

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

202 SCOMM 9: HOUSE SPEC. COMM. ON PERMANENT FUND 1977-78

3. LAND DISPOSAL

Last year's Public Forum workshops did highlight strong concern over the policies and procedures for State land disposals. While the issue treated was geared mainly to the objectives for managing Alaska's lands, actual disposal was implicit in the concerns of the public. In order to build on last year's results -- land for renewable resources, and land for people's needs -- more refined questions must be posed.

In order to attempt to implement a State land disposal policy, the following issues should be addressed. It should be noted that these questions are preliminary. The Department of Natural Resources is presently developing a more refined set of questions. These are included solely to indicate to the Council the range of topics possible within the Land Disposal issue;

1. In order to implement a land disposal policy, the State must first determine specific disposal criteria. What do you consider the primary objectives of a disposal policy?

- . make it available anytime someone wants it?
- . disposal only if and when an established need for land exists?
- . to maximize revenue to the State treasury?
- . to stimulate economic development?
- . to satisfy overall State social objectives?
- . other?

2. Should the State give preferential treatment to certain groups in its disposal decisions?

- . residents vs. non-residents?
- . non-land owners vs. land owners?
- . Natives vs. non-Natives?
- . based on annual income?
- . promoters of economic development?
- . for preservation of open space?
- . none?
- . other?

3. Is private disposals necessarily in the best interests of the general public? Is there other lands (public) available to satisfy particular needs? Given that the State is only one of several land-owners in the State, should it be called upon to satisfy all needs?

4. Under what circumstances should the State demand a less than fair rate of return on land it elects to dispose?

- . for homesites?
- . for agricultural developemnt?
- . for recreation?
- . to preserve open space?
- . for subsistence use?
- .none?
- . other?

5. What specific means should the State employ to dispose of its land?

- . leasing?
- . fee simple sale?
- . transfer of development rights?
- . through municipalities?
- . other?

6. At present, land classification activities take place prior to land disposal. Subsequent to disposal, classification is no longer binding. Should land classifications be maintained to see if the land is being used for the purposes for which it was intended?

7. What kind of specific land needs exist in your community?

- . housing?
- . recreational lots?
- . agricultural lands?
- . open space?
- . industrial/commercial lots?
- . educational or health facilities?
- . none?
- . other?

4. SUBSISTENCE

The most controversial question facing the State in the area of fish and wildlife management is the issue of the subsistence use of resources. It was consistently raised at last year's workshops and represents one of the most important areas of concern in rural Alaska. Yet, it is an issue highly charged with emotionalism and distortions and is representative of the growing dichotomy between urban and bush Alaska.

The State administration is now trying to identify the critical points of contention and lay out specific guidelines for its operating agencies to address the issue. Public input is critical to this process. As the Commissioner of Fish and Game has noted, "....It would be enlightening to examine in a public forum the true nature, scope and relationship of subsistence dependence on resources in relation to existing access opportunities provided by state policies and regulations, lifestyle considerations, (and) aboriginal versus present-day harvest technologies..."

Listed below are some sample questions that could elicit the types of responses necessary to address both the issues raised by the public last year and the concerns expressed by the Commissioner:

1. There is a growing concern over the future of the State's fish and wildlife resources, particularly for subsistence use. What do you regard as the greatest immediate threat to Alaska's fish and wildlife resources?

- . Federal government policies?
- . sport hunting?
- . present subsistence practices?
- . State policies and regulations?
- . oil and gas development?
- . road building?
- . more people?
- . mining?
- . logging?
- . d(2) lands?
- . none?
- . other?

2. How can subsistence use be defined, and what constitutes a subsistence lifestyle? What criteria should be established for subsistence use?

- . degree of dependence on the resource (need)?
- . annual income?
- . income producing potential of the resource for an individual?
- . cultural or ethnic relationship to the resource?
- . other?

3. Do you consider yourself a subsistence user? Why? What proportion of your needs are met by subsistence use?

4. Should subsistence resources be managed? What role should the State play?

- . none?
- . regulatory?
- . enforcement?
- . technical assistance to localities?
- . education, research, resource inventories, etc. ?
- . other?

5. Should the State's subsistence policy be a uniform statewide policy or several policies tailored to regional needs and differences? Should there be preferential treatment in the use of the State's fish and wildlife resources?

- . no?
- . local users vs. other users?
- . based on regional or local habitat populations?
- . Native vs. non-Native?
- . in-state users vs. out-of-state users?
- . based on the degree of subsistence dependence?
- . subsistence vs. sport vs. commercial?
- . through a permit system?
- . other?

6. Should the State, Federal or local government have jurisdiction over subsistence resources and the setting of subsistence regulations? What role should communities have? Subsistence advisory councils? Regional or Statewide regulatory boards?

7. Do you view subsistence use as an historical right? If so, do you think that it should be required that historical methods of harvesting be employed when engaging in subsistence use? Why?

8. Do you think that subsistence use of fish and game resources is the highest and best use of these resources? Why? If fish and game resources diminish, would you be willing to forego recreational and commercial use of these resources so that subsistence could be maintained?

9. Is additional or improved game law enforcement necessary in your region? Should special subsistence zones be established? Should non-local subsistence resource users be excluded from such zones?

OTHER PUBLIC FORUM ISSUES FOR GROWTH POLICY COUNCIL CONSIDERATION

5. GOVERNMENT ORGANIZATION/SERVICE DELIVERY

The Government Organization/Regional Political Relations/Government Service Delivery issue is all-encompassing. As such it becomes too burdensome to work with when trying to develop meaningful and useful Public Forum questions. Two options are possible: try to list as many questions as possible, hoping the Council will cull out their primary concerns -- regionalization and/or decentralization of State government, Satellite Boards, subsidies, social service delivery problems, etc., etc.; or, request that the Council refine the generic issue, and be more specific in their concerns prior to generating a set of questions. The latter is opted for.

The multiplicity of options necessitates this. For example, the subsidy question alone is staggering -- subsidies through taxation policies; through government expenditures; hidden vs. open; direct vs. indirect; to meet certain social or economic objectives -- and cannot be discussed in a vacuum. The subsidy issue is really just a component of other concerns -- economic development (and the means to accomplish); transportation (and who pays for what facilities); social services (and who bears the burden) -- and should, therefore, be logically discussed within the context of other more specific issues.

Decentralization and regionalism must also be related to more specific issues. For example, which governmental functions (law enforcement, public health, sewage treatment, zoning, taxation and assessment of property, social services, land use planning) should be transferred or retained by what level of government (State, regional, local)? What are the implications and legal restrictions associated with such transfers? What measures of success exist to evaluate which is the best level for a particular function? In a sense these are highly technical problems and probably do not lend themselves to a Public Forum type of debate.

Other examples of the too broad nature of the Government Organization/Service Delivery issue can be cited. Listed below are some general questions relating to particular areas of concern raised. They are intended to serve as a framework for further Council deliberations:

1. A major concern raised last year was the perceived inefficiencies of governmental operations. What do you consider are the major deterrents

to government effectiveness?

- . excessive duplication?
- . lack of public input into decision-making?
- . inadequate information exchange between the public and government?
- . absence of specific urban and rural policies?
- . inadequate service delivery?
- . centralized State government?
- . State employee wages?
- . none?
- . other?

2. What techniques should be employed to monitor State government effectiveness and efficiency?

- . sunset laws?
- . zero-based budgeting?
- . public referendums?
- . improved communications (telecommunications)?
- . decentralization of State government functions?
- . citizen oversight committees?
- . improved hiring practices?
- . constitutional convention?
- . centralized information office?
- . none?
- . other?

3. What should the State's role be in strengthening or otherwise modifying local powers to deal with governmental problems?

- . home rule legislation?
- . fiscal reforms (taxing, bonding, revenue sharing)?
- . technical assistance?
- . land use controls?
- . zoning?
- . local input into State capital budget formulation?
- . none?
- . other?

4. Should Alaska decentralize certain State government functions?

- . law enforcement?
- . public health?

- . sewage treatment?
- . taxation and property assessment?
- . social services?
- . land use planning?

5. Through what means can decentralization best be accomplished?

- . regional boards (with advisory or regulatory powers)?
- . community-based districts?
- . service-based districts?
- . demographic-based districts?
- . political-based districts?
- . local control over State programs and capital budget formulation?
- . other?

6. What role should the State play in encouraging the creation of borough governments?

- . specific incentives/disincentives?
- . technical assistance?
- . none?
- . other?

7. (For villages) How would you like to see your community organized?

- . home rule city? (with list of pros and cons)
- . 1st class city? (" " " " " ")
- . 2nd class city (" " " " " ")
- . remain as is ? (" " " " " ")

6. ALCOHOL

The alcohol issue had the benefit of wide discussion at last year's Public Forum workshops. To bring the question to the public again could tend toward repetition. The Governor, the legislature and State agencies must now begin to address the issues and attitudes raised, and to develop appropriate implementation legislation to deal with the major concerns. As the Council notes and recommends, alcohol is linked to health care, mental health, crime, problems of the elderly, etc., and government actions must reflect these interrelationships. Below are some sample thoughts that could be addressed and refined into specific questions if the Council chooses this issue. These are a refinement of last year's discussions and are geared to satisfying the specific information needs of State agencies and the legislature:

1. State officials estimate that alcohol abuse now costs the State over \$17 million, but alcohol revenues only generate \$7 million. Should alcohol "pay its own way?" How? Should the burden fall on all alcohol consumers? On a broad or narrow group of tax payers? Sales tax? Increased excise tax? Should all tax payers bear the burden? Just the wholesale liquor industry? Retailers of alcohol? Public and private health insurance?
2. Evidence indicates that the manner of sale of alcohol is closely tied with its abuse. Should the State consider allowing only State liquor stores (thereby increasing control and revenue to the State treasury while reducing the private profit motive) to sell alcohol (except in communities which vote dry)? What other alternatives exist for controlling access to alcohol by minors or people already intoxicated?
3. How effective have been rehabilitation and counseling programs? By the State? localities? the private sector? What role should the State play? Direct provision of services? Financial and/or technical support? What would be considered the most effective way of treating or preventing alcohol abuse? Rehabilitation? Counseling? Education? Stronger controls? Improved enforcement of existing laws?
4. Should communities be allowed to control the sale of alcohol? By setting limitations or banning the sale completely? What about banning possession if a community votes to do so?

5. Which aspects of the alcohol abuse problem should the State focus on? Bootlegging? Drunk driving? Child abuse and neglect? Illegal sales to minors? None?

6. To which target groups should prevention and treatment programs be directed? Pre-teens? Teens? Adults? Men? Women? Senior citizens? Urban residents? Rural residents?

7. What are considered the Alaskan causes of alcohol abuse? Climate? Lifestyle changes? Seasonal employment? Rural living? Urban living? Lack of cultural or recreational facilities?

