To the South, Kenai peninsula is a secondary population and commercial area within the region. The city of Kenai maintains the strongest industrial base with Homer, Soldotna and Seward serving as important population centers. To the North of Anchorage, the Matanuska and Susitna Valleys are the agricultural bases for the region and offer extensive summer and winter recreational activities.

The Southcentral region is tied together by a complete highway system radiating out of Anchorage. The region is also an air center providing both a connecting link to all parts of the state and the world as well.

THE ALASKA PUBLIC FORUM PARTICIPANTS - Southcentral

	1970 Census Information on Population Distribution Southcentral	Alaska Public Forum Partici- pants Population Distribution Southcentral
Age:		
Under 25	30%	10%
25-34	26%	29%
35-44	21%	21%
45-54	14%	22%
55 and over	9%	18%
Sex:		
Female	45%	36%
Male	55%	64%
Occupation: (Civilian Population) ³		
Professional-Technical	10%	35%
White Collar	20%	23%
Blue Collar	21%	20%
Not in the Civilian Labor Force	49%	22%
Length of Residency in Alaska:		
3 years or less	--	18%
4-10 years	--	29%
over 10 years	--	53%

SOURCE:

1. U. S. Department of Commerce, Bureau of the Census, 1970, General Population of Characteristics, Alaska
2. Alaska Public Forum Newspaper, demographic information from 1,633 Southcentral questionnaires
3. Occupational Categories - Professional-Technical etc. (see Southeast)

<u>LOCATION</u> SOUTHEAST	<u>DATE AND</u> <u>TIME</u>	<u>FACILITY</u>	<u>NUMBER OF</u> <u>PARTICIPANTS</u>	<u>COMMUNITIES</u> <u>REPRESENTED</u>	<u>ELECTED OFFICIALS</u>	<u>RESOURCE PEOPLE</u>	<u>GROWTH POLICY</u> <u>COUNCIL</u> <u>REPRESENTATIVES</u>
KETCHIKAN Regional Workshop	Nov. 13 & 14, 1976	Ketchikan High School	100	18 S.E. communities 21 random selection participants	Governor Jay Hammond Rep. Terry Gardiner	Department of Health and Social Services Coastal Zone Manage- ment.	Lowell Thomas, Jr. Frank Homan Leonard Lane Harold Pomeroy
WRANGELL	Nov. 16th, 1976 evening	City Council Chambers	40	1	None	None	Harold Pomeroy
PETERSBURG	Nov. 17, 1976 evening	City Council Chambers	40	1	Rep. Ernie Haugen	None	Harold Pomeroy
JUNEAU	Nov. 18, 1976 evening	Juneau-Douglas High School	71	1	Governor Jay Hammond Rep. Jim Duncan	None	Frank Homan Harold Pomeroy
SITKA	Nov. 22, 1976	Sitka Centennial Bldg.	64	1	Rep. Pete Meland	None	Frank Homan
SKAGWAY	Nov. 23, 1976	City Council	6	1	None	None	None
HAINES	Nov. 30, 1976	City Hall	20	2 (Klukwan)	None	None	Lowell Thomas, Jr.
CRAIG	Dec. 6, 1976	Craig Elementary School	11	1	None	None	None
KLAWOCK	Dec. 7, 1976	City Council Chambers	12	1	None	None	None
THORNE BAY	Dec. 8, 1976	Elementary School	20	1	None	None	None
ANGOON	Dec. 9, 1976-evening	Community Center	51	1	None	None	Leonard Lane
METLAKATLA	Dec. 13, 1976-evening	Village Council Chambers	12	1	None	None	None
HOONAH	Dec. 14, 1976-evening	Old Child Care Bldg.	2	1	None	None	Leonard Lane