7. TRANSPORTATION

Transportation emerged as one of the most discussed regional issues at last year's Public Forum workshops. While most concerns raised dealt with site-specific problems -- ferry schedules, rural roads, airstrips, air service, etc. -- they do relate to several important Statewide transportation issues. The new State DOT is now wrestling with three areas that require policy guidance:

1. Where should the State vs. local responsibility lie for the provision and maintenance of transportation facilities and services?
2. Associated with the above issue are two subsidiary ones: What should the State's position be on a "user pays" policy on the construction, operation and maintenance of transportation facilities? Given limited resources, should the State emphasize upgrading and maintaining existing facilities or building new ones?
3. Now that d(2) legislation is being finalized, potential transportation access problems become significant. The State needs public direction in setting out a Transportation Corridor policy for all lands -- Federal, State, Native. The sensitivity of the corridor question, particularly for the Native community, necessitates widespread public debate.

Eventhough significant, these transportation issues need not be addressed by the Growth Policy Council. The Governor has established a citizens Alaska Transportation Planning Council. This group has been charged with developing transportation recommendations for the Governor.

8. HUMAN RESOURCES

If the Council elects to address a Human Resources question, here are some examples:

1. The State is now funding education at the 100% level. What should we expect for our dollars? Should this be left entirely to the options of the local school boards? Should the State set minimum guidelines? If so, in what areas (i.e., percent to be spent on instructional materials, equipment, professional staff, etc.)? How much autonomy do local school districts really want?

Should the State set minimum competencies or skills that students should achieve at specified mileposts during their education years? (in addition to &/or instead of the current minimum high school graduation requirements in terms of units earned)?

Who should be held accountable for the education of our children (State, parents, teachers, school administrators, local school boards)?

2. Small rural secondary schools are being developed across the State, How can programs be delivered to them to better insure a high quality of education? Should more efforts be spent on : a telecommunications system, a rural-urban exchange program, special teacher training, etc.?

3. There is a felt concern and some statistical evidence indicating a trend towards the disintegration of families. Should the State develop a system of "family impact statements" (similar to the environmental impact statement concept) to gauge and anticipate the effects of policies and actions on families (in order to be more supportive the the family structure)? Should the State do anything to be supportive of the family structure? What?

4. What is the minimum standard of the Alaskan quality of life? What are basic Alaskan citizen needs (i.e., income, shelter, nutrition, recreation, etc. minimum needs)? This needs to be identified so that we can assess whether or not Alaskans minimum needs are being met, and eventually so that Federal, State and/or boroughs and others can determine what is fair to provide to all Alaskans so that all may benefit from living a quality life.

5. Is the Alaska public satisfied with current State unemployment laws? Waiting periods? What are public attitudes toward mobile "Job Service" vans?

9. WEALTH MANAGEMENT

The issue of wealth management is integrally related to all state activities and thus to nearly any question which might be posed to the public through the Forum. Virtually every public meeting abounds with suggestions for things the state should do or should provide, i.e. ways for the state to allocate its revenues. ϕ However, oil wealth has recently been financing about 60% of State expenditures. Since these revenues result from the ~~extraction~~ sale and extraction of a public resource, it is clear that this (currently) relatively painless method of financing state activities cannot continue indefinitely.

Thus we face the inevitable ^{task of moving} ~~necessity to move~~ the financing of state expenditures from ϕ a non-recurring ^{to a recurring} ~~to a recurring~~ source of revenues.

The formation of the Permanent Fund has been viewed by some as the solution to the wealth problem, since the Fund assures that a ~~px~~ portion of the wealth will be maintained. Although the interest earnings of the Fund will represent a recurring revenue source, these earnings cannot bridge the gap which will result because of declining oil revenues. Further, there is little evidence that the State, through intervention in the private economy, has the ability to assure the growth of a tax base large enough ~~to~~ replace oil income.

Nor is the other side of the equation -- state expenditures -- an easy ~~element~~ ϕ to control. As the population increases and costs rise, ^{as a result of which} ~~expenditure~~ upward pressures are exerted against expenditure ceilings ^{which are made} ~~simply~~ to maintain the current ^{service} ~~service~~ levels.

This then is the wealth management question. How can the State adjust its expenditure/revenue situation to assure a stable long run government sector?

It is difficult to refine this rather global issue for presentation in question form to the public. Perhaps a useful approach would be to ask the public their preference (value judgement) regarding a solution to the problem. For example:

1. At present approximately 60% of state expenditures are financed with oil wealth. Since state expenditures will continue as oil wealth declines, how would you rank the following methods of paying for state expenditures in the future?

- _____ a. Accumulate oil revenues in interest earning investments and use these interest earnings to pay for state expenditures.
- _____ b. Raise existing taxes. Specify types: _____ income(personal)
_____ excise
_____ business
_____ other (list)
- _____ c. Increase user fees for state services.
- _____ d. Set a ceiling on state expenditures.
- _____ e. Reduce certain types of state expenditures. Specify area of reduction: _____

- _____ f. Encourage industries which will increase tax receipts to a greater extent than they increase state costs.
- _____ g. Let future residents worry about paying for state expenditures when oil revenues decline.

Alaska State Legislature

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REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

September 26, 1977

*Sent to all
Committee
members*

The Honorable Rick Urion
4222 Pinnacle Circle
Anchorage, AK 99504

Dear Rick:

Attached is a copy of the Alaska Public Forum's schedule. The Chairman has instructed me to tell you that the Committee will pay travel and per diem for any out of town meetings you will attend. For planning purposes, it would be greatly appreciated if you would notify this office of your plans to attend forum meetings.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Doogan
Administrative Assistant

MD:LAD

Attachment

<u>DAY</u>	<u>DATE</u>	<u>LOCATION</u>	
Mon/Tues	Oct. 3/4	Dillingham - Togiak	Evening
Wed	Oct. 5	Wainwright	Evening
Wed/Thurs	Oct. 12/13	Kotzebue - Noorvik	Evening
Sat	Oct. 22	Anchorage	Day
Wed/Fri	Oct. 26/28	Nunapitchuk - Emmonak	Evening
Sat	Nov. 5	Fairbanks	Day
*Tues	Nov. 8	Chalkyitsik	Evening
Wed	Nov. 9	Kenai	Evening
Fri	Nov. 11	AFN Convention	Afternoon
Thurs	Nov. 17	Galena	Evening
*Sat	Nov. 19	Copper Center	Day
Tues	Nov. 29	Cordova	Evening
Wed	Nov. 30	Hoonah	Evening
Sat	Dec. 3	Ketchikan	Evening

*Absolute need for GPC

September 22, 1977

Barry Quinn
Alaska Public Forum
429 D Street, Suite 310
Anchorage, AK 99501

Dear Barry:

Thank you for sending over the (almost) final questions and background material for the Public Forum's upcoming program. The preparation of this material has been a lengthy and arduous process, both for you and for us. After reviewing your Permanent Fund material, I have serious reservations about the value to the Committee of several of the questions. In saying this I don't mean to infer bad motives to any of the many persons and groups involved in the negotiation of the questions.

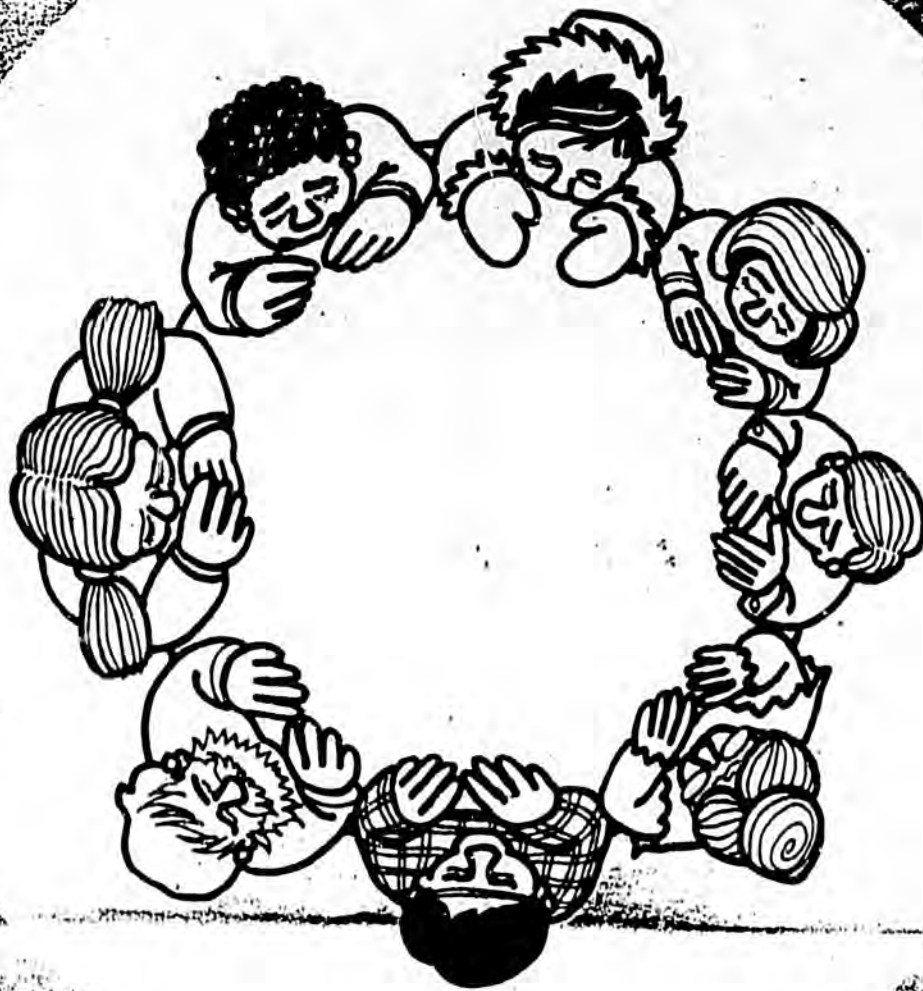
I will be circulating your schedule to Committee members and offering to pay their travel to attend forum meetings.

With regard to the advertising for the forums, I am hesitant to make a final commitment of either funds or time until I can look at a more detailed proposal. The Committee's interest is that the advertising be politically neutral, and for that reason, I will not appear in the ads.

Cordially,



Rep. Clark Gruening
Chairman



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	Lidia Selkregg
Frank Homan	Herbert Smelcer
David Klein	Diana Tilton
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.

Our address: The Alaska Growth Policy Council, 429 "D" Street, Suite 310, Anchorage, Alaska 99501

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 titles, 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

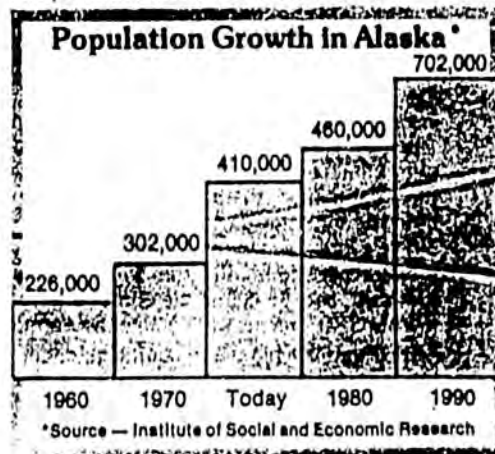
And where are we today? Generally, we are in the middle of a prosperous era with no immediate end in sight.

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 \$8 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

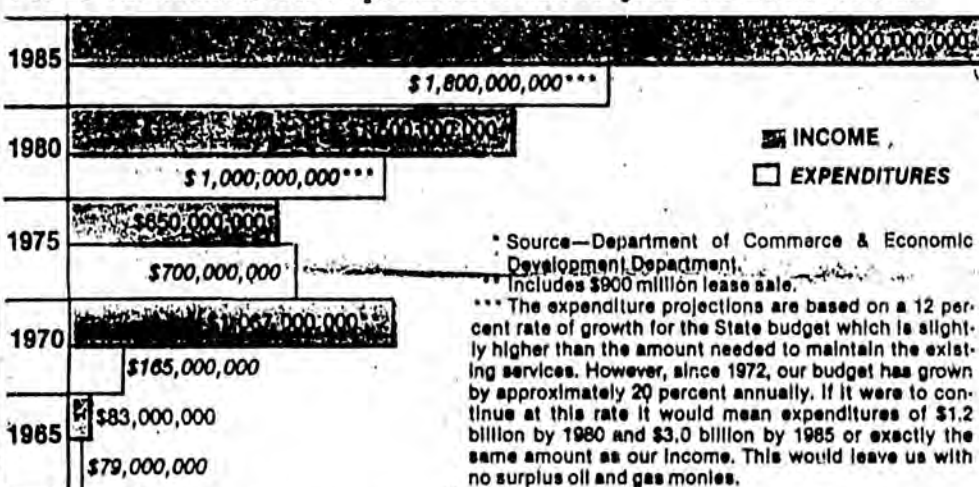
Oil and gas revenues not going into the Permanent Fund and those available as earnings from the Fund may be used for a number of purposes. As with the Fund, this money may be saved for future security or loaned to industries, communities or individuals providing a new kind of future for Alaska. (See 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 | ☐ e. Employment |
| ☐ b. Care of Children | ☐ f. Health care |
| ☐ c. Education | ☐ g. Housing |
| ☐ d. Programs for the elderly | ☐ 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 \$80 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. | ☐ 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. |
| ☐ b. 100% State funding from a statewide sales tax. | |
| ☐ c. Local property taxes throughout the State and supplemental funding where needed. | ☐ 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



OWNERSHIP OF ALASKA'S LAND

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



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.

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 | ☐ d. To promote industrial growth and development |
| ☐ b. To provide land for people's needs | ☐ e. To preserve the natural environment |
| ☐ c. To promote renewable resource development | ☐ 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 these 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.

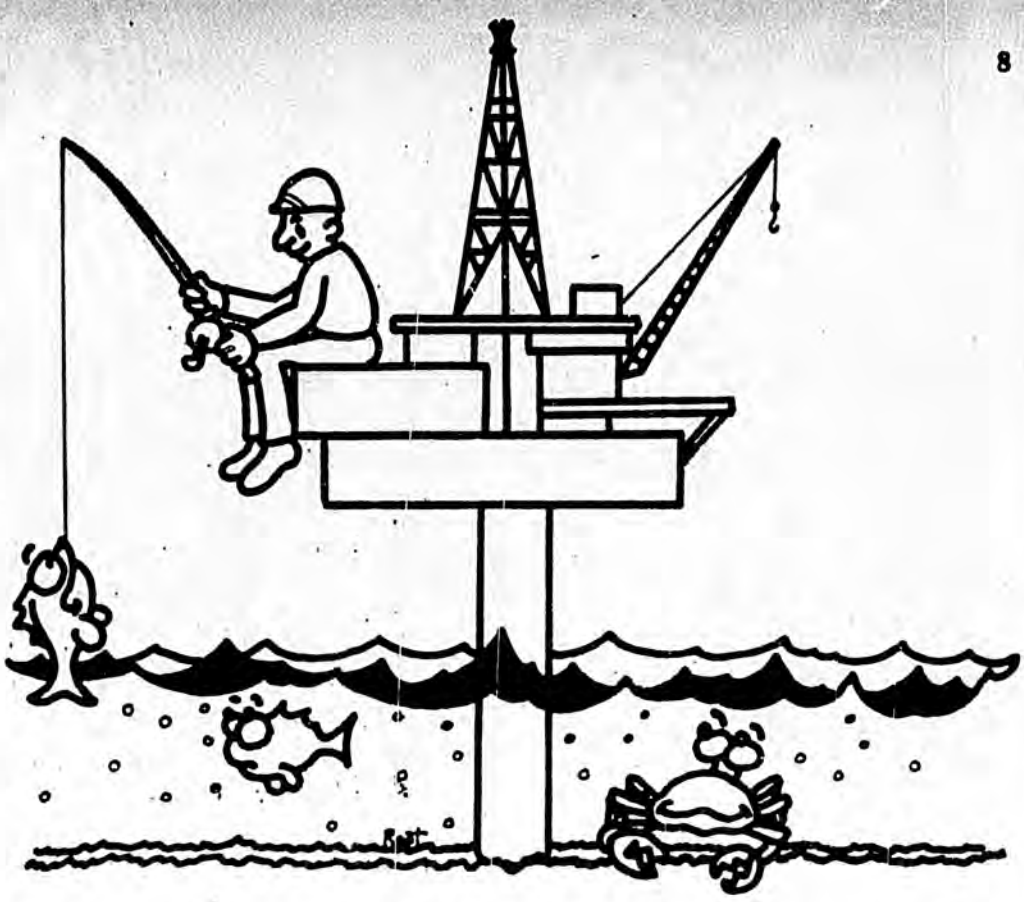
It also believes that oil and gas might be found on other land it owns, both onshore and offshore, but specifically offshore, in the northeast and northwest Gulf of Alaska, the Aleutian Chain, Bristol Bay, and the Bering Sea. However, there is no proven potential in any of these areas.

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 1.8 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.
- ☐ 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 _____



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 9.8 billion barrels of oil and some 26 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 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.

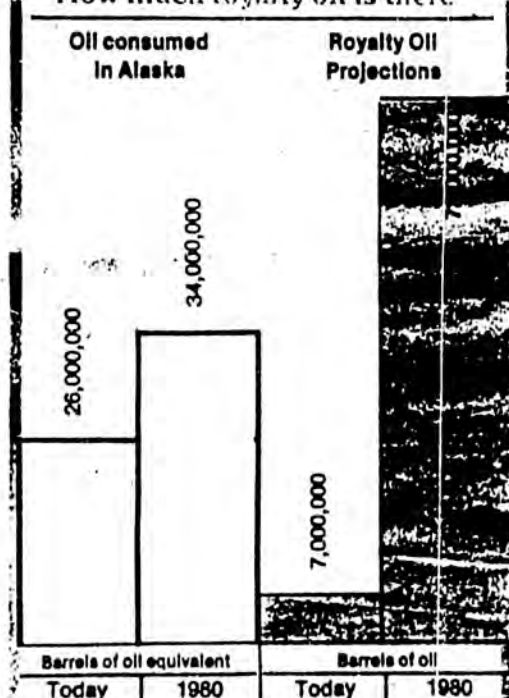
A *second* option could promote industrial development in the State. To do this, Alaska might sell the oil and gas to industries, perhaps at a lower rate than it might get on the open market, in order to create the incentive for them to locate in the State. Two types of industry might develop: 1) those 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.
- ☐ 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 _____

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 Frontierman
Tundra Drums
The North Wind
The Chilkat Valley News

Fold Here

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.

ADDRESS
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B.
Alaska Public Forum
Workshop

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BUSINESS REPLY MAIL

No Postage Stamp Necessary if Mailed in United States

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REGIONAL HIGHLIGHTS

Introduction

Over the past year, in meetings of the Public Forum throughout the state Alaskans spoke simply, directly, eloquently on issues which will affect their lives. It is those voices and the color of their responses which we hope to capture on the following pages.....as they discuss their government, their opinions, and the potential of the future.

In keeping with the spirit of the Alaska Public Forum, we decided not to publish a weighty government document. We felt, perhaps, that elaborate detail and a barrage of statistics would make this report far too intimidating for the casual reader and even some decision-makers. That would be unfortunate and defeating.

Thus, it is our intent to be brief, hopefully without sacrificing the clarity of those voices or compromising the enthusiasm generated within the Public Forum discussions. This narrative will attempt to underline the highlights.

We found that people spend more energy debating those issues which are closest to their hearts, livelihoods and pocketbooks. In each region there were some strikingly different emphases. However, surprisingly, in a state so uniquely diverse as Alaska, there were many common threads.

Some may accuse us of being too sketchy. For those who wish to delve deeper, further inquiry will produce reams of additional information.

THE SOUTHEAST REGION

Alaska's "panhandle". This thin strip of coastline is rich in wood, fish, minerals, and scenic diversity. Throughout Alaska's history under the American flag, Southeast has been a center of government and trading.

Currently, timber is the main economic support. Fishing ranks close behind. Tourism and recreation are third among Southeast industries and growing rapidly.

Government is the largest employer in the region. However, with the plans for moving the state capital and most of the state and federal services with it, that picture will radically change.

The country of southeast pans jagged mountains, dense forests, glaciers and fjords. For the most part, communities are located along waterways connected to the outside world through the Alaska Marine Highway system and charter plane service. There is commercial air service as well through the five larger towns, although it is often said to be inadequate by the people who depend on it.

Primary Themes

Indeed, transportation failings raised the ire of Southeasterners gathered at Public Forum meetings.

A number of criticisms were leveled at the Marine Highway System, among them inappropriate schedules and unacceptable sanitary conditions. More than this, participants repeatedly echoed the sentiments of a middle-aged logger who said, "That ferry system is our road to the South and you keep reading in the paper about the profit they're making or how much money you're losing. There ain't no talk about the profit they're making or the money they're losing on the roads into Anchorage and Fairbanks...." In Skagway, people continued with their complaints. As a young teacher said, "We have four or five ferries a week in the winter and that sounds real good, but three of them are on Sunday." In Thorne Bay, residents recommended the use of hydrofoils to transport people and goods throughout the region.

The inadequacies of air transportation were pointed out, along with an expressed desire to upgrade navigational aides at Southeast airports. A final concern was that localities be included in any transportation plans that might affect them.

In addition to transportation, the highly-charged issues in Southeast encompassed renewable resources, community services and land selections.

Generally, renewable resources here translated as fishing, timber and tourism.

The region was committed to the rehabilitation of the struggling fishing industry, through more planning, research and technical assistance. There was support for hatcheries, for aquaculture. As one Craig fisherman who, in the past, has contributed part of his catch to the Aquaculture Association articulated, "My job is to catch fish but I also want to make sure that someone isn't going to point a finger at me 20 years from now and say, 'that guy was a fisherman and he used to catch lots of fish, but the fish are gone now because he caught them all'."

Residents were critical of management by Fish and Game Department. Some felt the seasons for taking fish were arbitrarily set. Said a long-time fisherman, "I want to know that when Fish and Game tells me I can go fish that they're right and I can leave something for posterity."

There was also great concern over the rapidly disappearing herring runs, important because herring are the primary food supply of the valuable salmon.