<u>LOCATION</u> <u>THE NORTH</u>	<u>DATE AND</u> <u>TIME</u>	<u>FACILITY</u>	<u>NUMBER OF</u> <u>PARTICIPANTS</u>	<u>COMMUNITIES</u> <u>REPRESENTED</u>	<u>ELECTED OFFICIALS</u>	<u>RESOURCE PEOPLE</u> Division of	<u>GROWTH POLICY</u> <u>COUNCIL</u> <u>REPRESENTATIVES</u>
KOTZEBUE REGIONAL WORKSHOP	Dec. 4,5, 1976 all day - both days	Kotzebue School	100	North- 12 west com- munities, 15 random selection participants	Governor Jay Hammond Senator Frank Ferguson Rep. Leo Schaeffer	1) Land 2) Oil and Gas 3) Coastal Zone Manage- ment	Lowell Thomas, Jr. Frank Homan Leonard Lane Harold Pomeroy Herb Smelcer Diana Tillion
BARROW One day workshop	Jan. 29, 1976 all day	North Slope Borough Building	34	6-North Slope Villages	Lt. Governor Lowell Thomas Jr.	1) Oil & Gas 2) Coastal Zone Manage- ment	Lowell Thomas, Jr. Herb Smelcer
NOME	Nov. 18, 1976-evening	Nome Public School	68	1	Rep. Al Nakak	None	Leonard Lane
KIVALINA	Nov. 22, 1976-afternoon	Community Center	20	1	Rep. Leo Schaeffer	None	None
DEERING	Dec. 2, 1976 -afternoon	Community Center	21	1	None	None	None
SHUNGNAK	Nov. 24, 1976-afternoon	Community Center	15	1	Rep. Leo Schaeffer	None	None
KOBUK	Nov. 24, 1976-evening	Bernhart Home	6	1	Rep. Leo Schaeffer	None	None
GAMBELL	Jan. 21, 1977	Recreation Hall	30	1	None	None	None
STEBBINS	Jan. 27, 1977	Recreation Hall	28	1	None	None	None
SAINT MICHAELS	Jan. 28, 1977	Recreation Hall	15	1	None	None	None
UNALAKLEET	Jan. 31, 1977	Elementary School	23	1	None	None	None

<u>LOCATION</u> SOUTHCENTRAL	<u>DATE AND</u> <u>TIME</u>	<u>FACILITY</u>	<u>NUMBER OF</u> <u>PARTICIPANTS</u>	<u>COMMUNITIES</u> <u>REPRESENTED</u>	<u>ELECTED OFFICIALS</u>	<u>RESOURCE PEOPLE</u>	<u>GROWTH POLICY</u> <u>COUNCIL</u> <u>REPRESENTATIVES</u>
ANCHORAGE REGIONAL WORKSHOP	Jan. 15 & 16, 1977 All day both days	Sat: Pioneer School Romig Jr. High Clark Jr. High Dimond High Service-Hanshaw High Sun: Captain Cook Hotel	Sat. 450 Sun. 520	13 South- central communities 30 random selection participants	Governor Jay Hammond Sen. Chancey Croft Sen. W. E. Bradley Sen. Pat Rodey Sen. Ed Willis Rep. Mike Beirne Rep. Kris Lethin Rep. Lisa Rudd	1) Div. of Lands 2) Div. of Oil and Gas 3) Dept. of Health and Social Services 4) Coastal Zone Manage- ment	Lowell Thomas, Jr. Mark Boesser Tim Bradner Frank Homan David Klein Leonard Lane Harold Pomeroy
KENAI-SOLDOTNA	Jan. 24, 1977 evening	Kenai Borough Assembly Building	42	2 Kenai & Soldotna	None	Department of Health and Social Services	Mark Boesser Harold Pomeroy Diana Tillion
HOMER	Jan 31, 1977	Homer Elementary	93	1	None	Department of Health and Social Services	Mark Boesser Harold Pomeroy Diana Tillion
PALMER:	Feb. 9, 1977	Community Building	22	1	None	None	Mark Boesser Harold Pomeroy Lidia Selkregg
TALKEETNA	Feb. 16, 1977	Susitna Valley High School	45		None	None	Mark Boesser

Questions

1-7

QUESTION 1
SOUTHEAST

"Renewable resources will sustain the state and our emphasis should be on them. Their protection, proper use and future plans for management must be uppermost in our considerations if we're to make it over the long haul."