Permanent Fund

From Skagway to Metlakatla, the use of new oil and gas revenues for loans for renewable resources drew enormous applause. As a Petersburg resident remarked, "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."

Community loans tied with community revenue sharing and community grants for the second highest vote as to the channel for investing the Permanent Fund

money and additional oil wealth. Towns such as Sitka, Wrangell, Skagway and Petersburg supported the idea of loans for communities, particularly for hydro-electric projects and small businesses.

Land

Along with the promotion of renewable resource development, Southeasterners felt strongly that state land should be selected with "people's needs" in mind. Communities in the panhandle are surrounded by waterways of the Inland Passage and mountains covered by national forests. They are locked in with no room for expansion. Participants didn't want tremendous growth, but did demand room for individual homesites.

They decried the lack of lands for homesites and the slowness of the state land selection in the region. Furthermore, they cautioned the state to keep its lands out of the hands of speculators.

As a young teacher at the Ketchikan workshop put it in a question to the Governor, "I'm asking the basic question. When am I and fellow 'I's' going to get five acres to raise chickens and a garden on? We don't want a handout. But when can I count on buying it?"

There is some land that can be used for homesites in Southeast. This land presently belongs to the U. S. Forest Service. However, the state through the Statehood Act, has the right to select acreage in these forested areas. One of the recurring themes was to get on with the state land selection in Forest Service areas.

Social Issues

In the debates over social issues, education consistently came up as the number one priority...."the umbrella solution". Following that was the problem of unemployment, which was strongly linked to education. In Ketchikan, residents expressed the need to design vocational training programs which would meet the existing job opportunities in the state. In Craig, employment hardships are

aggravated by contractors who bring in employees from other areas to work on projects that, residents felt, should be employing local people. In Haines, two lumber mills had recently closed leaving many in the community without work. In Metlakatla, residents depend on seasonal employment and want year-round industry. In Angoon, lack of employment, it was felt, stimulated a lot of alcoholism problems.

Although education and unemployment ranked highly, alcoholism was the gut-level issue which probably provoked the strongest response. Often people suggested placing a tax on alcohol to cover the cost of rehabilitating the alcoholic. And in Wrangell, participants were critical that too little emphasis is placed on the importance of reintegrating the recovered alcoholic into the mainstream of society.

A middle-aged lumberman spoke out for the tax. "I had an idea that a tax should be put on booze so that the people who 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 boosting for a tax on booze to help the alcoholic."

(In Southeast, the Alaska Public Forum conducted a regional meeting in Ketchikan with town meetings in Wrangell, Petersburg, Juneau, Sitka, Skagway, Haines, Craig, Klawock, Thorne Bay, Angoon, Metlakatla and Hoonah.)

SOUTHEAST

Demographic Characteristics

	1970 Census Information on Southeast	Alaska Public Forum Participants Southeast
<u>Age:</u>		
Under 25	23%	14%
25-34	24%	26%
35-44	19%	20%
45-54	16%	20%
55 and over	18%	20%
<u>Sex:</u>		
Female	47%	33%
Male	53%	67%
<u>Occupation:</u>		
Professional-Technical	27%	29%
White Collar	20%	24%
Blue Collar	12%	26%
Not in the Civilian Labor Force	41%	21%
<u>Length of Residency:</u>		
3 years or less	-	18%
4-10 years	-	23%
over 10 years	-	59%

Total Number of Respondents: 475

SOUTHEAST

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

Questionnaire Results

Number of Respondents: 446

- 14% Save it
- 6% Loan it to communities
- 4% Loan it for industrial development
- 32% Loan it to develop renewable resource industries
- 4% Loan it to individuals
- 17% Use it for tax cuts for Alaskans
- 14% Use it for revenue sharing and community grants
- 4% Use it for more state services and public facilities
- 6% Other: Not to move the capitol, pay off bonds

2. What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 355

- 13% Alcoholism
- 6% Care of Children
- 37% Education
- 6% Programs for the Elderly
- 21% Employment
- 9% Health Care
- 5% Housing
- 2% Income Maintenance
- 1% Rehabilitation

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 464

- 26% 100% State funding from the General Fund
- 9% 100% State funding from a statewide sales tax
- 17% Local property taxes in all areas and supplemental funding where needed
- 39% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 9% Other: Local participation

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 395

- 4% To raise revenues for the state
- 40% To provide land for public needs
- 44% To promote renewable resource development
- 10% To promote industrial growth and development
- 2% Other: Multiple use

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 468

- 5% It should sell leases as fast as possible to maximize its oil and gas revenues.
- 60% It should sell leases at a moderate rate to assure a steady flow of income for a long period of time.
- 7% It should lease when the state needs large sums of money to meet public needs.
- 22% It should do no further leasing and make the best use of present income.
- 6% Other: Environmental and community safeguards

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 459

- 37% The state should take its royalties in money or substance to sell for a financial gain.
- 19% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 31% The state should provide in-state residential use of the royalty oil and gas.
- 13% Other: Combination of option 1 and 3

THE NORTHERN REGION

The home of the Inupiat Eskimo, the North today is a product of traditional subsistence lifestyles mingled with the advance of western culture.

First the whalers arrived, then the miners. Eventually, government activities played a part, whether through management of the 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 is experiencing the effects of oil and gas exploration and development.

The introduction of western practices such as health care, education and religion had both positive and negative influences. On the negative side, this disruption of the independent lifestyle of the northern people has tended in some communities to create a dependency on state and federal government for services such as housing, health care and education.

Still, the economy is based primarily on a subsistence way of life. Most of the employment which exists is seasonal and includes commercial fishing, herding, limited tourism and arts and crafts. Only Nome owes its development to mining rather than subsistence pursuits. More recently, oil development has changed the economy of the Arctic Slope. Poor transportation and communications have in the past and continue today to hamper the delivery of services throughout the region.

Primary Themes

The emotional themes evolving out of Public Forum meetings in the North corresponded closely with those in Southeast....renewable resources, communities and the land....although in the North these are, perhaps, more tightly intertwined.

Communities

In this northern part of the state, where inhabitants generally live in small, isolated villages along coastal and river sites, the importance of community development seemed paramount. That is the direction Forum participants chose to funnel Alaska's new oil and gas money. They favored community revenue sharing

and grants as well as additional state services to the region.

In Barrow and Kotzebue, people vigorously protested using population figures to determine revenue sharing allocations. Many suggested that a greater percentage of the oil revenues should go to communities where oil had been discovered and which, as a result, had suffered some impact. Renewable

Renewable Resources

Close on the heels of this concern was a staunch vote for the preservation of the fish and game, viewed by participants as the essence of their existence and livelihood. A young Barrow resident pointed out, "I believe that loans for 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."

Renewable resources can and do provide an income for many people of the North, such as in commercial fishing or reindeer herding. But, more importantly, the fish, reindeer, caribou, sea mammals, and tundra plants are the foods they bring to their tables. Thus, the land for them is precious not only for economic purposes but also for sustenance and they spoke strongly in its defense.

Land

"The land belongs to the people of this state. It should be treated as theirs primarily by concentrating on renewable resources. This can be done in the areas of agriculture, reindeer herding and such things that would not necessarily damage the land. Then the same land could be enjoyed and used by the public," observed one resident. So as the state looks to the selection of its lands, northern participants urged a dual objective...land for renewable resource development and for public needs.

- "Industrial development? Sure we're in favor of it....in Anchorage," quipped one Kotzebue man. But a long-time Alaskan and teacher in the Northwest pointed out, "We could have industries for tanning hides, mineral development, oil from belugas. These items could be hauled back with every carrier that leaves here

empty and it would make it cheaper for the items coming up here." Most tended to think that industrial development would only encourage a conflicting lifestyle and bring discontent to the region's inhabitants.

Oil and Gas Leasing

Considering the state's policy on oil and gas leasing, people were inclined towards selling leases at a moderate rate, but with maximum safeguards against the disruption of communities and fish and game. In Barrow, participants recommended the state lease on-shore rather than off-shore, for in this coastal town, people rely heavily on the harvesting of sea mammals.

As one whaler observed, "I think that would be the best deal (to drill on-shore only), because when you drill in the water you're going to lose the mammals that we've had for centuries. They have already been disrupted now...we've seen that this fall. We didn't have any small whales. All we saw was the big ones and we had to go so far out we couldn't even save the meat. By the time we got in here, they got bloated."

Royalty Oil and Gas

The debate over the future of the royalty oil and gas was significant in northern communities because of the high prices people must pay for fuel there. They saw these royalties as a way to reduce the price of oil in rural Alaska and overwhelmingly supported in-state residential use; particularly if the state could remedy the present imbalance in the cost of fuel oil. The people in Shungnak pointed out that they must pay \$83 for a drum of oil while people in Anchorage pay something closer to \$25 a drum.

Alcoholism

Equally important in these rounds of discussions were the issues of alcoholism and the transportation dilemma.

While education seemed the bulwark to help people cope with the future, alcoholism was a more immediate and desperate problem. "Everything that is involved

under the human needs question is affected by alcoholism," related a middle-aged woman from Kotzebue, urging an increase of staff for alcoholism programs. "Children don't get to school to get a proper education; we have families that are broken up; we have illness. It is a community problem. One person cannot solve it. When you have a total of 167 clients and you've got one counselor, it's just not realistic to think that one person can handle it."

The strongest recommendation which came out of the Kotzebue workshop was for the state to place a tax on alcohol to rehabilitate the alcoholic.

Transportation

In the area of transportation, selected as a major concern in Kotzebue, Gambell and Nome, criticism was directed primarily at the air service. People were distressed over airport maintenance in smaller villages especially, citing second-hand, inoperable or non-existing equipment. This can mean weeks without plane service when the air strips are icy or muddy, many participants explained. Others found fault with the location of air fields, indicating that planes often have to land and take off in dangerous crosswinds. They expressed a need for runway lights to expedite emergency medical evacuations. In addition, air schedules and routing drew fire as people protested that there are no direct flights to Anchorage.

(In the North, the Alaska Public Forum held a regional workshop in Kotzebue. Smaller meetings were conducted in Barrow, Nome, Kivalina, Deering, Shungnak, Kobuk, Gambell, Stebbins, Saint Michael, and Unalakleet.)

NORTH

Demographic Characteristics

	<u>1970 Census Information on the North</u>	<u>Alaska Public Forum Participants the North</u>
<u>Age:</u>		
Under 25	34%	17%
25-34	22%	36%
35-44	16%	29%
45-54	12%	10%
55 and over	16%	8%
<u>Sex:</u>		
Female	45%	42%
Male	55%	58%
<u>Occupation:</u>		
Professional-Technical	7%	38%
White Collar	9%	24%
Blue Collar	19%	23%
Not in the Civilian Labor Force	65%	15%
<u>Length of Residency:</u>		
3 years or less	-	14%
4-10 years	-	20%
over 10 years	-	66%

Total Number of Respondents: 134

NORTH

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

Questionnaire Results

Number of Respondents: 133

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

2. 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 Care
- 10% Housing
- 2% Income Maintenance
- 3% Rehabilitation

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 127

- 44% 100% State funding from the General Fund
- 8% 100% State funding from a statewide sales tax
- 19% Local property taxes in all areas and supplemental funding where needed
- 23% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 6% Other: Oil and gas revenues

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 100

- 18% To raise revenues for the state
- 30% To provide land for public needs
- 41% To promote renewable resource development
- 11% To promote industrial growth and development

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 126

- 5% It should sell leases as fast as possible to maximize its oil and gas revenues.
- 51% It should sell leases at a moderate rate to assure a steady flow of income for a long period of time.
- 15% It should lease when the state needs large sums of money to meet public needs.
- 13% It should do no further leasing and make the best use of present income.
- 15% Other: Community and environmental impact

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 127

- 24% The state should take its royalties in money or substance to sell for a financial gain.
- 11% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 53% The state should provide in-state residential use of the royalty oil and gas.
- 12% Other: Combination of the above

THE SOUTHCENTRAL REGION

Today, Southcentral contains over half of the state's population. Most of the people live in Anchorage.

Development here has mushroomed dramatically in recent history.

At first the area was supported by mining and fishing, with some trapping and hunting on the side. Basically, a subsistence lifestyle. Waves of people migrated into the region beginning with the construction of the railroad at the turn of the century. The population expanded with the arrival of the Matanuska Valley colonists in the mid-thirties.

During World War II, military and federal government activities became the economic base for the region until more recently when Anchorage evolved into the center for operations of the state's private business sector. The petroleum industry, which includes secondary businesses as well as oil company activities, has now taken the lead as the region's largest private industry.

Rapid expansion seems to have some unsavory effects.

Primary Themes

In the eyes of Southcentral Forum participants, "big brother", alias state government, has gotten too unwieldy for their liking. The attitude that government is stepping in and doing more than people think it should be doing, "just goes against what I thought Alaska was supposed to be all about,....a little bit of independent freedom," grumbled one Palmer resident.

At all of the meetings, the growth of state government and the inefficiency of its operation were topics which kept resurfacing whether people pondered prospects of the Permanent Fund or areas of critical human needs.

Be it economy or population, the "delirious" growth of the state seemed to be a source of dismay to many. A grocer in Anchorage was concerned over how we can best control that expansion so it doesn't get out of hand. "Limits should be placed on new people that would be allowed to settle here," he said. "Especially if they're

just going to take jobs away from Alaskans or land on the unemployment rolls."

A barkeeper in Homer seemed to have similar sentiments; "There's just too many new people coming up here and getting a free ride. Normally I wouldn't mind that, except it appears that I'm the one that has to provide some of the free transportation they get."

Participants in Southcentral rallied strongly behind the issues of land for individuals' needs, the fostering of renewable resource industries and preservation of the natural environment.

Permanent Fund

For the majority, the most valuable investment we could make with the Permanent Fund monies and accrued oil and gas wealth was interpreted as either bankrolling it or making loans for renewable resources. In this category, people spotlighted timber, game management, fishing, herding, tourism, wildlife and alternative energy sources such as tidal, solar and wind.

Specifically, to the Homer resident, loans to renewable resources meant the rehabilitation of the fishing industry and research into farming potentials. To the Matanuska-Susitna Valley participants, agriculture bannered the list. Those of the greater Anchorage area wanted to see fishing boosted for sport and recreational activities, while meeting the needs of the commercial fishermen.

Those sitting at home filling out their questionnaires differed from meeting participants in their preference for oil and gas revenues outside of the Permanent Fund. A substantial number defended tax cuts, writing as one Palmer doctor did, that 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." A young homesteader simply put 16 exclamation points beside her choice of a tax cut.

However, at least one woman changed her mind after attending the regional workshop. She had been tempted, she said, to rank the tax cut as her favorite, "but then I talked to 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 Matanuska Valley could get a hydro-electric plant, or Homer could get some more fish. You know, it just didn't make sense."

Land

Land was a subject dear to many hearts. The plea here was "with all this land in Alaska, why is it that we can't have any of it to build a home or to use for ourselves?" Participants wanted just a little piece of the state to build on and raise a family.

"But we need some insurance that this disbursement of state land does not end up in the cutthroat real estate market where land gets speculated out of our means," said an eight-year resident of the state, adding, "Now, I don't mean I want a giveaway program or free land. I'd be willing to pay for it."

In Homer and Talkeetna, a major emphasis was the preservation of the environment. Homer participants were worried about the adverse ramifications of offshore oil and gas activity. Talkeetna protested being "capital-ized and dam-ized to death" (the capital move and Devils Canyon Dam). People explained that time and effort should be taken to insure that the land is kept environmentally sound...no matter what the future brings.

Transportation

Another burning issue for Southcentral was transportation. Transportation planning and more mass transit were touched on, but many people were not specific in their complaints. They just shook their heads in exasperation, bemoaning simply that, "transportation is a big problem."

More vocal participants enumerated the potholes in the streets and the lack of ferry service to Anchorage. They wanted expansion of the present road system and upgrading currently existing roads. And they debated whether or not to open the North Slope Haul Road.

Miners from the Valley wanted new avenues into mineral-rich areas there; Anchorage Sand Lake residents wanted to be able to get to work in the morning in less

than 40 minutes and Kenai area people wanted more off-the-beaten-track accesses.

Criminal Justice

Crime and the judicial system also came under a great deal of scrutiny at these meetings. Particularly in those areas that do not have police powers, people were concerned about the lack of police protection and the enforcement of penalties for offenders. One man was convinced that the judicial system was breaking down. "A lot of hardened criminal types either are not being prosecuted or are getting off with an easy sentence and then getting back on the streets to strike again."

Social Issues

From a list of social needs, Southcentral participants voted staunchly for education as the one which deserved most attention. "I don't think there's a person here who wouldn't agree that our kids are a primary resource," maintained one Homer woman. "I'd always opt to put the dollars there." In Soldotna, people specified particularly an increase of opportunities in vocational training to break the track record there for off-season unemployment.

The dismay over the rampant alcoholism in the state surfaced. One gas station attendant in Kenai feared the talk lacked conviction. "Sure there isn't a person here who doesn't feel a bit ashamed about the state's alcoholism problem, but we'll probably see half of you in the bar after this too."

A tax on alcohol, directed at rehabilitating those who overindulge, was raised independently in almost all of the Southcentral meetings. In Homer, they wanted tighter controls on those who drink and drive. People in Kenai wanted to put alcohol tax money into recreation and church programs to offer alternatives to drinking.

Although programs for the elderly were seldom mentioned as a top priority here except by participants fast approaching the twilight of their years, some pointed comments were made. Sparked one 67 year old woman in Anchorage, "You young whippersnappers are all going to be old someday you know." At which point, a 69 year old gentleman retorted from across the room, "Yes, maybe that's so, but let's

hope when I get there, alcoholism and unemployment aren't the problems they are now."

Oil and Gas Leasing

Finally, on a different tack, participants were dissatisfied with the options listed under the oil and gas leasing question. "Of course, the most rational plan is to do it at a moderate, constant pace, " maintained a woman from Anchorage. Others qualified that such a program seriously take into account native and federal leasing maneuvers and environmental safeguards. And the majority wanted to be cut directly into that oil and gas market with royalty oil and gas going for in-state residential use.

(Alaska Public Forum meetings in Southcentral were held in Kenai-Soldotna, Homer, Palmer and Talkeetna. The regional meeting took place in Anchorage.)

SOUTHCENTRAL

Demographic Characteristics

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

Total Number of Respondents: 1,633

SOUTHCENTRAL

1A. 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
- 35% Loan it to develop renewable resource industries
- 9% Loan it to individuals
- 6% Other: Combination of the above

1B. 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
- 5% Loan it for industrial development
- 19% Loan it to develop renewable resource industries
- 3% Loan it to individuals
- 7% Other:

2. What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 1,618

- 12% Alcoholism
- 6% Care of Children
- 26% Education
- 9% Programs for the Elderly
- 27% Employment
- 6% Health Care
- 5% Housing
- 3% Other

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 1,633

- 12% 100% State funding from the General Fund
- 14% 100% State funding from a statewide sales tax
- 22% Local property taxes in all areas and supplemental funding where needed
- 32% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 20% Other: oil and gas revenues

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 1,579

- 7% To raise revenues for the state
- 34% To provide land for people's needs
- 26% To promote renewable resource development
- 9% To promote industrial growth and development
- 19% To preserve the natural environment
- 5% Other: Multiple use

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 1,609

- 2% It should sell leases as fast as possible to bring in a lot of money.
- 62% It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- 8% It should lease when the state needs large sums of money to meet public needs.
- 14% It should do no further leasing and make the best use of present income.
- 14% Other: Involvement of impacted communities

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 1,620

- 14% The state should take its royalties in money or substance to sell for a financial gain.
- 25% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 42% The state should provide in-state residential use of the royalty oil and gas.
- 19% Other: Combination of the above with environmental considerations

COPPER RIVER REGION

At one time, the Copper River Valley, which stretches north from Prince William Sound alongside the Wrangell-St. Elias mountain ranges, supported a nomadic subsistence lifestyle.

However, the extension of the road system linked the region with both Anchorage and Fairbanks. Economically, the highways have opened the valley up to development. The construction of the Trans-Alaskan Pipeline has considerably heightened the impact.

Subsistence is no longer as important as it once was. The Copper River Valley has now become a prime area for recreation and tourism. Most of the employment there is service-oriented, including lodges, restaurants, guiding operations and government agencies. The focal points for services and goods lie at Copper Center and Glennallen. In addition, the proposed Wrangell-St. Elias National Park, if it receives Congressional approval, promises to attract an even larger influx of tourists.

Primary Themes

Participants at the regional meeting primarily encouraged the growth of renewable resource industries such as forestry, fishing and agriculture; advocated that land be available to the needs of individuals; and recoiled at rumors that a borough government might be imminently imposed on them from Juneau without their prior consent.

Permanent Fund

The Permanent Fund money and oil and gas revenues, the majority agreed, should either be saved or devoted to boosting forestry activities, fisheries, and agriculture as well as "recognizing that recreational use of the land is also a renewable resource."

"That's the best place to put our money," maintained one group of residents. Another emphasized, "Those industries are probably the most important for the future

of Alaskans". Still another group suggested that "renewable resources should be developed through private enterprise, stressing small businesses and the individual businessman."

"In other words," explained an oldtimer, "people up here feel that they've lived a certain lifestyle and they'd like to preserve that lifestyle and not have the land become just one big pipeline, so to speak".

Agriculture was often mentioned as a potentially valuable resource in the Copper River Valley. In fact, one writer suggested "Provide mini-experimental farms. Locate them in each region to demonstrate subsistence; how to grow fruits, vegetables, poultry; how to keep bees; how to repel insect pests and how to design a compost privy."

Land

Regarding the state selection of lands, there was strong feeling that land for people's needs, such as homesites and farms, and renewable resources were of the highest priorities.

-----"State lands where possible should be made available for homesites, primarily around existing towns and with proper planning and safeguards to protect the environment."

-----"Don't sell the land for revenues. Try to develop the resources for each community for their benefit."

-----"The state should try to protect the agricultural areas that lie in the Tok area and especially in the Chitina Valley."