Petersburg

How should the state use its new oil and gas money in the future?

Questionnaire Results

Number of Respondents: 446

Meeting Results

14%	Save it	
6%	Loan it to communities	
4%	Loan it for industrial development	Loans to develop renewable resource industries and
32%	Loan it to develop renewable resource industries	Community development either through
4%	Loan it to individuals	1) Loans to communities or
17%	Use it for tax cuts for Alaskans	2) Community revenue sharing and community grants
14%	Use it for more State services and public facilities	
5%	Other: Not to move the capital, pay off bonds	

Clearly, the highest priority for use of the new oil and gas money among people participating in the Public Forum in Southeast was to provide loans to promote renewable resource industries. Although tax cuts for Alaskans appears to be the second choice, it is likely that this second priority position should go to some type of community assistance option, instead. The reason for this assumption is that 1) there was resounding concern by people attending the workshops and meetings for their communities but 2) people had trouble deciding the best way to go about this and were divided between the options of providing loans to communities or increasing revenue sharing and community grants.

Some people supported one option, others staunchly backed the

other but their concern for their communities was the same. With this in mind, it is interesting to combine the two options and in so doing, community needs receive 20 per cent of the count and a slight edge over the tax cut option.

The responses to the questionnaires indicated that people between the ages of 25 and 44 voted most heavily for loans to renewable resources. Those in younger age brackets up to 25 voted to save the money and those over 45 generally were most interested in tax cuts, even a rather skeptical 55 year old pulp mill employee from Sitka who said: "It seems to me that I'll never, never see any of this money. But if the state were to cut its income tax, I might. That's what I want."

Loans to Renewable Resource Industries: The enormous response to this choice set the tone for the first workshop and most of the meetings which were to follow in the Southeast region. As a 29 year old fisherman from Petersburg said: "Renewable resources will sustain the state and our emphasis should be on them. Their protection, proper use and future plans for management must be uppermost in our considerations if we're going to make it over the long haul." The participants at the Ketchikan workshop led the way selecting renewable resources development as their highest priority for the use of the oil and gas wealth. People went on to choose this as one of the top three priorities in every community meeting throughout the region from Skagway to Metlakatla.

Loans to Communities: This choice tied with community revenue sharing and grants for second highest priority among Ketchikan workshop participants. Many people throughout the region preferred this method of community assistance because the state would be generating interest on loans at the same time that communities would be benefitting

from the money. The same people tended to oppose community revenue sharing and community grants, feeling that in essence, the money would produce no return and would disappear like the \$900 million from the Prudhoe Bay lease sale.

Many participants in smaller communities such as Sitka, Petersburg, Wrangell and Skagway supported the idea of loans for communities, particularly for hydroelectric projects and small businesses. Use it for Community Sharing and Community Grants: This option was the other second preference of Ketchikan workshop participants for use of the state's oil and gas monies. People who selected this option usually did so because they felt that loans to communities were inappropriate for areas where there was no tax base to repay loans.

People also felt local communities could best handle their own needs. A 38 year resident of Wrangell and a self-employed business woman commented that "cities and towns should be given the responsibility of knowing the needs of their local community - so strings attached...if local needs are more in one area than another, let them decide."

This option received a large amount of support in community meetings throughout Southeast. Some of the people recommending this answer also pointed out that grants were preferable to revenue sharing because the latter is distributed on a population basis, a hardship for sparsely populated communities.

This option was high among people's priorities in Haines, Angoon, Klawock, Thorne Bay, Metlakatla and Craig.

Tax Cuts for Alaskans: This choice ranked third by participants at the Ketchikan workshop but they were not sure whether they loved the idea or hated it. Some felt that it provided a false sense of

prosperity leaving the government too dependent on oil and gas revenues which would eventually run out. Others felt that a tax cut was the only way they would ever benefit from or see the effects of the new wealth. Yet others cautioned that this might cause people from the lower 48 to pour into the State to enjoy the tax break.