Local Government

Major topics which Forum participants in Glennallen chose to delve into at length concerned local government and urged, "Local government should be set up by local people before Juneau does it for us." A large majority of participants and mail-in respondents stipulated, "Let everyone form their own self-government." Above all, they wanted more information on the options of government available

to them including "service areas, economic development districts and different kinds of local control that could best exist here".

Hand in hand with this idea, was the concern for an improvement in utilities. Some felt that, "The problems we face here in Glennallen can best be handled at the local level with the infusion of either loans or grants from the Permanent Fund." Another suggestion was that, "in terms of utilities for the Copper River basin there should be a unified plan for each little town or townsite because each community has different priorities. For one it might be sewage, for another it might be communications." A few ventured that, "possibly the state could work out some kind of a sewer co-op system such as the REA or telephone co-op". Improvement of sewer systems roads, and communications such as radio and television surfaced repeatedly throughout the meeting and in the mail-in responses.

Social Issues

In debating critical areas of human needs, education drew a lot of attention. "With education we can solve most of our other problems. Not completely. But we can take a big step in that direction," stressed one woman. A number of people agreed that, "education itself needs to be improved in three primary areas: that is one in pre-school orientation and in the vocational manpower area and in the college-bound emphasis in local schools."

Thoughts for the future of the elderly were best summed up..."Many who would rather spend their sunset years in Alaska are forced to go Outside because the cost of living here prevents their staying comfortably."

Oil and Gas Leasing

As for oil and gas leasing, residents in the Copper River Valley called for the state to wisely map out an energy policy. Such a policy would require an assessment of the impacts future action might have on local communities, the natural character of the land, and the balance of the marine environment. "State lands should be leased at a constant rate to prevent wild swings in the economy that

we see happening today in Alaska," seemed to be the majority opinion.

Most participants concluded that the state should provide in-state use of the royalty oil and gas. One reasoning was that, "this would require a refinery which would also mean employment. But the refinery should not be state-owned."

(The regional meeting of the Alaska Public Forum for the Copper River area was held in Glennallen. There were no other town meetings in this area conducted by the Forum. At the regional meeting there were representatives from Gakona, Copper Center, Nabesna, Tok, Gulkana and Kenny Lake.)

COPPER RIVER *

Demographic Characteristics

	<u>1970 Census Information on Copper River</u>	<u>Alaska Public Forum Participants Copper River</u>
<u>Age:</u>		
Under 25	46%	9%
25-34	14%	28%
35-44	15%	23%
45-54	14%	24%
55 and over	11%	16%
<u>Sex:</u>		
Female	45%	32%
Male	55%	68%
<u>Occupation:</u>		
Professional-Technical	12%	23%
White Collar	19%	20%
Blue Collar	33%	30%
Not in the Civilian Labor Force	36%	27%
<u>Length of Residency:</u>		
3 years or less	-	16%
4-10 years	-	30%
over 10 years	-	54%

Total Number of Respondents: 135

* 1970 Census comparisons for this region are based on statistics for the Valdez-Chitina-Whittier Census Division. The boundaries of this Census Division fit imperfectly with those of the Copper River Region and should be interpreted accordingly.

COPPER RIVER

1A. How should the Permanent Fund money be invested?

Questionnaire Results

Number of Respondents: 140

- 29% Save it
- 16% Loan it to communities
- 7% Loan it for industrial development
- 33% Loan it to develop renewable resource industries
- 11% Loan it to individuals
- 4% Other:

1B. 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: 137

- 18% Use it for tax cuts for Alaskans
- 5% Use it for cash payments for Alaskans
- 10% Use it for more community revenue sharing and community grants
- 7% Use it for more state services
- 9% Save it by increasing the Permanent Fund
- 8% Loan it to communities
- 4% Loan it for industrial development
- 24% Loan it to develop renewable resource industries
- 3% Loan it to individuals
- 12% Other:

2. What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 146

- 7% Alcoholism
- 10% Care of Children
- 42% Education
- 8% Programs for the Elderly
- 18% Employment
- 10% Health Care
- 1% Housing 4% Other:

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 125

- 13% 100% State funding from the General Fund
- 10% 100% State funding from a statewide sales tax
- 11% Local property taxes in all areas and supplemental funding where needed
- 41% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 25% Other:

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 141

- 6% To raise revenues for the state
- 55% To provide land for people's needs
- 19% To promote renewable resource development
- 7% To promote industrial growth and development
- 11% To preserve the natural environment
- 2% Other:

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 135

- 0% It should sell leases as fast as possible to bring in a lot of money.
- 60% It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- 10% It should lease when the state needs large sums of money to meet public needs.
- 11% It should do no further leasing and make the best use of present income.
- 19% Other:

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 130

- 8% The state should take its royalties in money or substance to sell for a financial gain.
- 20% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 54% The state should provide in-state residential use of the royalty oil and gas.
- 18% Other:

THE SOUTHWEST REGION

Primary Theme

Interwoven through the fabric of the Public Forum meetings in Bethel, Aniak and St. Mary's was a universal plea for a continued subsistence lifestyle. What emerged was the defense of a centuries-old culture, a way of life which has given its people dignity and pride.

"Subsistence is more than a cultural tradition; it's our employment," articulated a young woman from Bethel. "Subsistence gives us more than just money; it gives us mental and spiritual strength."

All of the responses to the prepared questions were permeated by the feeling of a people caught in transition....desperate to protect at least a fragment of their traditional lives.

As one Bethel participant wrote on his questionnaire, "We need to find a compromise between the regulated social welfare systems and the older traditional ways of living. We need to find a way to let me have real meat between my Wonder Bread."

Another remembered, "The young people who went out to school, like myself, when we couldn't have subsistence foods, sometimes we get up from the table with tears. I mean, you couldn't help that. It is not only to fill yourself, your hungry stomach, but also to fill your being...to have a good feeling, to have mental health and employment. If subsistence is threatened, then you take away all these things."

Whether participants were discussing the future of the Permanent Fund money, the selection of state lands, oil and gas leasing, or human needs, the messages were remarkably similar..."preserve our way of life".

Permanent Fund

They leaned heavily towards investing the Permanent Fund money into renewable resources and for loans to communities...as a key to quality of existence, as a key to subsistence.

"Fish is our life. We need fish hatcheries to keep the salmon from becoming extinct. If we don't we'll be a sorry people in ten years."

In Bethel, one group of residents wanted to make the point that "renewable resources might include more than king salmon, other forms of salmon and timber...but also whitefish, lush and pike should be considered if markets would be found for them. We thought that even though this might be a low return that loans for renewable resources would provide employment and a larger tax base."

In Aniak there seemed widespread agreement that loans should be made to agricultural projects "much like the one started by the Kuskokwim Native Association here, but large enough to support the whole town."

Village residents there also suggested that if money were loaned to start small businesses in rural communities "that would in turn create more jobs, more services, better life styles and less welfare."

Fish hatcheries, fish farming, reindeer herding, and agriculture were voiced repeatedly as possible solutions to providing an economic base in rural Alaska. The thought was that those avenues which would foster resources and employ residents, might also be the key to solving severe social problems existing in the Bush.

Alcoholism and Health Care

Again, participants talked about the lack of proper health care as undermining the spirit of a people and, above all, the overwhelming problems of alcoholism as "the symptom of a dying culture."

Many people at the Forum meetings thought that alcoholism was not a problem in itself but more of a "sign that something is wrong".

"After I came back to the village, I found things were different after seven years...I see only one alternative--go into another world. A white world. That left a bad scar," remembers a young Eskimo man. "The next best thing is to work

for my people. A student who goes home doesn't know which world he's in. It's frustrating. Pretty soon he turns to alcohol."

In Dillingham, Forum participants emphasized the importance of alcohol and drug education. They were also dismayed about disturbed children in the community as a result of alcoholic parents.

A former Bethel magistrate emphasized, "Punishment won't do any good...what is needed is more counseling. Alcoholism isn't any different than any other diseases. You remember how we took care of the tuberculosis problems throughout Alaska? Well, we can do the same with another illness...alcoholism. All we need is the right medicine."

Throughout the southwest region, alcoholism was seen as a major debilitating force. But one man in Bethel said angrily, "These points are raised in forums like this, but no solutions are ever made."

A member of the Bethel Native Board of Health made a plea for immediate state attention to the health problems in rural Alaska.

"The Yupik Eskimo people of the Bethel region are suffering serious medical and dental conditions which present immediate and grave threat to their health, safety and well-being. Many children and adults suffer terrible dental disease. Many suffer from chronic or acute ear disease, otitis media and its subsequent hearing loss. About 500 children are in immediate need of physical treatment to repair ear damage and restore their hearing, but there is no money." Aniak residents pointed out they had only one health aide to serve 11 villages.

Community Concerns

It is important to note that in most of these communities discussion of the prepared questions centered primarily on the investment of Permanent Fund monies and critical human needs. The few who did talk about state selection of lands and oil and gas leasing nearly always related those topics back to the subsistence issue. For instance, "the state should set aside lands for subsistence use" and

as regards to the leasing policy of the state, "perhaps to say 'no further leasing' would be the only guarantee that our lifestyle would not be jeopardized."

Loans to communities and community revenue sharing as an investment of the oil wealth were highly popular throughout the region. There exist specific problems that each community felt it necessary to address.

In Bethel, it was sewer and water maintenance. Here are some of the complaints and suggestions:

-----"You hire an Arizona builder to build something that doesn't work. Then there's no way to maintain it. It's evident that the people who build here don't understand the weather, the ground."

-----"We recommend municipal grants and loans for implementation of systems not now in existence. People in villages must be educated so they can understand what they must do to acquire, and more importantly, maintain these systems."

In Aniak, villagers asked that the state "finish the dike!" so their homes wouldn't get flooded every year.

In St. Mary's, the residents were discouraged with the erratic nature of electric power in their village provided by A.V.E.C. They want cheap power, but more importantly, they want reliable power. For this reason, they suggested exploring alternative sources of energy. This call for the improvement of public utilities was strongly seconded by mail-in responses from Ptka's Point and Kotlik as well.

School Construction

As in most of rural Alaska, Dillingham participants favored state-wide funding for school construction. "We should not have to depend heavily on local funds to try and equalize education and facilities." The point was made, "there are 36 school children from South Naknek who must be flown across the river twice a day to go to school in Naknek. Equalization of funding would mean that we wouldn't

build high schools for six children in a village when there are 36 who have to be flown across the river to attend high school."

Law Enforcement

Law enforcement in the Bush, or rather the lack of it, seemed to stir up quite a few comments. Several voices specified..."more troopers", "facilities for maintaining drunks or violent persons", and "quality training". Someone qualified the last remark by saying, "We don't want a lot of cowboys running around in the villages with guns who are sort of half-trained."

Certainly, throughout the region, the most volatile issue was subsistence, secondly alcoholism, and thirdly the lack of proper services running from health care to public utilities.

(In the Southwest region, town meetings were held in Aniak, St. Mary's and Dillingham. The regional meeting took place in Bethel with village representatives from Alakanuk, Eek, Pilot Station, Marshall, Russian Mission, Scammon Bay, Quinhagak, Chefnak, Napakiak, Goodnews Bay, Napaskiak, Tuluksak, Platinum, Manokotak, Emmonak and Tuntutuliak.)

SOUTHWEST *

Demographic Characteristics

	<u>1970 Census Information on Southwest</u>	<u>Alaska Public Forum Participants Southwest</u>
<u>Age:</u>		
Under 25	64%	8%
25-34	12%	36%
35-44	10%	20%
45-54	7%	19%
55 and over	7%	17%
<u>Sex:</u>		
Female	47%	28%
Male	53%	72%
<u>Occupation:</u>		
Professional-Technical	9%	35%
White Collar	9%	17%
Blue Collar	16%	24%
Not in the Civilian Labor Force	66%	24%
<u>Length of Residency:</u>		
3 years or less	-	12%
4-10 years	-	12%
over 10 years	-	76%

Total Number of Respondents: 198

* 1970 Census comparisons combine the following Census Divisions:
Bethel, Wade Hampton, Bristol Bay Division, and Kuskokwim.

SOUTHWEST

1A. How should the Permanent Fund money be invested?

Questionnaire Results

Number of Respondents: 209

- 28% Save it
- 25% Loan it to communities
- 7% Loan it for industrial development
- 28% Loan it to develop renewable resource industries
- 10% Loan it to individuals
- 2% Other:

1B. 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: 216

- 16% Use it for tax cuts for Alaskans
- 11% Use it for cash payments for Alaskans
- 27% Use it for more community revenue sharing and community grants
- 9% Use it for more state services
- 7% Save it by increasing the Permanent Fund
- 5% Loan it to communities
- 3% Loan it for industrial development
- 13% Loan it to develop renewable resource industries
- 4% Loan it to individuals
- 5% Other:

2. What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 246

- 17% Alcoholism
- 10% Care of Children
- 29% Education
- 3% Programs for the Elderly
- 16% Employment
- 11% Health Care
- 10% Housing
- 4% Other:

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 184

- 10% 100% State funding from the General Fund
- 11% 100% State funding from a statewide sales tax
- 16% Local property taxes in all areas and supplemental funding where needed
- 47% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 16% Other:

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 205

- 11% To raise revenues for the state
- 37% To provide land for people's needs
- 21% To promote renewable resource development
- 8% To promote industrial growth and development
- 20% To preserve the natural environment
- 3% Other:

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 185

- 6% It should sell leases as fast as possible to bring in a lot of money.
- 49% It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- 12% It should lease when the state needs large sums of money to meet public needs.
- 23% It should do no further leasing and make the best use of present income.
- 10% Other:

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 179

- 16% The state should take its royalties in money or substance to sell for a financial gain.
- 20% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 55% The state should provide in-state residential use of the royalty oil and gas.
- 9% Other:

THE GULF COAST REGION

The Gulf of Alaska region ranges from moderate urban areas to small isolated native villages. The communities encompassed by the Alaska Public Forum, either by meetings or mail-in questionnaires, include the island of Kodiak, Seward, Valdez and Cordova, all situated within Prince William Sound, and Yakutat which lies on the ocean shore to the southeast.

The grandeur and diversity of the Gulf Coast allures both the casual tourist and the rugged sports enthusiast. Economically, Seward and Valdez have served as important transportation centers, linking the outside world with interior Alaska. For all of the coastal towns, certainly in the recent past, fishing, seafood processing and logging were the primary sources of occupations and income.

However, the advent of oil development and OCS exploration in the region promises to alter the texture of that way of life. Already, the imprint of oil has been felt.

Valdez, once a small fishing community, is now the southern terminus for the Trans-Alaskan Pipeline. In July, supertankers will be moving in and out of Prince William Sound. An onshore facility to support OCS exploration in the Gulf of Alaska has been proposed for Yakutat. And lease sales in the waters near Kodiak seem imminent.

Many participants in these coastal communities do not seem to welcome the changes with open arms. However, considering the impending OCS development, a woman shrugged her shoulders resignedly, "What can we say? It's happening. It's inevitable. All we can do now is to work with the industry to minimize the impacts."

Primary Themes

Thus it is not surprising that participants in Forum discussions were overwhelmingly concerned with the future of the fishing industry, expressing a certain frustration and anger at not being included in major decisions which directly affect their livelihoods. One oldtimer emphasized, "The fishing industry has

been the lifeblood of Kodiak and will continue to be after the oil boom is over. It needs to be protected!" And a Kodiak fisherman protested, "Our fish are still being used as chips. Despite the 200 mile limit, they're being bargained away for other national interests."

Again and again voices advocated the development of renewable resource industries as the wisest path to the future. Included in that category and often mentioned, was the need to preserve the character of this untamed land, its natural beauty, wildlife and recreational values.

Fishing Industry

Specific recommendations which surfaced in the area of renewable resources mainly dealt with the fisheries and included these comments:

-----Fisheries Management. "An effective way to manage the fisheries might be to put all those decisions in the hands of the North Pacific Fisheries Council, which is the body now enforcing the 200 mile limit," proposed one group from Kodiak. And a voice demanded, "Put more fishermen on the council."

-----Hatcheries. "We need more information and assistance from the state government in terms of fish hatchery development so that local people know what their options are and funding sources available if they decide to pursue such an effort."

-----Free Port. "What about establishing a free port in Kodiak to handle the foreign fleets?"

-----Bottom Fish. "We should do research on bottom fish processing and possibly have the state help in establishing a market here for bottom fisheries. Foreign fishermen are going after that market and this country isn't even involved in it."

-----Employment. "For villagers, the most pressing problem is year-round employment needed to stabilize village economy. The most likely remedy is to develop diversified fish processing plants."

-----National Control. "We encourage total Americanization of the industry from harvesting to processing to marketing of Alaska's fisheries."

-----Cheap Energy. And finally one group of Kodiak residents proposed that "competitive advantage of Kodiak's fish processing industry would be enhanced by cheap energy to offset the foreigners' advantage in cheap labor. Let's direct Permanent Fund monies into alternative energy." This last suggestion had wide based support.

Energy and Oil Leasing

Perhaps because the issue of oil and all of its ramifications hits so close to home for the residents of these coastal communities, discussions involving alternative sources of energy and state plans for oil leasing were two of the most lively topics, in addition to the fishing industry.

Many were in favor of allocating substantial state funds drawn from the Permanent Fund and our oil wealth for a vigorous research program into the harnessing of solar, wind, tidal and hydro energy. Locally, a primary concern was with hydroelectric power and the need for its development in Kodiak through the Terror Lake project. "That project is going to cost more the longer we delay it," seemed the general consensus.

And before he left the podium, one group spokesman emphasized, "I want to put in one final plug for making use of the tidal energies that are going so strong around Kodiak."

Although one fellow admitted, "We do need fuel for our fishing boats," he agreed display of departmental cooperation will set the tone for our a moderate level and that "no further lease sales should be made until the state has carefully evaluated the social and ecological impacts of such a move." Several said emphatically, "No further leasing. Just make the best use of our present income."

There were also strong opinions that "local control ought to be a primary factor in these concerns". One island resident put it more dramatically. "The state ought to demand of itself what it demands of the federal government. As the state feels it has a right to say 'go' or 'no-go' when a lease is proposed by the feds, so it should allow various regions that same right."

Housing and Land

While education was given the majority nod under the human needs question as an important basis for solving all other problems, the rousing issues in both Seward and Kodiak revolved around the shortage of housing, and land for individual needs.

"It is ironic," wrote one young man, "that with such a wealth of land here, I find myself unable to buy land to build a home on. It's just not available."

In Seward, one resident maintained, "There's a lot of pride in owning your own land." Another pleaded, "Bring young people into the community with jobs and land. Homesite land should be open close to established towns." In Kodiak, several discussion groups agreed that "housing is the foremost problem here for city dwellers. We have a middle income housing shortage and a land shortage that inhibits housing developments." Again, "Land should be available for housing with adequate facilities."

Alcoholism

Alcoholism was also listed as a top priority. "We must recognize alcoholism as a medical disease and use education and rehabilitation means to correct it." There was a measure of agreement that "we must treat the causes of alcoholism rather than the actual disease. Recreation may be important to this end."

Royalty Oil and Gas

The opinion expressed by the majority on the royalty oil and gas was clearly to use it for in-state residential use. Said a Seward inhabitant, "Stockpile it, reinject it, I don't care; just use it for Alaskans first. If there is great excesses, maybe we could sell it, but use that money for developing alternative energy systems."

(Due to budget limitations, the Public Forum was only able to conduct a meeting in Seward and the regional gathering in Kodiak at which representatives from five surrounding villages were also present. No meetings were held in the Aleutian Chain communities.)

GULF COAST *

Demographic Characteristics

	<u>1970 Census Information on Gulf Coast</u>	<u>Alaska Public Forum Participants Gulf Coast</u>
<u>Age:</u>		
Under 25	56%	12%
25-34	17%	37%
35-44	11%	20%
45-54	8%	13%
55 and over	7%	18%
<u>Sex:</u>		
Female	38%	28%
Male	62%	72%
<u>Occupation:</u>		
Professional-Technical	6%	29%
White Collar	12%	21%
Blue Collar	22%	34%
Not in the Civilian Labor Force	59%	16%
<u>Length of Residency:</u>		
3 years or less	-	16%
4-10 years	-	30%
over 10 years	-	54%

Total Number of Respondents: 175

* 1970 Census comparisons combine the following Census Divisions: Cordova-McCarthy, Kodiak, Seward and the Aleutians.

GULF COAST

1A. How should the Permanent Fund money be invested?

Questionnaire Results

Number of Respondents: 174

- 18% Save it
- 17% Loan it to communities
- 7% Loan it for industrial development
- 48% Loan it to develop renewable resource industries
- 7% Loan it to individuals
- 3% Other:

1B. 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: 168

- 14% Use it for tax cuts for Alaskans
- 4% Use it for cash payments for Alaskans
- 15% Use it for more community revenue sharing and community grants
- 8% Use it for more state services
- 15% Save it by increasing the Permanent Fund
- 4% Loan it to communities
- 2% Loan it for industrial development
- 26% Loan it to develop renewable resource industries
- 5% Loan it to individuals
- 7% Other:

2. What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 171

- 13% Alcoholism
- 5% Care of Children
- 30% Education
- 8% Programs for the Elderly
- 15% Employment
- 9% Health Care
- 16% Housing
- 4% Other:

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 155

- 13% 100% State funding from the General Fund
- 13% 100% State funding from a statewide sales tax
- 15% Local property taxes in all areas and supplemental funding where needed
- 43% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 15% Other:

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 172

- 4% To raise revenues for the state
- 42% To provide land for people's needs
- 27% To promote renewable resource development
- 4% To promote industrial growth and development
- 19% To preserve the natural environment
- 4% Other:

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 166

- 1% It should sell leases as fast as possible to bring in a lot of money.
- 43% It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- 3% It should lease when the state needs large sums of money to meet public needs.
- 30% It should do no further leasing and make the best use of present income.
- 23% Other:

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 161

- 8% The state should take its royalties in money or substance to sell for a financial gain.
- 11% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 69% The state should provide in-state residential use of the royalty oil and gas.
- 12% Other:

THE INTERIOR REGION

Fairbanks. Residents of this frontier town are painfully aware of that fickle pendulum, boom or bust. They are just now beginning to recover their balance after the initial rush for oil at Prudhoe Bay.