And so it was with the communities that chose tax cuts as one of their considerations. Skagway was all for it and Metlakatla was vehemently opposed.

Save it: This option gained support from Ketchikan workshop participants who suggested that the state save its money for a rainy day. As one Juneauite added, "In Southeast I'm afraid we'd have to do a lot of that." Petersburg supported this idea and made it their first priority. Juneau participants also agreed with this thinking but their suggestion was to increase the size of the Permanent Fund.

Loans for Industrial Development: This answer did not receive much support among Public Forum participants. "The State should not encourage or subsidize industrial development," said a 30 year old construction worker from Kupreanof who has lived in Alaska for 5 years. "It should allow industry to grow as needed and feasible within the industries' own ability to do so."

However, industrial development was rated high in several communities such as Haines and Craig where people are experiencing unemployment problems. It should be noted that the use of the term industrial development generally included small scale industry to support efforts for renewable resources, i.e. lumber mills, canneries, etc.

Other: Two notable ideas emerged under the classification of "other" suggestions. The first was no surprise. Strings of protests were leveled at the idea of financing the capital move with oil and gas

revenues. "We should use our money to benefit people through education, roads, health programs, alcoholism programs, better housing," said a 36 year old teacher and a 7 year resident of Alaska, and not spend millions or billions on unnecessary wasteful things like moving the capital."

Only the people in Angoon supported the move, "providing the state move the capital here," said a young Angoonian. "Otherwise forget it." Almost every community went on record decrying first the move, and second financing it with the oil and gas wealth.

The second suggestion under "other" came up in both Petersburg and Craig when the people in those communities recommended that the State use the oil and gas revenues to pay off its bonded indebtedness.

QUESTION 1
THE NORTH

"If the only way to receive grants, revenue sharing funds and other sources of income requires...complying with mountains of regulations and restrictions and considerable time and expertise, then how can a small village hope to obtain its fair share when everyone is busy just trying to stay alive."

Kaktovik

How should the State use its new oil and gas money in the future?

Questionnaire Results

Number of Respondents: 133

Meeting Results

15%	Save it	
7%	Loan it to communities	
7%	Loan it for industrial development	Community revenue sharing and grants often including more State services
15%	Loan it for renewable resource industries	
2%	Loan it to individuals	Loans for renewable resources
14%	Use it for tax cuts	
27%	Use it for revenue sharing and community grants	Save it and tax cuts
8%	Use it for more State services and public facilities	
6%	Other: Services equalized throughout state; oil producing regions receive larger share of revenues.	

The general response to Question 1 throughout the North was to use the oil and gas money for community services which is not surprising for an area as remote and with as few services as this Northern part of the state. Like Southeast, the isolation of many villages throughout the North has produced a need for people to be self-sufficient. Yet the introduction of western practices disrupted the independent lifestyle of people in this region and ultimately created a dependency on the state and federal government for new but vital services such as housing, fuel, health care and education.

Community Revenue Sharing and Community Grants: "Make sure the revenue sharing formula includes pipelining population," a five year res-

ident Alaskan from Barrow wrote on the side of the questionnaire. This category of use for the new oil and gas money received the highest rating in both the Northern regional meetings and the questionnaire tabulations.

People expressed concern over local control of community programs. "The state should share its role of providing services with local communities," said a 33 year old Kotzebue resident. "After all, the state government is not a profit-making corporation."

Coupled with the support of community grants and revenue sharing for local communities was the criticism of revenue sharing procedures. At the Kotzebue regional meeting, people vigorously protested using population figures to determine revenue sharing allocations. "This leaves no room for community needs," commented a young school teacher.

However, a 37 year old postmaster and mayor of Kaktovik had another complaint. "If the only way to receive grants, revenue sharing funds and other sources of income required not only for basic administration but for any type of improvement, is by complying with mountains of regulations and restrictions which require considerable time and expertise, then how can a small village hope to obtain its fair share when everyone is busy just trying to stay alive."

Participants in Barrow supported the option of community revenue sharing and grants as the best use of the new oil and gas wealth, but echoed the reservations of others over methods of allocating the money. Reacting to this, people suggested that a greater percentage of oil revenues go to communities where oil has been discovered and which, as a consequence, have suffered some impact. This response was often filled in as an "other" on questionnaire responses from Barrow. Conversely, people in Nome often recommended on their forms that state

services should be provided equally throughout Alaska.

Nome, as well as the smaller communities of Kivalina, Shungnak, Gambell, Stebbins, St. Michaels, Kobuk and Deering joined most of the region by selecting the community revenue sharing and grants option as the most important use of oil revenues.

State Services and Public Facilities: This was often ranked as a second priority for Question one. In rural Alaska, state services are viewed as a compliment to revenue sharing and grants. If the two options were combined in the above chart, it would add even more weight to the importance of community development in rural Alaska. Among the supporters of this option were Unalakleet residents who made it their first priority and St. Michaels, Gambell, Kotzebue, Nome and Barrow who made it either their second or third choice.

Loans to Renewable Resources: This was the highest priority for use of oil and gas wealth at the Kotzebue workshop as people spoke up for the preservation of fish and game which participants viewed both as their renewable resource industry and their livelihood. A carpenter in Point Lay who has lived in Alaska for 22 years spoke for many when he said, "I feel more should be done about using the natural resources in the state, such as farming and fishing and it should be done now."

The importance of renewable resources, both as they preserve subsistence activities and contribute to the growing commercial fishing and reindeer herding industries were widely supported in almost every area of the north, and this was a theme that was to recur throughout each meeting.

A young Barrow native reaching far back into the history of North Slope people questioned the disappearance of the reindeer industry in that region. "I believe that 'loans to renewable resources' could provide the incentive needed to develop strong support for a

reindeer industry in the Arctic Slope for subsistence as well as revenue," he put forth to participants.

The Kotzebue region, through the NANA Native Corporation, has recently resumed the reindeer herding industry in that area. Their efforts drew support for herding in the Northwest from Public Forum participants.

Save it and Tax Cuts: Save it as an option tied with renewable resources statistically although it was third behind the community services and renewable resources in meeting discussion groups. Participants often chose this option out of concern that the state might repeat its experience with the \$900 million from the Prudhoe Bay lease sales.

Participants in Kotzebue generally suggested that the money be saved or wisely invested. Several workshop groups recommended that the Permanent Fund should be increased to 50% of oil and gas revenues.

Tax cuts seemed to pick up support in several smaller villages such as Unalakleet and Stebbins and it ranked high in the tabulated questionnaire responses.

Community Loans: One note on this option. Although some Northern participants favored community loans, it generally ranked lower than in other regions because people in this area have no tax base from which to repay loans.

QUESTION 1
SOUTHCENTRAL

"I got to thinking, what good is \$50 in a tax cut for me when all of the Mat Valley could get a hydroelectric plant, or Homer could get some more fish."

Anchorage

A. How should the Permanent Fund money be invested?

Questionnaire Results
Number of Respondents: 1,633

24% Save it
13% Loan it to communities
13% Loan it for industrial development
39% Loan it to develop renewable resource industries
9% Loan it to individuals
6% Other: Combination of the above

Meeting Results: Anchorage

Loan it to develop renewable resource industries

Save it

Loan it to communities

Outside Anchorage:

Loan it to develop renewable resource industries

Loan it to communities

Save it

Tax cuts

B. How should the State use its new oil and gas money? (All revenues except those invested in the Permanent Fund.)

Questionnaire Results
Number of Respondents: 1,633

31% Use it for tax cuts for Alaskans
5% Use it for cash payments for Alaskans
9% Use it for more community revenue sharing and community grants
4% Use it for more State services
13% Save it by increasing the Permanent Fund
4% Loan it to communities
3% Loan it for industrial development
19% Loan it to develop renewable resource industries
5% Loan it to individuals
7% Other:

Meeting Results: Anchorage

Loan it to develop renewable resource industries

Save it by increasing the Permanent Fund

Loan it to communities

Use it for more State services

Outside Anchorage:

Loan it to develop renewable resource industries

Loan it to communities

Save it by increasing the Permanent Fund

Permanent Fund Investment

Loans to Renewable Resource Industries: The overall theme coming from

the Southcentral Public Forum was the people's desire to see more attention placed in the area of renewable resource development. To the Homer residents, that meant using the Permanent Fund monies to rehabilitate the fishing industry and develop the area's farming potential. To the Mat-Su Valley participants, renewable resource priorities included farming. "Do something about our farm land being whittled away by real estate scalpers and make the land safe to use for long-range farming goals," said one farmer. Valley participants also pointed to game management as a renewable resource need particularly so people could resume some subsistence hunting.

Southcentral respondents who came from the greater Anchorage area, indicated that fishing was their renewable resource priority. Several wanted to see the fishing built up for sport and recreational activities. But, others were sensitive to the needs of commercial fishermen. Many Anchorage participants cited timber, farming and the management of caribou and reindeer to meet the needs of others throughout the state as their reason for supporting Permanent Fund investment in renewable resources.

There appeared to be little rhyme or reason among those who preferred certain investment or spending alternatives. But, the people who had lived in the state under 10 years, more heavily favored the investment of the Permanent Fund in renewable resource areas. Those long-time residents (over 10 years) and those over 55 years old voiced their preference for saving the Permanent Fund monies as a first option and they opted for renewable resources as a second alternative for investment.

There was little difference in the priorities selected by men and women; white collar or blue collar workers; or different age groups.

However, while Permanent Fund investment for industrial development ranked lowest among the five selections presented, women ranked it lower than men did. Professional and technical people supported investment for renewable resources more than those in other blue collar, white collar and non-working occupational categories.

Other: It might be interesting to note that those people who marked off "other" generally suggested that the state offer a portfolio of all the options listed above. One Anchorage accountant and investment counselor said the state should not put all its collective eggs in one investment nest "or else we might end up with one big goose egg in our monies received column."

New Oil and Gas Money Spending

Tax Cuts: Of all the questions placed before the Southcentral people by the Public Forum, the spending of the oil and gas revenues provided the largest inconsistency between the voting of people in meetings and those voting on mail-in questionnaires. While people attending the meetings in Anchorage and in the surrounding communities tended to prefer using the money for renewable resources, loans to communities and saving more of the Permanent Fund earnings, the people who sat at home to fill out their questionnaire strongly supported using that money for a tax cut.

At least 62 per cent of the respondents who mailed in their newspaper questionnaires, listed a tax cut among their highest priorities, while only 40 per cent of the people who attended the meetings ranked tax cuts among their top priorities.

A 73 year old Anchorage woman who attended the regional workshop said she had been tempted to rank the tax cut as her favorite. She went on to write on the side, back and top of her newspaper, "...then I talked with some people in my discussion group and I got to thinking,

what good is \$50 in a tax cut for me when all of the Mat Valley could get a hydroelectric plant, or Homer could get some more fish. You know, it just didn't make much sense."

Those people who indicated a preference for tax cuts often mentioned that this was how they could touch the oil and gas wealth themselves. The people who came to the meetings; however, were skeptical of tax cuts and direct cash payments to individuals. "It's just another rip-off program where we'll spend bunches of state dollars trying to administer these programs," said a former Kenai Peninsula legislator. "Every Tom, Dick and Jane from outside will be up here to get in on the deal," said an outspoken Homer fisherman.

In defending the tax cut alternative, a Palmer doctor wrote he might be more inclined to support the railbelt's heavy financing of education in the Bush, "if there were just one thing where everyone in the state got an equal crack," One young homesteader along the railbelt simply placed 16 exclamation points beside her choice of a tax cut.

Loans to Renewable Resource Industries: When you look at those options for using the new wealth, the same priorities as those for investment of the Permanent Fund (namely renewable resources followed by saving more money) ranked after the tax cut alternatives.

In all the local meetings as well as the two-day workshop, Question one drew the most comments and took the most time to discuss, whether the question was placed first on the meeting agenda or last. More than any other question, the participants seemed to feel that here was a control they could exercise. "I know we're talking about more money than I can even conceive of, but if I get to put my two cents worth in regarding the investment of the state's two billion

dollars, then no matter what gets done with it, I'll have the feeling it's more mine," said a retired school teacher who wrote two pages worth of comments about the Permanent Fund question.

QUESTION 2
SOUTHEAST

"I had an idea that a tax should be put on booze so that people that have to be rehabilitated can help pay their own way. After all, it is a self-inflicted disease, just like if you chopped your toes off with an axe..."

Ketchikan

What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 355

13% Alcoholism
6% Children
37% Education
6% Elderly
21% Employment
9% Health
5% Housing
2% Income Maintenance
1% Rehabilitation

Meeting Results

Education
Alcoholism
Employment
Health
Children

The top five priorities in the areas of human needs remain similar throughout Southeast Alaska with education consistently the number one concern. Only the second through fifth choices shift around due primarily to the various responses and reactions to the controversial issue of alcoholism.

After education, employment statistically receives the most support. But it should be noted that at meetings, alcoholism usually usurped the second priority position. Like several other Public Forum questions - - i.e. land management and oil and gas leasing policies - - there are some concerns that become gut level issues and provoke a strong response at meetings. Alcoholism is such an issue. However when a person is left to record a vote on the questionnaire, employment moves ahead of alcoholism. And by the time all nine issues are averaged, alcoholism drops to fifth place.

Nonetheless, if we look at both the questionnaire responses and

meeting results, it appears safe to say that education, employment and alcoholism were among the top three concerns among the people of Southeast who participated in the Public Forum. The rest of the issues fall in behind these with health first, care of children second, followed by programs for the elderly, housing, income maintenance and rehabilitation in that order.

It is also interesting that people had some difficulty initially sorting out priorities. Some felt that education was the key to arresting the problems of alcoholism, unemployment, health care etc. Others felt strongly that employment provided the solution to the problems of almost all the other categories. Still others said if you're not healthy you can't be educated or work. And so it went, implying a basic interdependency - one need upon another.

It is important to point out that people discussing this question felt a need for more information. Although the question was designed to be answered within a personal frame of reference, people rejected this idea and wanted more background. Significantly, this means people generally are uninformed about state services in the area of human needs.

Education: At the Ketchikan workshop, as in the rest of Southeast, Public Forum participants selected education to head the list of human needs. At the Juneau meeting a young biologist articulated a reason why this might be the case when he said: "education really provides an umbrella solution to many of the other human needs. If we start there we can cover a number of other needs at the same time." In Skagway, the theme switched as people discussed the need for a local university, adult and vocational education classes. Only in Wrangell did people take exception to this issue saying that because education was required by state law it should not be included on this list of human needs.

Alcoholism: This issue had a slight edge over care of children as people's

second priority at the Ketchikan meeting. It was suggested that a tax be placed on alcohol to help cover the cost of rehabilitating the alcoholic. This recommendation was to be repeated over and over again at Public Forum meetings throughout Southeast and other regions around the state. As a middle aged lumberman said: "I had an idea that a tax should be put on booze so that the people that have to be rehabilitated can help pay their own way. After all, it is a self-inflicted disease, you know, just like if you chopped your toes off with an axe, so I'm boostin' for a tax on booze to help the alcoholic."

The people of Skagway also recommended a tax on alcoholic beverages. In Craig Public Forum participants specifically, expressed the importance of rehabilitation programs, and in Wrangell people criticized efforts that place too little importance on reintegrating the recovered alcoholic into the mainstream of society. People in Petersburg, Haines, Angoon, Sitka and Juneau all placed alcoholism among their top three priorities. Employment: Ketchikan workshop participants stressed the need to employ people locally in Alaska, and to design vocational training programs to meet existing job opportunities in-state. Sitka participants echoed this need for realistic employment training, while in Craig, people pointed out that in their community unemployment hardships are aggravated by contractors who bring in employees from other areas to work on projects that should be employing the local people of Craig.

Both Haines and Metlakatla placed employment high on their priority list based on their particular needs. In Haines, the two lumber mills, formerly the town's major employers, had recently closed leaving many people in the community unemployed. In Metlakatla, residents have always depended on seasonal employment and at the Public Forum meeting they expressed an interest in developing some kind of year round industry to provide more jobs.

Angoon people also ranked employment high on the list of human need priorities, adding that employment could eliminate a lot of alcoholism problems. As one young woman said: "people usually drink when they have nothing else to do and job opportunities might turn this around."

Health: Ketchikan workshop participants centered their health care discussions around poor standards and inadequate delivery service in remote communities.

These criticisms were repeated in the general sense in Juneau, Angoon and Craig meetings, but Thorne Bay and Metlakatla participants cited specific medical care deficiencies in their communities, expressing the need for a health nurse and some kind of clinic.

Care of Children: was the other human need area rated second by the people attending the Ketchikan workshop. However, it did not receive as high a ranking in other Southeast meetings. Most of the concern was for more day care facilities. As a 32 year old woman from Ketchikan commented: "18,000 children under school age in the most crucial years of their lives have working parents in Alaska. Day care should be subsidized as are the schools."

Another Ketchikan participant, a 57 year old, eight year resident voiced his concern for better preschools. "Having reared three children... we believe programs are needed to teach and stimulate those very young while they are in the age group where they are developing at least 50% of their potential I.Q. . . Our children are our main reason for surviving. We should spare nothing to expand their potential, but new thinking is required."

Juneau Public Forum participants also encouraged that more emphasis be placed on preschool activities while Sitka, Haines and Klawock expressed a concern for day care facilities, the latter stressing that there was a real need in Klawock, particularly in the summer when the cannery is open.

Beyond these areas, the comments begin to become more fragmented.

There were some expressions of concern regarding programs for the elderly which if not commonly repeated are worth noting. On the tabulated questionnaire responses, it was the long-time resident Alaskans that indicated a higher priority for programs for the elderly and care of children.

Programs for the Elderly: Petersburg participants expressed a concern that housing be made available for senior citizens in the communities in which they live so that they will not have to be moved to strange surroundings to have a roof over their head. "Smaller rest homes for the aged is very important," said a 56 year old Petersburg woman. "Old people feel, when they leave home and friends, they leave to die."

In Wrangell, participants discussed the independent spirit of Alaska's pioneers and recommended that this be supported by providing employment opportunities for elderly people.

QUESTION 2
THE NORTH

"I go with education...I've always said
you cannot force human beings but you
can lead them---with understanding."

Barrow

What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 104

15% Alcoholism
5% Care of Children
36% Education
4% Programs for the Elderly
10% Employment
15% Health
10% Housing
2% Income Maintenance
3% Rehabilitation

Meeting Results

Education
Health-Alcoholism
Employment

The overall priorities for question two at meetings in the North were education, health and employment. Alcoholism again proved to be an erratic issue always ranking high but in some instances, much higher than others.

On the questionnaire tabulations, the issue of alcoholism appears to have gathered its greatest support among younger and blue collar participants. On the other hand, middle-aged people tended to list employment higher among their concerns.

Education: Throughout the North, education had no competition capturing the number 1 priority position among human needs. An elderly native leader in Barrow explained quietly why he thought education was so important. "I go with education," he said when asked his priorities. "I've always said, you cannot force human beings but you can lead them--with understanding."