Primary Themes

While they did not demand a moratorium on development and growth, no matter what issue they discussed at the Forum meeting, there was one unified voice which warned, "Stop. Reflect. Investigate thoroughly the possibilities. Scrutinize the consequences."

They carried the banner for renewable resource industries. Feeling this avenue was of the greatest importance to a healthy Alaska, participants not only delved into the subject as it was applicable to the six prepared topics of debate, but also chose to emphasize it as their number one priority in the open-ended question of "other important problems facing the state".

One homesteader cautioned, "Let's not go hucklety-bucklety into exploiting our resources like a so-called drunken sailor. Let's go slowly. Let's be wise about it."

Looking down the road, a young man observed simply, "Renewable resources are our ace in the hole. They are our gift to our grandchildren and, hopefully, their grandchildren also."

Another demanded, "What do we do when they're all gone? Eat the money?"

Participants arrived at the regional meeting, armed with a myriad of questions, criticisms and strong opinions. At times they collectively shook their finger at the state bureaucracy which "strangles its citizens in red tape." But, ultimately, in looking at the grand scheme of events, they advised government to be critical and cautious while navigating our course to the future.

Permanent Fund

Clearly the bandwagon for the Permanent Fund, as well as additional oil and

gas riches, was loans to industries such as agriculture, forestry, fisheries and tourism. Ultimately, these seemed to promise "the good life" and a preservation of the current life style - perhaps the reason many chose to settle in this rugged, uncompromising land.

Suggested more than once was the belief that "even if investment in Alaskan development of renewable resources doesn't produce the most immediate financial gain, the social benefits in the long run would be greater than any of our other choices."

One viewpoint was "industrial development should stand on its own feet. If it's good enough, it'll be able to make money alone. Encouraging industry will only increase the rate of immigration to Alaska and make it too crowded."

Substantial opinion advised strictly to save the Permanent Fund, investing it in Alaskan banks. Many felt strongly that "the Permanent Fund is one of the greatest things that Alaska has done in a long time", and would like to see it increased. "Then the money would always be available and would permit certain reflection on the use of that money in the future."

Some clearly doubted the loan concept of the fund money. "Our group agreed that where there are loans, there are also defaults and forgiveness. We are not convinced that a loan program could be designed with total repayment assured."

Land

In tossing back and forth the question of state selection of lands, renewable resources once again soared to the top of the list. Hand in hand, with providing an economic base for Alaskans through the "wise" development of that regenerative wealth, was the desire to open land for individual needs in the near future.

"We all have our own definition of what that means," began a young man from Galena. But if you want to hunt on it or trap on it, you ought to be able to use the land. If you want to camp on it, you should be entitled to that right."

Most commonly specified was land for homesites, recreation areas, and preserva-

tion of the wild character of the landscape and its animals.

A prevalent demand was "to keep the land out of the hands of speculators and realtors who buy it all up first and then jack up the prices so individuals cannot afford to buy even a little."

"Land management is probably as dear to everybody's heart as anything we can think of," observed a long-time resident of Fairbanks. Concluded one woman, "We should, therefore, look upon it as a finite resource and not an infinite one."

One group proposed a springboard for the "careful" selection of lands. "First establish a uniform data bank consisting of current and accurate demographic resource information for each region of the state."

A number of residents were adamant that "the state has no business selling land merely to raise revenue. If the land belongs to the people of this state, then the state should act only as a trustee, not a profiteer."

Oil and Gas Leasing

An independent spirit prevailed as participants debated the future of oil and gas leasing. The majority was not content with the given list of options under this question. While they leaned towards moderation of lease sales to insure a steady income flow, they made a variety of stipulations:

-----"Lease sales should be based on an opportune time, with full knowledge and consent of the people."

-----"Act on complete information. Each area should be considered and explored separately with an eye on preserving the ecological balance."

-----"Make a careful assessment of the market. Always deal in our favor. No stampeded sales."

-----"Like any intelligent businessman, find out first what oil and gas reserves we have. Then cooperate in the leasing program with the federal government and the natives in a steady, moderate manner."

Royalty Oil and Gas

There was no major consensus in Fairbanks as to the fate of Alaska's royalty oil and gas. The scales seem to tilt towards in-state residential use, selling for profit and selling the oil and gas outside, using the money to improve renewable resource activities.

-----"Residential use where feasible, but let's figure out the costs...can we afford it?"

-----"Process the products within the state so that we might derive greater benefit from the raw materials."

-----"If development is encouraged in Alaska, then the state will become a plastics factory. Which do the people want more? Cheaper gas and refineries? Or more expensive gas and forests?"

-----"Sell it. Use the money to preserve our pure air, pure water, subsistence lifestyle, sport fishing and hunting."

Social Issues

Deviating from resource issues to critical social needs, those in attendance widely favored education as first priority. The thought was that education extended far beyond the classroom and seemed inextricably linked with employment opportunities.

"Our school systems have got to start offering our youngsters an option...do they want to become a bachelor of science or a metal sheet worker? We've all screamed about the influx of outside labor, but the point is, did we have the trained personnel? So perhaps we need to offer our youngsters more of a choice in our fields of education which in turn is going to provide employment."

Others seconded, "Education has priority. With education, of course, there is a chance and hope for more and better employment."

Another participant agreed that "long-range needs are basically tied to education," but added a slightly different perspective. "It is important not only

in creating skills and professions, but we should look at education also in the reconstruction of the meaning of families and community and other things basic to coexistence by all of us. We all need to learn to care again."

For the lives of the elderly, there was concern.

"We lose, every year, an invaluable pool of expertise and experience, because our older citizens cannot afford to retire in the state. We must find a way to assist these people which allows them to maintain their dignity and a degree of respect to which they are entitled." And from another corner of the room, "These people have built the state and we have some obligation to them and to ourselves in the future should we survive that long."

School Construction

While the most radically opposed participants agreed on the importance of education, there were a full spectrum of suggestions as to how construction of public schools should be financed.

Among the most popular, was that oil and gas revenues make up if not the total cost of construction, at least a substantial part. There was also a widespread belief that the percentage of costs be split between the state and the community involved... that community contribution is essential to the success of the program.

"If the state designs, builds, staffs and maintains the schools, then the local community feels no responsibility toward the project. A sense of local responsibility must be part and parcel of a project in Bush communities."

Many were "flat out against 100% of state funding", which has been the procedure of unorganized boroughs in the past. They felt in addition to some participation financially by each community, that local talent and material should be employed.

There are many skilled craftsmen in the villages and Bush communities. Create jobs for them in building schools and you create revenue for that area as well," remarked one man, adding that the natural materials of the region should also be used. "For instance, if there's good timber, maybe a log school should be built

instead of shipping up materials."

No one was thrilled by the idea of a sales tax.

"Sales tax hits lower income people harder in proportion to their income. I mean, do the Rockefellers end up buying more hamburger than we do?" asked one group spokesman pointedly.

Capital Move

And finally, in addition to their emphasis on natural resources and the inefficiency of state government, Fairbanks participants couldn't wait to jump once again into that explosive debate over the proposed capital move.

To move it?...

"More time should be spent on planning a proper move of the capital."

"We thought it would be a good idea to move the Governor, the Lt. Governor and the rest of his staff to Willow and leave the buildings in Juneau."

Or not to move it?.....

"Telecommunications would be a more economical way of providing accessibility to government. Physically moving the capital would not necessarily make government more responsive."

In summation one woman expressed a belief which permeated all of the discussions:

"We must prepare for the next impact, whether it be oil and gas development or something else...that the rest of the state, and Fairbanks especially, doesn't suffer the kind of confusion that we went through here the last few years."

(Unfortunately, due to lack of money, the Public Forum was only able to conduct a regional meeting in the Interior - no town or village meetings. The Bush population was minimally represented. So this narrative should be considered predominantly the opinion of the Fairbanks area.)

INTERIOR*

Demographic Characteristics

	<u>1970 Census Information on Interior</u>	<u>Alaska Public Forum Participants Interior</u>
<u>Age:</u>		
Under 25	59%	11%
25-34	17%	35%
35-44	12%	22%
45-54	7%	19%
55 and over	5%	13%
<u>Sex:</u>		
Female	42%	26%
Male	58%	74%
<u>Occupation:</u>		
Professional-Technical	9%	39%
White Collar	20%	19%
Blue Collar	19%	23%
Not in the Civilian Labor Force	52%	19%
<u>Length of Residency:</u>		
3 years or less	-	17%
4-10 years	-	31%
over 10 years	-	52%

Total Number of Respondents: 729

* 1970 Census comparisons combine the following Census Divisions:
Yukon-Koyukuk, Fairbanks and Southeast Fairbanks.

INTERIOR

1A. How should the Permanent Fund money be invested?

Questionnaire Results

Number of Respondents: 720

- 28% Save it
- 11% Loan it to communities
- 10% Loan it for industrial development
- 36% Loan it to develop renewable resource industries
- 9% Loan it to individuals
- 6% Other:

1B. 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: 752

- 30% Use it for tax cuts for Alaskans
- 7% Use it for cash payments for Alaskans
- 12% Use it for more community revenue sharing and community grants
- 4% Use it for more state services
- 10% Save it by increasing the Permanent Fund
- 2% Loan it to communities
- 4% Loan it for industrial development
- 21% Loan it to develop renewable resource industries
- 2% Loan it to individuals
- 8% Other:

2. What human needs do you think are most important?

Questionnaire Results

Number of Respondents: 747

- 10% Alcoholism
- 7% Care of Children
- 36% Education
- 7% Programs for the Elderly
- 23% Employment
- 9% Health Care
- 3% Housing
- 5% Other:

3. How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results

Number of Respondents: 712

- 13% 100% State funding from the General Fund
- 13% 100% State funding from a statewide sales tax
- 13% Local property taxes in all areas and supplemental funding where needed
- 35% Continue the present system which provides for property taxes plus supplemental state funding in organized areas, and 100% state funding in unorganized areas
- 26% Other:

4. What should be the primary objective for managing Alaska's land?

Questionnaire Results

Number of Respondents: 753

- 4% To raise revenues for the state
- 41% To provide land for people's needs
- 25% To promote renewable resource development
- 6% To promote industrial growth and development
- 19% To preserve the natural environment
- 5% Other:

5. What should be the state's policy on future oil and gas lease sales?

Questionnaire Results

Number of Respondents: 714

- 1% It should sell leases as fast as possible to bring in a lot of money.
- 53% It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- 9% It should lease when the state needs large sums of money to meet public needs.
- 21% It should do no further leasing and make the best use of present income.
- 16% Other:

6. What is the best use of Alaska's royalty oil and gas?

Questionnaire Results

Number of Respondents: 718

- 10% The state should take its royalties in money or substance to sell for a financial gain.
- 19% The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the state.
- 51% The state should provide in-state residential use of the royalty oil and gas.
- 20% Other: