

SCOMM

#9:96

STATEWIDE ANALYSIS

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Part 1 - Statewide Analysis, Questions 1-6

Part 2 - Statewide Frequencies and Weighted Responses

A. Statewide Frequencies

Due to changes in the questionnaire after workshops in the Southeast and the North, questions 1a and 1b could only be viewed statewide, based on five regions - Southcentral, Southwest, Gulf Coast, Interior, and Copper River.

As question 4 was also changed to include "Preserve the Natural Environment" option, it was tabulated on the basis of five regions. However, we did compute it statewide with no "environment" option.

B. The Weighted Responses

Public Forum questionnaires were more heavily weighted in the professional-technical category as compared to that segment of the population reflected in the 1970 census. Jack Kruse assigned different weights to each of the Forum responses, in an effort to more accurately portray attitudes statewide based on occupation and sex. He promises to send a short paper illuminating the validity of that experiment.

Part 3 - Meeting versus Mail-In Responses Statewide (based on 5 regions)

A comparison of Meeting and Mail-In Responses, perhaps has value in determining the affect of Public Forum workshops. There are notable instances where votes radically differed. Example: tax cuts (question 1b)

STATEWIDE ANALYSIS

Who Participated

To paint a visual image of the 3,714 Alaskans from Metlakatla to Barrow who addressed the current issues facing their state this year through the Public Forum workshops or questionnaire would be nearly impossible.

They were as diverse as the spectrum. The youngest was 13 years old. The oldest was 94. They were whalers, doctors, teachers, school-children, government workers, homesteaders, bookkeepers, fishermen, waitresses. The responses were weighted most heavily in the professional-technical category. And twice as many men as women participated.

Length of residency seemed a strong indicator of commitment to the state and its future. Nearly two-thirds of the Public Forum participants had been residents of the state for ten years or more. And at least a third have lived in Alaska over 20 years. Overwhelmingly it was this segment of the population who chose to speak, and desired to be heard by the men and women who have some influence in the decision-making process.

Questions 1a and 1b.

- a. How should the Permanent Fund money be invested?
- b. How should the state use its new oil and gas money?

Throughout Alaska there was resounding concern for renewable resource industries. They were ranked, by a wide margin, as the highest priority for Permanent Fund money and the second highest priority for all additional oil and gas wealth. This concern transcended community, regional and professional boundaries.

While Alaskans were eager to support what many described as a potentially "risky" business with only long-term benefits---i.e., making loans to renewable resources----they also wanted immediate, tangible proof of our wealth.

They opted heavily for tax cuts. Under the issue of surplus oil and gas revenues not included in the Permanent Fund, this was the only option which superceded "Loans to Renewable Resource Industries" in popularity.

Interestingly, tax cuts received the highest bid from those who did not attend the Public Forum workshops but merely filled out a forum questionnaire.

This seemed to indicate that when people gathered to bounce ideas back and forth, they tended to relinquish personal desires for communal benefits. The wide discrepancy in percentages on tax cut votes between questionnaire respondents and meeting-goers was made up in the workshops by stronger support for loans to communities, community revenue sharing, community grants and loans to renewable resources.

Savings played an important role in this issue. The option to "save" the Permanent Fund money rather than invest it through loans,

was the second favorite choice behind renewable resource industries.
It also ranked behind renewable resources under the question of surplus oil and gas riches.

Such an option is obviously the cautious, conservative approach. It reflects, perhaps, a certain skepticism in the past expenditures of government. Once before, Alaska allowed a small fortune (i.e. \$900 million) to slip through its fingers, and some people seemed determined to prevent that happening again.

Each of the five regions expressed differing degrees of concern for the options listed under the Permanent Fund question. (Table #2)

While loans to renewable resources drew substantially high votes across the board, it was clearly the coastal respondents who out-distanced all others in their support for this option. Considering their economic base, that interest may be equated with fishing, and possibly, forestry activities.

The Southwest had a higher percentage of people who marked "Loans to communities" as their first choice. Along with Copper River, a larger percentage of Southwest participants desired "Loans to Individuals" or the "Save it" option.

Like hand in glove, Interior and Southcentral followed each other closely in the degree of importance they attached to each option for Permanent Fund monies. (See Table #2). On the whole, they tended to be far more supportive of industrialization which was not a large vote-getter statewide.

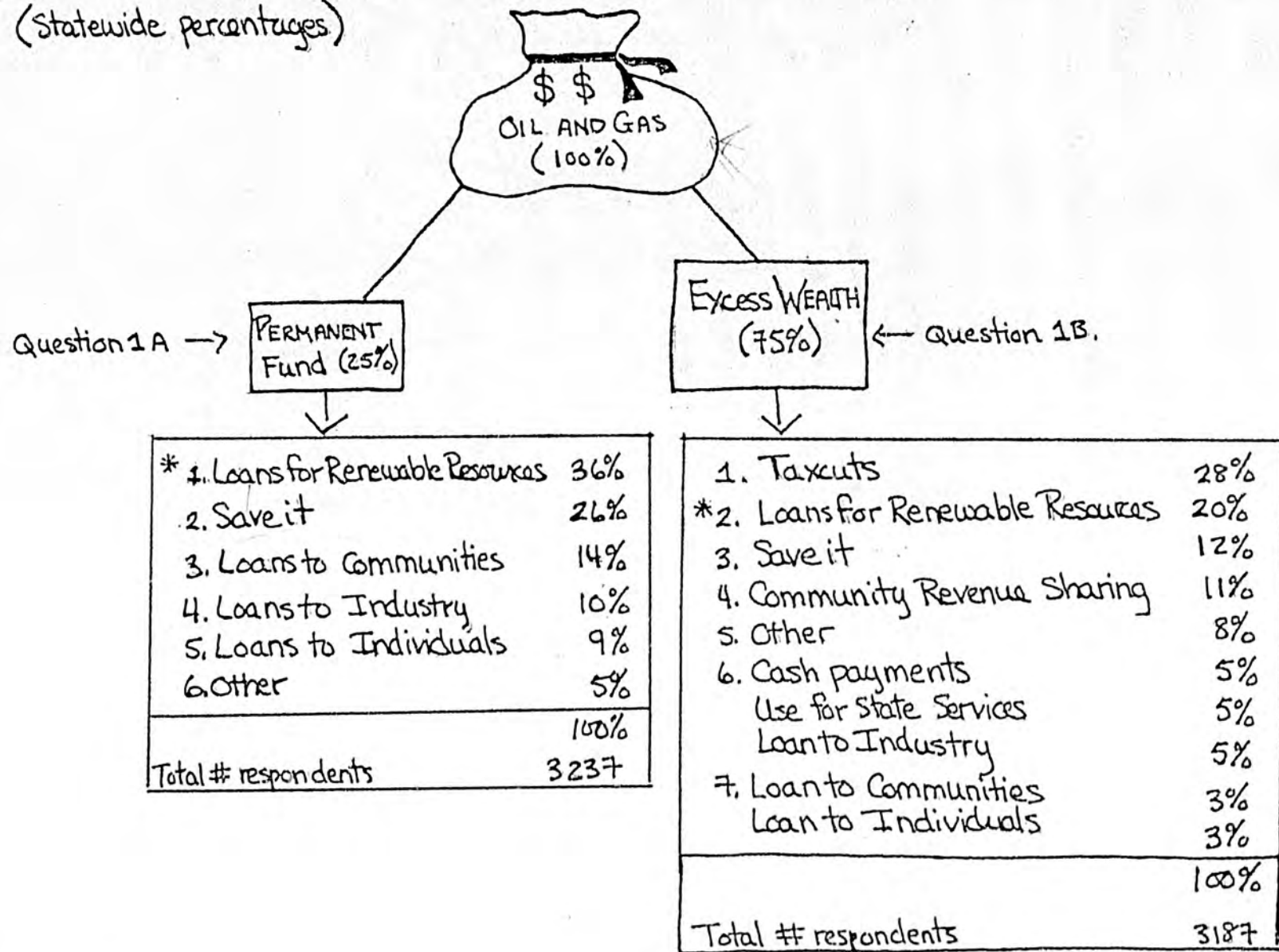
If the people's mandate was closely followed by decision-makers, how would the entire bundle of oil and gas riches be allocated?

For example, look at "Loans to Renewable Resource Industries". The quick mathematics below shows that support for renewable resource industries equal one fourth of the total oil and gas revenues.

Renewable Resources=36% of Permanent Fund=9% of Total Oil and Gas Revenues
+
Renewable Resources=20% of Excess Wealth=15% of Total Oil and Gas Revenues
Renewable Resources= 24% of Total Oil and Gas Revenues

Thus, the blueprint of special interests, region to region, as shown in Table #2 might prove helpful in targeting subsequent loans, investments and expenditures.

TABLE 1
OIL AND GAS REVENUES
 (Statewide percentages)



* See page 3

① RENEWABLE RESOURCES

Coastal (51%)

Southcentral (39%)

Interior (36%)

Copper River (35%)

Southwest (30%)

② SAVE IT

Southwest (31%)
Copper River (31%)

Interior (28%)
Southcentral (27%)

Coastal (18%)

③ Loans to Communities

Southwest (29%)

Coastal (18%)
Copper River (17%)

Southcentral (14%)
Interior (12%)

PERMANENT FUND

Coastal (7%)

Interior (10%)
Southcentral (10%)

Southwest (11%)
Copper River (11%)

Copper River (8%)
Coastal (8%)
Southwest (8%)

Interior (11%)
Southcentral (13%)

⑤ Loans to Individuals

④ Loans to Industry

TABLE # 2

ALLOCATION OF PERMANENT FUND
REGIONAL PREFERENCES
(Percent Distributions)

Question 2

What areas of human need to you feel require the most attention?

For Alaskans participating in the Public Forum, education and employment were the broad social concerns. The two are inextricably linked. Education provides the knowledge and skills which lead to more challenging jobs, better salaries and a higher standard of living.

The pie chart (Table #3) illustrates how participants state-wide viewed critical human needs. The arrows indicate the degree of importance residents from region to region placed on these issues.

For instance, a higher percentage of people in Copper River supported education compared to the percentage of people favoring that option in Southcentral. This does not mean that Southcentral was not supportive of education, as can be seen by Table #4. It merely means they were less concerned overall than Copper River with channeling our energies in that direction. Southcentral ranked highest on employment - pointing, perhaps, to a larger concentration of unemployed or transient workers.

State-wide, who are the people who expressed a greater degree of concern for employment? They are white and blue collar workers. They have lived in Alaska more than ten years. And the older they get the more importance they placed on this problem. (See Table #6.)

Many in the blue collar category were fishermen, construction workers, some farmers and lumberjacks. Their work is often seasonal. Thus, with the advent of winter, jobs taper off and summer incomes must be stretched over the winter months. Blue collar votes seemed to indicate interest in year-round employment opportunities.

It is interesting that a significant percentage of those over 45 years of age leaned more heavily towards the employment issue than younger participants. One deduction might be that as the individual gets older he has a more difficult time finding work. This is also the age that many women who have finished raising families attempt to enter the job market.

While education and employment were the major concerns state-wide, the social issues which received a lower percentage of votes should not be overlooked.

Here there is considerable value in comparing each issue region by region. (Tables #3 and #4.)

Health care and alcoholism programs were more important to inhabitants of the North and Southwest than in other regions. Alcoholism is viewed as a severe problem state-wide, but it seems to have more destructive impact on the smaller communities.

Throughout the State a slightly higher percentage of those under 25 years and those over 55 years tended to list alcoholism as their number-one priority. Alcohol abuse touches all ages. The very young may suffer with an alcoholic parent. The adolescent must cope with the widespread use of drugs and alcohol among peers. The elderly perhaps turn to alcohol to escape infirmities or loneliness.

Understandably, programs for the elderly were more popular the closer the participants were to the twilight of their years. A higher percentage of respondents in Southcentral and Copper River were concerned with this option. The degree of interest here was at the low end of the scale for the Southwest and the North. The old tend to be taken care of within the traditional family framework.

The care of children issue had a somewhat puzzling twist. In comparing this issue on the basis of age, it was found that a higher percentage of those over 55 voted for child care as their first option. One would imagine that people in the 25-30 years of age category, who would be the ones most likely to have small children, would have had a stronger voice here. That was not the case.

Finally, although housing was only favored by 5% of the total number of respondents state-wide, it was of great importance to the Gulf Coast. In that region, housing tied with employment (Table #4). Yet it was the option of least importance to the Copper River region.

HUMAN NEEDS (Statewide Percentages and regional comparison)

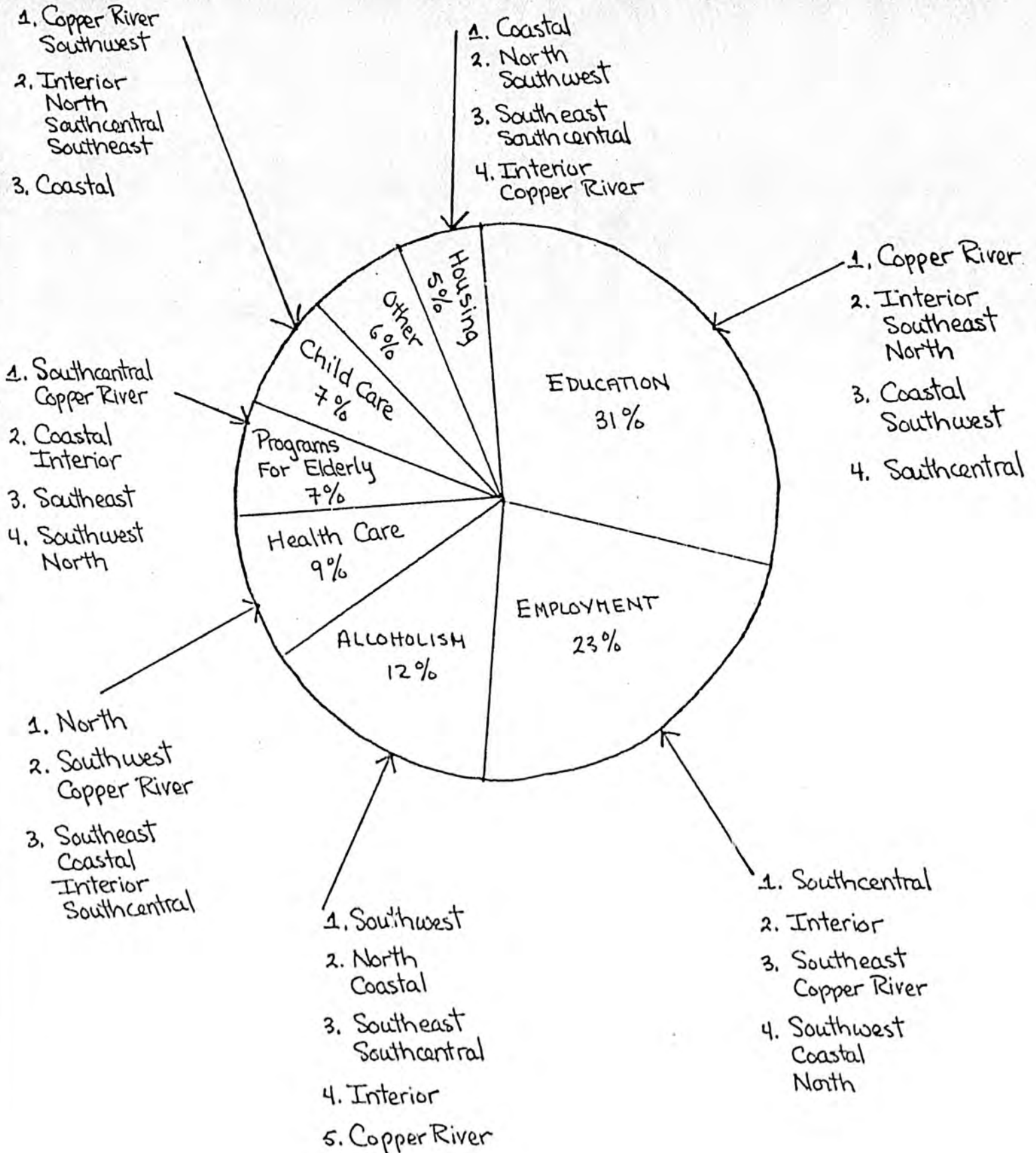


TABLE # 4

HUMAN NEEDS QUESTION
BY REGION
(Percent Distributions)

	Coastal	Copper R.	Interior	North	South Central	South East	South West
Alcoholism	14%	7%	10%	14%	13%	13%	18%
Care of Children	5%	11%	8%	7%	7%	7%	10%
Education	32%	43%	38%	37%	29%	38%	31%
Programs For Elderly	8%	9%	8%	3%	9%	6%	3%
Employment	16%	19%	24%	15%	28%	21%	17%
Health Care	9%	10%	9%	14%	9%	9%	11%
Housing	16%	1%	3%	10%	5%	6%	10%
	100%	100%	100%	100%	100%	100%	100%
Total # respondents:	164	140	708	123	1729	426	235

TABLE #5

Employment Option Under Question Two (Percent Distributions)

A. Employment by Occupation

	Prof-Tech.	White Collar	Blue Collar	Not In Labor Force
Employment	22%	32%	33%	25%
All other first choice options for question 2	78%	68%	67%	75%
	100%	100%	100%	100%
Total # respondents:	979	602	651	596

B. Employment By Length of Residence

	3 Years or Less	4 to 10 Years	More Than 10 Yrs.
Employment	21%	26%	30%
All other first choice options for question 2	79%	74%	70%
	100%	100%	100%
Total # Respondents:	539	844	1644

C. Employment By Age

	Under 25	25-34	35-44	45-54	55+ over
Employment	19%	20%	26%	39%	34%
All other first choice options for question 2	81%	80%	74%	61%	66%
	100%	100%	100%	100%	100%
Total # Respondents:	336	938	649	597	492

Question 3

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

This issue did not arouse the interest, energy or controversial debates among participants that the other five topics seemed to kindle.

A third of the participants state-wide chose the status quo - meaning that they were content to continue with the present system of financing public school construction.

A region-by-region comparison, however, provides a couple of interesting insights. A far greater percentage of participants in the North than in any other region voted for a state income tax solution to the problem. A good portion of the North, as designated by the Public Forum, lies within the boundaries of the North Slope Borough. Thus, under the present system, that borough is responsible for supporting 50% of school construction. While participants favored local control, they wanted the school construction funds to come from outside their borough.

In Southcentral and Interior, which predominantly represent the opinions of the Anchorage and Fairbanks areas, a higher percentage of respondents wanted to see the instigation of local property taxes throughout the State. It is these two urban areas which probably carry the heaviest burden for financing school construction in rural Alaska. In addition, for these two regions, local funds seemed synonymous with local interest and control.

Question 4

What should be the objectives for managing Alaska's land?

Overwhelmingly, the demand was for "land to meet the people's needs". This translated as land for individual homesites. In addition, Public Forum participants wanted land for future hunting and fishing use, and parks and recreation areas.

The degree of interest in this option increased with the age of the respondent and also with his or her length of residency in the state. (Table 6b).

Copper River residents placed a greater degree of importance on this issue than those in other regions. (Table 6a). This may be viewed in light of the federal and native land withdrawals in the Copper River Valley. Communities there have little room for expansion.

Once again, renewable resources had staunch support statewide. Under the land issue, it was the second priority. The longer a respondent had lived in Alaska the greater was his or her concern for protecting the future of these resources. (Table 6b).

Interestingly, the Coastal region, while exceptionally strong in its support for renewable resource industries in Question #1, was much less adamant in advocating this option for the land question. Here Southeast took the lead. Since timber is the economic mainstay of the panhandle this was not a surprise. But it does point out that the Coastal region tended to equate renewable resources with fishing which is obviously perceived as not being dependent on the land.

**For the sake of comparing all seven regions on this question, it was impossible to include the option "Preserve the Natural Environment" since it was added to the questionnaire following workshops in Southeast

and the North. However, compared on the basis of five regions, it received substantial support. Approximately one-fifth of the participants in Southwest, Southcentral, Coastal and Interior regions voted for this choice as their top priority.

THE TWO TOP CHOICES IN QUESTION #4
 COMPARED BY
 Region and Length of Residency
 (Percent Distributions)

A.

	Coastal	Copper R.	Interior	North	S. Central	Southeast	Southwest
1. Manage Lands to Meet People's Needs	44%	59%	43%	25%	38%	39%	40%
2. Manage Lands to Promote Renewable Resources	28%	20%	26%	37%	27%	41%	23%
All other options under Question 4	28%	21%	31%	38%	35%	20%	37%
	100%	100%	100%	100%	100%	100%	100%
Total # of participants	166	135	725	122	1802	419	185

B.

Length of Residency -	3 Yrs. or Less	4-10 Yrs.	More than 10 Yrs.
1. Meet People's Needs	34%	40%	42%
2. Renewable Resources	24%	27%	30%
All other options listed under question 4...	42%	67%	72%
	100%	100%	100%
Total # participants	595	938	1900

Question 5

What should be the State's policy on future oil and gas lease sales?

The cautious, moderate approach to oil and gas leasing was by far the most popular.

Nearly 60% of Public Forum participants agreed that the State should sell leases at a constant pace to assure a steady flow of income.

Only a few were intrigued by the idea of quick sales and thus quick bucks. And there was no significant support for the state's current modus operandi.

While the preponderance of votes advised moderation, the "No further leasing" option provided an interesting and important difference. Eighteen per cent of respondents preferred that the state not sell any more leases.

There may be a correlation between the desire to place a moratorium on lease sales and potential OCS activities, such as tanker travel or impact on fishing areas. (Table 7)

The Gulf Coast was the strongest vote here, seconded by Southeast and Southwest. The high percentage of participants in the Interior (Fairbanks area predominantly) who voted for this option as first priority, reflects a cautious attitude towards future development.

Age, length of residency, and occupation also seemed to influence the way people voted.

A higher percentage of those under 35 years of age marked "don't sell" as their first priority for state policy on leasing. Ultimately it is the young who will have to live with any adverse impacts that oil and gas development causes.

Of all the occupational categories, blue collar workers were more leary of leasing. It is possible this may reflect the vote of fishermen who see real conflicts between the pursuit of their own livelihood and the course of the oil industry.

Finally, it was the newer residents of Alaska, those who had been here less than 10 years, who were more inclined to vote "don't sell".

Table # 7

OIL AND GAS LEASING SCHEDULE
COMPARISON BY REGION
(percent distributions)

	Coastal	Copper R.	Interior	North	S. Central	Southeast	Southwest
SELL FAST	1%	—	1%	8%	2%	5%	6%
SELL AT CONSTANT RATE	43%	60%	53%	51%	61%	60%	49%
SELL WHEN NEED \$	3%	10%	9%	14%	8%	7%	12%
DON'T SELL	30%	11%	21%	13%	15%	23%	23%
OTHER	23%	19%	16%	14%	14%	5%	10%
	100%	100%	100%	100%	100%	100%	100%
Total # Respondents	166	135	713	116	1774	488	185

Question 6

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

Nearly half of the Public Forum participants felt that the state should provide in-state residential use of the royalty oil and gas.

It is noteworthy that in the regional comparison, Southeast and the North participants voted more highly for selling the royalties to make money than did other regions. Basically many in those regions felt that they wouldn't get the use of the oil or gas royalties in kind so they would rather make a profit from them.

Conversely, a higher percentage of residents in the Coastal region voted for in-state use of the oil and gas. Close to areas of oil exploration, they are most likely to reap the benefits.

Table #8

Use of Royalty Oil and Gas
By Region
(Percent Distributions)

Royalty Oil + Gas	Coastal	Copper R.	Interior	North	S. Central	Southeast	Southwest
Sell for \$	8%	8%	9%	26%	14%	37%	16%
Sell To Get Industry	11%	20%	19%	10%	24%	20%	20%
Sell For Residential Use	69%	54%	51%	51%	42%	31%	55%
Other	12%	18%	21%	13%	20%	12%	9%
	100%	100%	100%	100%	100%	100%	100%
Total # respondents	161	130	718	113	1765	462	179

STATEWIDE ANALYSIS

Demographic Characteristics

	<u>1970 Statewide Census Information</u>	<u>Alaska Public Forum Participants</u>
<u>Age:</u>		
Under 25	32%	10%
25-34	25%	30%
35-44	19%	22%
45-54	14%	20%
55 and over	10%	18%
<u>Sex:</u>		
Female	46%	32%
Male	54%	68%
<u>Occupation:</u>		
Professional-Technical	11%	34%
White Collar	20%	22%
Blue Collar	25%	23%
Not in the Civilian Labor Force	44%	21%
<u>Length of Residency:</u>		
3 years or less	-	17%
4-10 years	-	27%
over 10 years	-	56%

Total Number of Respondents: 3714

STATEWIDE ANALYSIS

	<u>Statewide Analysis</u>	<u>Weighted Responses</u>
<u>Question 1A (Based on 5 regions)</u>		
<u>How should the Permanent Fund money be invested?</u>		
Save	26%	26%
Loan to communities	14%	15%
Loan to industry	10%	11%
Loan to renewable resources	36%	35%
Loan to individuals	9%	8%
Other	5%	5%

Number of Responses: 3237

Question 1B (Based on 5 regions)

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

Tax cuts	30%	31%
Cash Payments	6%	7%
Community revenue sharing	12%	12%
State services	5%	5%
Save	13%	11%
Loan to communities	4%	4%
Loan to industry	5%	5%
Loan to renewable resources	21%	21%
Loan to individuals	3%	3%

Number of Respondents: 3187

Question 2 (Based on all 7 regions)

What human needs do you think are
most important?

Alcoholism	12%	11%
Child care	7%	8%
Education	31%	30%
Elderly	7%	8%
Employment	23%	23%
Health	9%	9%
Housing	5%	5%
Other	6%	6%

Number of Respondents: 3809

Question 3 (Based on all 7 regions)

Statewide
Analysis

Weighted
Responses

How should school construction be
financed...?

Income tax	15%	15%
Sales tax	13%	12%
Property tax	18%	17%
Status Quo	34%	37%
Other	20%	19%

Number of Respondents: 3042

Question 4 (Based on all 7 regions)

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

Raise revenues	8%	8%
Provide land for people	47%	44%
Promote renewable resources	33%	31%
Promote industrial development	10%	9%
Other	2%	7%

Number of Respondents: 3042

Question 4 (Based on 5 regions)

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

Raise revenues	6%	(Question 4 was not weighted a second time)
Provide land for people	38%	
Promote renewable resources	25%	
Promote industrial development	8%	
* Preserve natural environment	19%	
Other	4%	

Number of Respondents: 3217

Question 5 (Based on all 7 regions)

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

Sell leases fast	2%	2%
Sell at constant rate	58%	60%
Sell when need \$	8%	9%
No further leasing	18%	18%
Other	14%	11%

Number of Respondents: 3618

Question 6 (Based on all 7 regions)

Statewide
Analysis

Weighted
Responses

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

Sell for money	16%	17%
Promote industrial development	21%	21%
Residential use	45%	46%
Other	18%	16%

Number of Responses: 3569

STATEWIDE ANALYSIS *

Meeting vs. Mail-In
(Percent Distributions)

<u>Total # Respondents</u>	<u>Meeting</u>	<u>Mail-In</u>
3088	872	2216
<u>Age</u>		
Under 25	14%	8%
25-34	31%	31%
35-44	21%	22%
45-54	19%	21%
55 and over	15%	18%
	<u>100%</u>	<u>100%</u>
Number of Respondents	784	2125
<u>Sex</u>		
Male	59% ✓	71% ✓
Female	41% ✓	29%
	<u>100%</u>	<u>100%</u>
Number of Respondents	792	2146
<u>Occupation</u>		
Prof. -Tech.	38%	34%
White Collar	21%	21%
Blue Collar	19%	24%
Not in Labor Force	22%	21%
	<u>100%</u>	<u>100%</u>
Number of Respondents	741	1989
<u>Length of Residence</u>		
3 years or less	17%	17%
4-10 years	28%	28%
More than 10 years	55%	55%
	<u>100%</u>	<u>100%</u>
Number of Respondents	788	2142
<u>Question 1A How should the Permanent Fund money be invested?</u>		
Save	26%	27%
Loan to communities	16%	14%
Loan to industry	10%	12%
Loan to renewable resources	39%	37%
Loan to individuals	9%	10%
	<u>100%</u>	<u>100%</u>
Number of Respondents	941	2152

	<u>Meeting</u>	<u>Mail-In</u>
<u>Question 1B How should the state use its new oil and gas money?</u>		
Tax Cuts	18%	35%
Cash payments	4%	7%
Community revenue sharing	16%	11%
State services	6%	5%
Save	17%	11%
Loan to communities	6%	3%
Loan to industry	4%	5%
Loan to renewable resources	25%	20%
Loan to individuals	4%	3%
	<u>100%</u>	<u>100%</u>
Number of Respondents	822	2121
<u>Question 2 What human needs do you think are most important?</u>		
Alcoholism	14%	12%
Child care	6%	7%
Education	39%	29%
Elderly	6%	10%
Employment	18%	29%
Health	11%	8%
Housing	6%	5%
	<u>100%</u>	<u>100%</u>
Number of Respondents	884	2136
<u>Question 3 How should school construction be financed...?</u>		
Income tax	11%	13%
Sales tax	11%	14%
Property tax	18%	19%
Status Quo	26%	37%
Other	34%	17%
	<u>100%</u>	<u>100%</u>
Number of Respondents	807	2165
<u>Question 4 What should be the primary objective for managing Alaska's land?</u>		
Raise revenues	5%	7%
Meet people's needs	39%	40%
Promote renewable resources	29%	24%
Promote industry	7%	9%
Preserve nature	20%	20%
	<u>100%</u>	<u>100%</u>
Number of Respondents	882	2193
<u>Question 5 What should be the state's policy on future oil and gas lease sales?</u>		
Sell fast	2%	2%
Sell at constant rate	49%	60%
Sell when need \$	5%	10%
Don't sell	18%	18%
Other	26%	10%
	<u>100%</u>	<u>100%</u>

	<u>Meeting</u>	<u>Mail-In</u>
Question 5 cont.		
Number of Respondents	830	2183
<u>Question 6 What is the best use of Alaska's royalty oil and gas?</u>		
Sell for money	13%	12%
Sell to get industry	18%	24%
Residential use	39%	50%
Other	30%	14%
	<u>100%</u>	<u>100%</u>
Number of Respondents	816	2185

* Due to changes in the questionnaire, the Meeting vs. Mail-in Analysis could be tabulated only from responses in five regions (Gulf Coast, Copper River, Southwest, Southcentral and Interior) as opposed to all seven regions.

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
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REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

September 26, 1977

The Honorable Bill Miles
528 West Fifth
Anchorage, AK 99501

Dear Bill:

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,

Mike

Mike Doogan
Administrative Assistant

MD:LAD

Attachment

*Mike -
Will probably
move Oct. 22
Dec. 3 meetings, if I
have my druthers and if
necessary.
Bill Miles*

<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

55 members at meeting

Sheldon

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

*Sent to all
Committee members*

September 26, 1977

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,

Mike

Mike Doogan
Administrative Assistant

MD:LAD

Attachment

Alaska State Legislature

SPECIAL COMMITTEE ON
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REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

August 8, 1977

to all committee members

Dear

Committee members, working with representatives of the Alaska Public Forum, have drafted the enclosed questions on the Permanent Fund. The questions are intended for use by the Forum during its program of public meetings and information gathering.

I would appreciate any comments on or changes in these questions that you may have before these questions are made final and included in the Forum's questionnaire.

Sincerely,

Mike Doogan
Administrative Assistant

Enclosure

PERMANENT FUND GOALS QUESTION

In order to refine last year's Public Forum results regarding the use of Permanent Fund money, please indicate the area you would like to see emphasized for investment of part of the Permanent Fund.

1. Inside the state:
 - A. Fisheries
 - B. Alternative energy development
 - _____ large scale (industrial)
 - _____ small scale (residential)
 - C. Agriculture
 - D. Mineral extraction
 - E. Tourism
 - F. Timber
 - G. Other industry

2. Outside the state

Now that you have indicated your preferred area, please tell us why you chose this area.

1. It would create more jobs.
2. It would give me an opportunity to make more money.
3. It would give the state the best return to be used to help pay for the operation of government.
4. It would not encourage more people to come to Alaska.
5. It would not harm the environment.
6. It would increase the availability of Alaska resources for in-state use.
7. It would promote more Alaskan ownership and control of business.
8. It would not encourage government to compete with business.
9. Other _____.

PERMANENT FUND CONTROL QUESTION

In order to assist the legislature in creating a Permanent Fund structure responsive to your wishes, please indicate the Permanent Fund organization you prefer. For this question you should know the policy board would set broad guidelines for investment of Permanent Fund money but would not make specific investment decisions.

1. A board appointed by the governor and serving at his pleasure.
2. A board appointed by the governor for a specified length of service.
3. A board appointed by the governor and confirmed by the legislature.
4. A board chosen from various segments of the political spectrum (an example would be two members from the administration, two from the legislature, three from the general public).
5. A board directly elected by the public.
6. Other _____.

Now that you have indicated your preference, please tell us why you chose it.

1. I trust the governor to choose wisely.
2. I trust the legislature to choose wisely.
3. I trust the governor and legislature working together to choose wisely.
4. I want broad representation.
5. I think direct representation of political interests is good.
6. I want maximum opportunity to choose the board.
7. I want the board insulated from politics.
8. Other _____.

August 24, 1977

Barry Quinn
Director
Alaska Public Forum
429 D
Anchorage, AK 99501

Dear Mr. Quinn:

Enclosed please find a copy of the Committee's revised schedule.

Sincerely,



Mike Doogan
Administrative Assistant

Enclosure

<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

8/10/68

Financial Management Questions

The Alaska State government is a several hundred million dollar enterprise, charged with the provision of a wide range of goods and services to the public. The goods and services provided Alaskans must be paid for from the State Treasury -- the repository of public funds. When an individual purchases a good or service from a private business, the cost and payment is direct and is reflected in the price of the purchase. The individual can look at the price of the good and see whether or not it is worth the expenditure and act accordingly. On the other hand, payment for government products is less direct, although quite as real and the benefits are less easily measured. Government operations are paid for through a combination of tax revenues, user fees, federal receipts and monies from the sale of State owned resources such as land or oil. Some State revenues are one-time receipts (for example, the \$900 million lease sale) while others are yearly collections from a continuing tax base (for example, corporate or personal income).

There is concern that our mineral sale revenues have, since statehood, been financing an increasing proportion of ongoing State expenditures. At present, approximately 60% of the ongoing operations are paid for with non-recurring revenues. Since oil and gas deposits are finite, this source of money is ultimately limited. The State is presently deliberating how to move from a dependence on this single unreplenishable source of funding to sources based on continuing State economic activity, without substantially reducing services, disrupting the growth of the Alaskan economy, or saddling the populace with a large tax burden.

Although substantial oil revenue seems assured for at least ten years (with possible interruptions such as pump station failures), how will we pay for government when revenue from mineral sources ultimately declines?

On the expenditure side, suggestions abound as to activities the State should undertake and services the State should provide, i.e. ways for the State to spend. As the population increases and costs rise, upward pressures are exerted against expenditure ceilings as attempts are made to maintain the current service levels. Further, as time passes there seem to be rising expectations of government and demands for ever higher levels of service. Examples of projects now pending may help clarify the dilemma being faced. Alcoholism and alcohol abuse are serious problems in Alaska. Many feel

that State involvement in the related areas of rehabilitation, education, medical care, and law enforcement should be expanded to deal with the impact of alcohol. But, if these programs are to be expanded, how are they to be paid for? There are several possibilities: spending in other areas could be reduced; general taxes could be increased; taxes specific to alcohol could be increased (user fees); or oil wealth could be used (i.e., increases made in the proportion of non-recurring revenues expended). The potential opening of the Haul Road is a similar case. If the road is opened, the State will incur substantial annual maintenance and related costs. Who should pay these costs? Should road maintenance be reduced elsewhere? Other programs reduced? User fees instituted? General taxes raised? Or oil wealth tapped? These are the types of difficult tradeoffs which must be analyzed. The attached graph shows the State's expenditure pattern since statehood. Though the rate of growth has significantly slowed, the upward pressures are still apparent.

Finding the appropriate balance between State spending and the financing of that spending is the question of financial management. It is Legislature and the Governor, with public advice, who decide on the level of expenditures. If spending is to be held down, certain activities now undertaken by State government will need to be reduced. The questions below seek to determine your preferences regarding State expenditures and how they are financed.

1. At present approximately 60% of State expenditures are financed with oil wealth -- non-recurring revenues such as money from bonus payments, lease sales, and royalties. Since Alaska's mineral resources are finite, this source of funds is limited. How you feel regarding the financing of ongoing State operations with oil wealth as long as we have it?

- a) This is an appropriate use of oil wealth and the percentage should be increased as needed.
- b) This is an appropriate use of oil wealth and the percentage should be held constant at about 60%.
- c) This is a appropriate use of oil wealth, but the percentage should be reduced over time.
- d) This is not an appropriate use of the oil wealth, and the percentage should be reduced.
- e) Other _____

What are the reasons for your belief? _____

2. Since State expenditures will continue when revenues from these non-recurring sources decline, alternative ways of paying for State goods and services will need to be devised. How would you rank the following methods of paying for State expenditures in the future when the currently used major source (oil wealth) is no longer available?

- a) Through general taxex raised as necessary to cover expenditures.
- b) Through the accumlation of oil revenues in interest earning investments and the use of the earnings from these investments to cover expenditures.
- c) Through user fees for State goods and services (license fees, campground permits, gas tax, etc.).
- d) Through the subsidization of only those industries which will increase tax receipts to a greater extent than they ill increase State costs.
- e) Let future residents worry about paying for State expenditures when oil revenues decline.
- f) Other _____

3. The other side of the financing picture is the level of State operations. How would you rank the following alternatives. State expenditures should:

- a) Be held at the current dollar level.
- b) Be held at the current per capita level.
(i.e. be allowed to increase as population grows).
- c) Be allowed to increase at the same rate as inflation.
- d) Be allowed to increase to reflect population growth and inflation.
- e) Be reduced from the current dollar level.
- f) Be allowed to increase according to need for increased services.
- g) Other _____

4. If you feel it is desirable to hold down expenditures, rank the following categories according to where you would be most willing to see service reductions.

a) CATEGORY	FY 1978 General Fund Operating Budget	Percent of Operating Budget
Education (elementary and secondary schools, museums, State library, adult education, vocational training, etc.)	\$263,395,700	34%
University of Alaska	60,310,400	8%
Social Services (family and children assistance payments, pioneers' homes, longevity bonus, vocational rehabilitation, employment security and other employment programs, etc.)	52,968,400	7%
HEALTH (public health, mental health, payment support for medical services, alcoholism and drug abuse, etc.)	34,357,100	4%
PUBLIC PROTECTION (consumer and worker protection, safety programs, regulatory commissions, rescue, disaster, military, civil defense, etc.)	19,701,100	3%
ADMINISTRATION OF JUSTICE (State police, courts, prisons, delinquency, etc.)	69,532,000	9%
DEVELOPMENT (Economic and community development, business loans, housing development, revenue sharing, Native claims payments, etc.)	45,091,200	6%
TRANSPORTATION (airports, highways, marine ferries, etc.)	112,430,200	15%

RESOURCES (fish and game resources, land and water management, mineral resources, forest resources, environmental conservation, parks and recreation, etc.)

50,400,100

7%

GENERAL GOVERNMENT (administration, legislature, legal and fiscal services, etc.)

64,188,200

8%

Total

708,592,300
\$772,374,400

b) I do not believe service should be reduced.

5. Below are some possible reasons for your answer to part 2a). Please fill in the chart below indicating your reasons. (See example)

- a) I believe this function should be handled by the private sector, rather than by government expenditures.
- b) I believe that the same level of service can provide for significantly less money.
- c) I think the State provides too much service in this category.
- d) I do not feel that I get any benefit from these services.
- e) I do not see any visible results from these expenditures.
- f) Other _____
- g) I do not think we can afford these services.

Example:

	First Preference For Service Reduction	Second Preference For Service Reduction	Third Preference For Service Reduction
	_____	_____	_____
Category:	Transportation	Public Protection	Development
Reasons:	c	d,g	a

	First Preference For Service Reduction	Second Preference For Service Reduction	Third Preference For Service Reduction
Category:			
Reasons:			

Public Forum's Schedule

<u>DAY</u>	<u>DATE</u>	<u>LOCATION</u>	
Mon/Tues	Oct. 3/4	Dillingham - Togiak	Evening
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Sat	Oct. 22	Anchorage	Day
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*Tues	Nov. 8	Chalkyitsik	Evening
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*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

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

STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA GROWTH POLICY COUNCIL
ALASKA PUBLIC FORUM

October 18, 1977

JAY S. HAMMOND, Governor

Phone 276-5262
Loussac-Sogn Building
429 D Street, Suite 310
Anchorage, Alaska 99501

Representative Clark Gruening
Special Committee on the Alaska
Permanent Fund
528 W. 5th, Suite 270
Anchorage, AK 99501

Dear Clark:

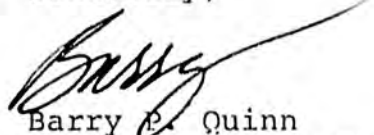
I've intended to follow up on your letter of September 22 which requested more specific information on our proposal to the Committee, but have been totally involved in getting this year's Public Forum started. I'm pleased to say that it is under way and is progressing very well.

In my letter of September 12, I indicated our intent to utilize the \$1500.00 to produce and distribute radio and possibly television spots that both advertise the workshops and feedback workshop results to the public. We have signed a contract with the Alaska Broadcasters Association for \$6500.00 to handle the production and distribution of our ads statewide between now and January 1. They are interested, as you are, in maintaining objectivity and remaining apolitical. The \$1500.00 will be used to help support this effort during the workshop session.

I have included a copy of the contract for your information and a sample of both an ad and a feedback report that will begin running this week.

I expect you will find this information satisfactory. If any further information is necessary please let me know.

Sincerely,


Barry P. Quinn
Executive Director

BPQ:rj
Enclosures

PROFESSIONAL SERVICES AGREEMENT

ALASKA GROWTH POLICY COUNCIL/ALASKA PUBLIC FORUM

DIVISION OF POLICY DEVELOPMENT AND PLANNING

This contract, effective as of the 21st day of October, 1977, between the State of Alaska, Alaska Growth Policy Council/Alaska Public Forum, hereinafter called the "State"), and Alaska Broadcasters Assn., (hereinafter called the "Contractor"),

WITNESSETH that:

Whereas, the State is entering into this contract by direct negotiation and not by competitive bid because this is a contract for professional services;

Whereas, the Contractor is willing to undertake the performance of this contract under the terms of this contract;

Whereas the State has the Authority to enter into this contract by AS 44.19.877.

NOW THEREFORE, the parties hereto agree as follows:

Article I. The Service to be Performed. Provide production equipment and studio time to produce a series of radio and television spots to be aired statewide to advertise Public Forum workshops and feedback workshop results to the public. Schedule and purchase air time to run radio and television advertising 17 workshops. Schedule and purchase air time to run radio and television spots to distribute the results of the Public Forum workshops statewide.

Article II. The Period for Performance.

The period of performance under this contract shall commence on October 21, 1977 and expire on June 30, 1978. Performance may be extended for additional periods by the mutual written agreement of the parties.

The contracting officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State will be liable only for payment in accordance with the payment provisions of this contract for services rendered prior to the effective date of termination.

Article III. Consideration.

In full consideration of the Contractor's performance hereunder, the State shall pay the Contractor a lump sum not to exceed \$6,500.00, including all reimbursable expenses.

Article IV. Availability of Appropriation.

This agreement is subject to the availability of appropriation by the State.

Article V. Additional Contract Provisions.

Appendix B attached hereto and made a part hereof sets forth additional general contract provisions of this contract.

Article VI. Changes

Appendix C attached hereto and made a part hereof sets forth any changes or additions that were made in this contract prior to its execution. (If Appendix C is not attached hereto, there have been no such changes or additions.)

IN WITNESS WHEREOF, the parties have executed this contract.

Contractor: Alaska Broadcasters Assn. State of Alaska
Alaska Growth Policy Council/Alaska Public Forum

By _____

By: _____

Official Title

Official Title

Date _____

Date _____

Contractor Address

APPROVED

Ak. Bus. Lic. No. _____

(Dept. of Administration) Date

SCRIPT

Auxiliary
Radio

Theme from
Rocky - 5 sec

Sounds of walk-
ing - 3 sec

STOCKY approach
es a pile of
boxes where a
thin, shadowey
figure is hid-
ing

STOCKY: JOEY! HEY.....WHADDA YA DOIN, JOEY?
AM I GONNA HAVE TA BREAK YER THUMBS?
THE MAN SAYS IF YA CAN'T PARTICIPATE YA GONNA GET
HERT IN THE END. I TOLD YA THIS BEFORE.

JOEY: HEY, I CAN'T TAKE GOIN TO NO MORE PUBLIC MEETIN'S
SEE? I'D RATHER HAVE A COUPLE BROKE THUMBS THAN
BE BORED TO DEATH!

STOCKY: AWRIGHT....AWRIGHT! CALM DOWN, JOEY. THE MAN
SAYS YOU DON'T HAVE TA GO TO NO MEETIN. HE SAYS ALL
YA HAS TA DO IS FILL OUT THIS QUESTIONNAIAH THING
IN THE BACK OF THIS PUBLIC FORUM NEWSPAPAH.

Rustle of news
paper

JOEY: HEY, THAT'S EASY....I CAN DO IT ON MY BREAK. YOU
TELL THE MAN, HE'S GOT A DEAL!

STOCKY: GOOD BOY, JOEY....JUST FILL THIS THING OUT AND
SEND IT IN....YOU DON'T NEED NO STAMP.

Rustle of news
paper.

(fade STOCKY
as he says last
sentence as if
he's leaving).

JOEY: SURE, STOCKY, SURE THING.

(more)

SCRIPT

Auxiliary
audio

Announcer:

YOU HEAR THE MAN RIGHT. IF YOU'RE BUSY OR JUST
PLAIN TIRED OF PUBLIC MEETINGS, THE ALASKA PUBLIC
FORUM IS PROVIDING A NEWSPAPER QUESTIONNAIRE FOR
YOU.

UP
theme

Flying higher)

LOOK FOR IT SOON IN YOUR LOCAL NEWSPAPER.

Auxiliary
Audio

SCRIPT

REPORT #1.

MORSE CODE
NEWS TICKER
LOW BENEATH
WINDSHIELD'S
VOICE.

(WALTA WINDSHIELD)
CALLING ALL ALASKANS.....
FROM SITKA TO SPENARD....
FROM TOGIAK TO TOK....
NEWS FROM THE PEOPLE.....TO THE PEOPLE

FROM AUDO CENTRAL.... THIS IS
WALTA WINDSHIELD REPORTING THE ALASKA PUBLIC
FORUM NEWS.....

BRING UP
NEWS TICKER
SOUND.

LETS READ FROM THE FORUM NEWS TICKA.....
DATELINE DILLINGHAM

(WINDSHIELD DOES A BRIEF INTRODUCTION TO THE
NEWS ITEM.....AND THROWS IT TO THE REPORTER
ON THE SCENE.....)

BACKGROUND
SOUND EFFECT
IF AT ALL
POSSIBLE.
APPROPRIATE
TO THE REGION

(REPORTER DOES HIS STUFF)
SEE ATTACHED

auxiliary
audio

SCRIPT

REPORT #1 CONT.

MORSE CODE.

(WINDSHIELD)

AND FROM AUDIO CENTRAL.... THIS IS WALTER
WINDSHIELD..... THAT A CLEAN WIPE OF TODAY'S
ALASKA PUBLIC FORUM NEWS...

MORSE CODE.

REPORT #1 INSERT.....

THANK YOU, WALTER...

PUBLIC FORUM PARTICIPANTS IN....DILLINGHAM SAY THAT
ALTHOUGH SOME OF THE FUND SHOULD BE USED TO PROMOTE
RENEWABLE RESOURCE INDUSTRIES AND COMMUNITY DEVELOPMENT
SAVING THE PERMANENT FUND FOR THE FUTURE IS MOST
IMPORTANT. PEOPLE HERE RECOMMEND THAT THE GREATEST
PORTION OF THE FUND BE INVESTED SAFELY TO GUARANTEE
A STEADY INCOME OVER TIME.....EVEN IF IT MEANS
GIVING UP THE POSSIBILITY OF HIGHER RETURNS FROM
RISKIER INVESTMENTS.

NOW BACK TO YOU, WALTER.

HEADLINE

PUBLIC FORUM RETURNS FOR SECOND YEAR. CITIZENS
DISCUSS PERMANENT FUND FOR A REPORT.,, COME IN
DILLINGHAM.

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

STATE OF ALASKA

OFFICE OF THE GOVERNOR
ALASKA GROWTH POLICY COUNCIL
ALASKA PUBLIC FORUM

JAY S. HAMMOND, Governor

Phone 276-5262
Loussac-Sogn Building
429 D Street, Suite 310
Anchorage, Alaska 99501

*2nd
Public Forum results*

NEWS RELEASE

FOR IMMEDIATE RELEASE
October 12, 1977

The second round of Alaska Public Forum discussions began last week in Dillingham and Togiak which are in the southwest region of the state, and Wainwright, a small whaling community near the Arctic Ocean. More than 250 people participated in the workshops which focused primarily on subsistence use of fish and wildlife---the problems in fish and game management as they affect subsistence users and possible solutions in managing resources to better provide for subsistence use. In addition, people discussed their goals for the investment of Permanent Fund money.

Governor Hammond was in Dillingham for the first Public Forum meeting. At that time, he proposed the idea of regional fish and game boards which would have regulatory authority over resident fish and wildlife, except those species exempted by federal law or international treaty. Veto powers would reside with a master fish and game board as a measure to protect fish and game resources which cross regional boundaries.

Participants in Dillingham supported the idea of regional fish and game boards. They wanted more local influence over the establishment and administration of fish and game regulations.

Although state policy recognized that subsistence use of fish and wildlife has priority over recreational or commercial use of these resources, the majority of participants in Dillingham, Togiak and Wainwright did not feel that the state had lived up to that policy.

A young man in Dillingham complained that the Department of Fish and Game "now caters to sports fishermen and head hunters (trophy hunters)". A Togiak participant criticized the trophy hunters. "They kill moose and only take the antlers. They kill bears and just skin the hide off. One guy came to Togiak last spring. He found a bear, killed it and had his picture taken beside the bear and left."

Several people felt that the Fish and Game Department is "sportsman oriented" because part of its yearly budget comes from the levy of fines and the sale of licenses and permits. One group advocated that "the funding source be changed, so that there would be less dependence on sale of licenses and fines."

Another common problem in all three communities was confusion over the Fish and Game regulations. Not only are they difficult to understand as written, but also confusing as to why they were made in the first place, many explained.

In Togiak one group concurred that the "structure of Fish and Game conflicts with our way of life. We feel that we are discriminated against because of the rules and regulations. The people do not understand most of the rules or regulations until they are arrested."

In Dillingham one person demanded that the state "use clearer language in Fish and Game regulations so that all people can understand the regulations, not just those who speak legalese."

In Wainwright, many people agreed that there was a lack of communication and the village had "little advance warning of changes in the rules". There was also the feeling that "extreme regulations would destroy the culture," and as one old man said, "people who do not depend on these animals for food should not decide who gets to hunt and fish."

Villagers in Wainwright saw major problems in the short caribou season and the recent International Whaling Commission's ban on the hunting of the bowhead whale. Most people in the village did not have time to hunt their caribou before the season closed because lack of snow and rough oceans did not permit easy travelling. The season also conflicts with the construction season when many villagers have jobs.

An old man spoke for many people when he said, "I hate to stop whaling for the Eskimo. I love muktuk. We have always hunted whales. Whales come for the Eskimo people." There was agreement that the ban on whale hunting would only create new problems. In addition, many people found it hard to believe the statistics on the reported size of caribou herds and number of whales. One person suggested that if local people were involved in the counting of game, that might help bridge the credibility gap.

Villagers recognized that there has been some wasteful killing of caribou and whales. In the area of whaling, the problem

seems to stem mainly from more inexperienced crews hunting whales who do not have the expertise necessary for a successful kill.

One possible solution as suggested was that the "whaling captains should decide what is the best number of whales for the village. Then the village would take no more than that. Also they could limit the number of whaling crews to those who are experienced."

Dillingham and Wainwright participants also talked about their goals for the investment of the Permanent Fund money. Last year, the Public Forum asked "How should the Permanent Fund money be invested?" Statewide, the strongest vote was to invest money in renewable resource industries. The second choice was to "save it". The third choice was to "loan it to communities".

After reviewing the results from last year and the two bills dealing with the structure and management of the Permanent Fund which were introduced in the last legislative session, this year's participants were asked to further define their goals and attach relative importance to each.

The participants in Dillingham recommended that the greatest portion of the Permanent Fund ought to be dedicated to safe investments in order to preserve the Fund and its earnings for needs which may arise in the future but cannot now be anticipated.

Channeling the money into renewable resource industries, specifically fisheries, fish processing, and hatcheries was second in importance.

Participants in Wainwright were most concerned about using the Permanent Fund for citing specifically such enterprises as a hotel and restaurant, a movie house, a recreation center, a bigger health clinic, and an airport terminal. They felt the Permanent Fund should be used to meet some basic and immediate needs.

Investing in renewable resource industries was a close second. This was identified primarily with the potential for reindeer or caribou herding.

The next Alaska Public Forum workshop will be held in Anchorage on October 22 at East Anchorage High School. The workshop will begin at 9 a.m. with introductory remarks from Governor Hammond.

For further information please contact Nan Elliot, Alaska Public Forum, 429 "D" Street, Suite 310, Anchorage, 99501, 276-5262.



The Alaska Public Forum



The Alaska Public Forum

The Alaska Public Forum is people from Ketchikan to Barrow, Gambell to Eagle participating in policy-making decisions on major state issues. It is the people of Alaska discussing their future. And it is the Governor, the legislators, and state officials listening to recommendations made by Alaskans.

This citizen involvement begins with the Alaska Growth Policy Council, an eleven member citizens' board appointed by Governor Hammond. The council's role is to provide recommendations on major state issues and to facilitate the public involvement process on a statewide level through the Alaska Public Forum.



The exchange of ideas

Seven regional workshops and a series of local meetings highlight the forum process. There the people and the decision-makers develop and exchange ideas on urgent state problems. However, even though the Alaska Public Forum uses the workshop process, it is more than a workshop. It offers participants the opportunity to understand state issues and at the same time provides them with the chance to express their opinions on these subjects.

People may participate in the regional workshops, local meetings or even at home. But, most important, Alaskans have the opportunity to choose solutions to critical problems and by so doing become a part of the decision-making process for the future of Alaska.

Forum issues



Before the forum process can take place, two preliminary steps must be completed:

Developing the Issues

The Governor, legislature, the Growth Policy Council and the state's local leaders, determine the issues for the forum. They do this by reviewing many of the current state problems such as those associated with the development of natural resources, the management of fish and game, the extension of the highway system, and from this analysis, they then can identify those issues which need action most immediately.

Distributing Information on the Issues

These issues are then summarized in a clear manner and distributed throughout the state in the form of a small newspaper. In this way, interested persons may familiarize themselves with the issues and participate effectively in the public forum process.



Regional workshops

The Alaska Public Forum will hold seven regional workshops throughout the state. They are scheduled for:

Southeast	November
North	December
South Central	January
Copper River	February
Southwest	March
Gulf Coast	March
Interior	April

Approximately 25 persons from the general public are selected in each region to participate in the regional workshops. Additionally, 25 leaders from the area are invited to lend their experiences to the discussions.

However, these 50 people serve only as a base for broader participation on the part of any and all interested persons who wish to attend. The workshop sessions provide participants with the opportunity to choose solutions to state problems, exchange these opinions with other participants from their region and with state leaders, and ultimately come up with specific recommendations.

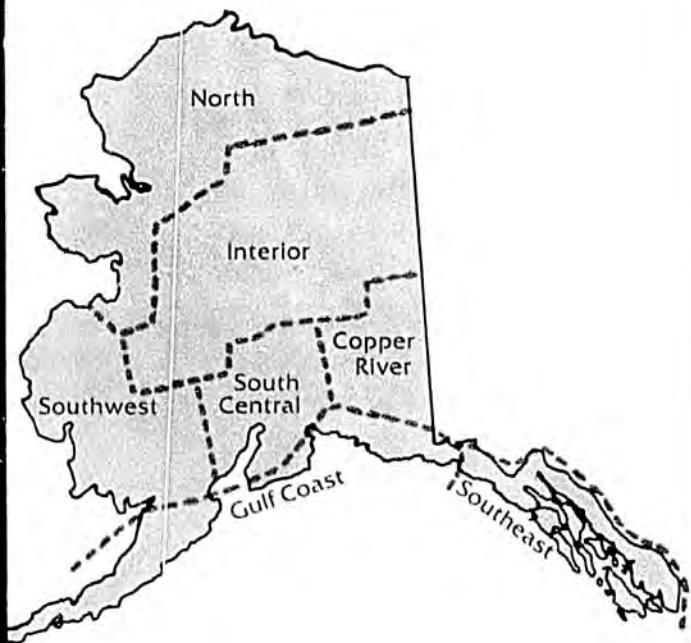
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Local workshops



The public forum process is available to everyone in the state. In addition to the regional sessions, there are a series of local meetings held throughout each region for those persons who are unable to attend the larger workshops. The locations of these meetings are determined by geographic needs and include as many communities and people as possible.

As in the regional workshops, the participants at the local meetings discuss the major state issues, make choices among the various proposed solutions and exchange these ideas with other participants and state leaders.





The recommendations

The most unique feature of the Alaska Public Forum is the direct communication it provides between forum participants and the decision-makers. The Governor, legislators and state officials attend each regional workshop to listen and receive the recommendations immediately, not two months or a year later. And these officials receive the information directly from the participants.

This process also carries over to the local meetings. These people may exchange ideas and present their recommendations to state leaders and Growth Policy Council members.

The Alaska Public Forum extends one step further for people who cannot attend either the regional or local meetings. The forum newspaper contains a ballot—a questionnaire—so that anyone may comment and make recommendations on the state issues by filling them out and mailing them in. These ballot results will also be given to the Governor and state officials to become a part of their decision-making process.

A statewide conclusion



At the end of the regional workshop process, the Alaska Public Forum will hold a statewide meeting to discuss the implications of the various proposed solutions to the problem areas. Again, the Governor along with legislators and state officials will receive the recommendations coming out of this meeting.

There is a place in the Alaska Public Forum process for everyone in the state of Alaska, whether they are a fisherman, homemaker, businessman, or school teacher. Everyone is urged to participate and contribute ideas.

There are decision-makers who want to know what the people of Alaska think. **You** can make a difference to the future of Alaska. Become involved in the Alaska Public Forum.





Alaska Growth Policy Council

Rev. Mark Boesser

John Borbridge

Tim Bradner

David Klein

Leonard Lane

Harold Pomeroy

Lidia Selkregg

Herbert Smelcer

Diana Tillion

Lowell Thomas, Jr.

*Member to be appointed

Barry Quinn

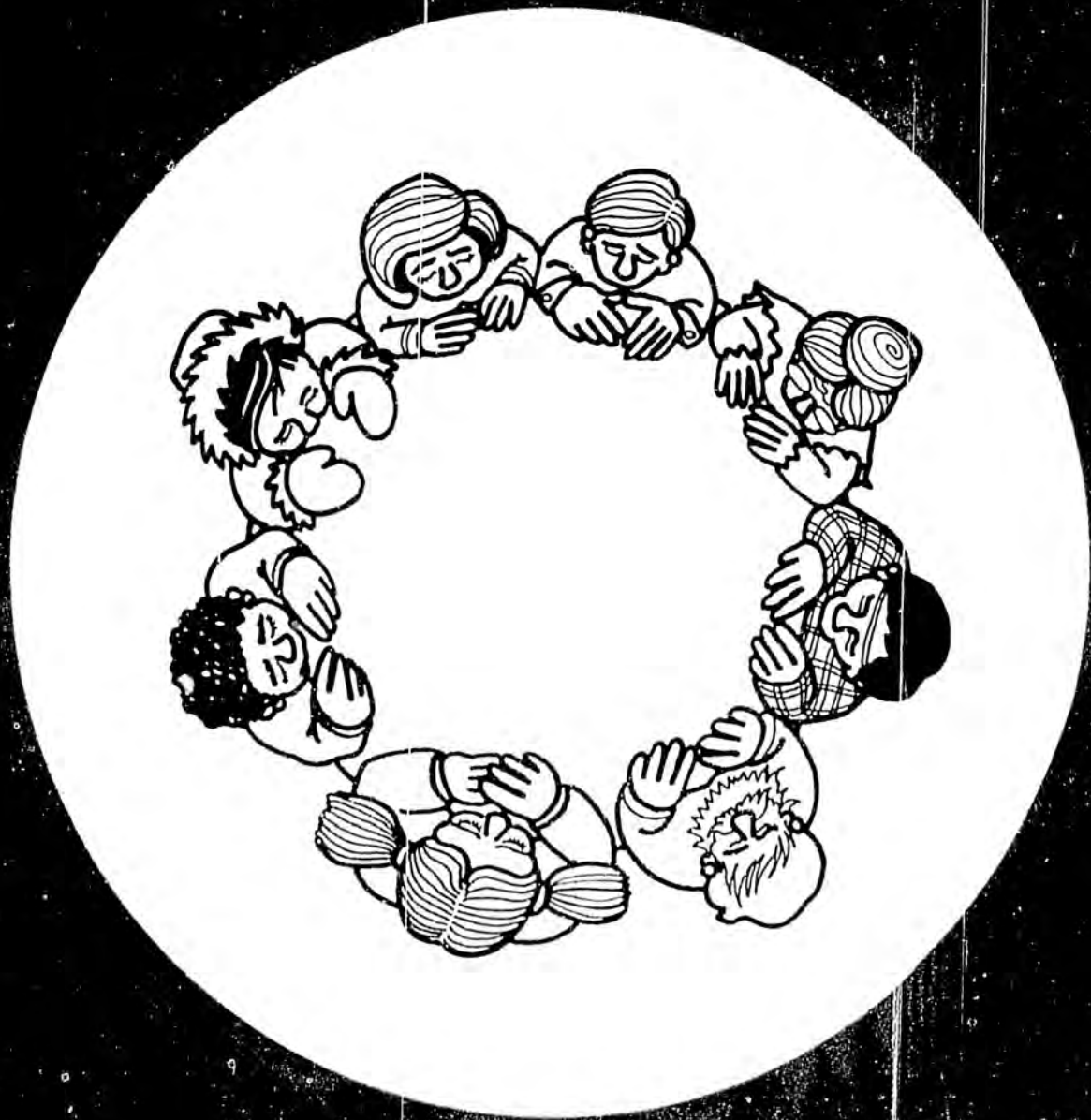
Executive Director

Alaska Growth Policy Council/ Alaska Public Forum

429 D Street

Suite 310

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Mid-Year Report

March 1977

The Alaska Public Forum

A program of the Alaska Growth Policy Council

The people who make the Forum work

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

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

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

A few people come timidly because they have rarely been out of their communities before and they don't know what they're going to say. But after all, the governor asked them, so they should go. Some people have a great deal of experience at the supermarket, gas station, and at local school meetings but have no experience with government and no idea what such things as "royalty oil and gas" mean. However, what better time to find out and maybe meet the governor and their legislators.

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

It is a remarkable experience to sit at a table and watch a fisherman, a teacher, a student, a welfare worker, a self-employed businessman, a subsistence hunter, a legislator, a bookkeeper, and a Teamster trucker exchange ideas about the future of Alaska.

And what is most important about the Alaska Public Forum is that before these people leave the table, they generally have reached a consensus about almost every issue. They might vote one way as individuals answering each question, but placed in a group where they must consider other interests and trade-offs, participants become policy-makers. Their considerations become broad; their basis for selecting answers for less personal and far more sensitive to the general good.

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

We begin with this report.

The Alaska Growth Policy Council
March 1977

The Alaska Public Forum

A program of the Alaska Growth Policy Council

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

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

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

Background

Determining the issues

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

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

Informing the public

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

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

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

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

Then there are the meetings.

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

The effort to explain this generally begins several months before the workshop. It begins with the enthusiasm for the Alaska Public Forum. The rest, then, becomes easier. It can include as many as two or three preworkshop trips by staff and sometimes Growth Policy Council members. It involves time aside to

appear on radio and television talk shows; creating and taping public service announcements, news stories and newspaper advertisements, endless appearances at luncheons and dinners for the Lions, the Rotary, the Chamber of Commerce; it involves presentations to

Come to the Forum*



[Not just another boring meeting]

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

city councils, village councils, Native corporations — profit and nonprofit; discussions with business, school, and government officials requesting their help to notify their employees; it includes mass distribution of the Public Forum newspaper through local mailboxes, and community papers; and hours of time around town leaving newspapers on store counters and hanging posters telling people when and where; it means time aside to talk to senior citizens' lunch groups, church meetings, social service gatherings, and of course visits to Bingo games. And it means, after all this, to find out that three days earlier the school scheduled a makeup basketball game the same time as the Public Forum meeting. But the day of the workshop arrives and the people come. And once they are there, they usually become supporters.

All this activity occurs for both types of Alaska Public Forum meetings — the regional and the community meeting. However, for a regional workshop there is one added step — inviting the "randomly

selected participants." It starts by pouring over voter registration lists, mathematically counting and selecting the names of people from every area of a region. These people are then sent a letter from the Lt. Governor asking them to participate in the Public Forum as the guests of the Alaska Growth Policy Council. Other letters of invitation are sent to community leaders throughout a region but only those randomly chosen have their expenses paid by the Public Forum. In this way, people who don't usually attend meetings are invited and encouraged to participate. And after the newness of the first few hours, they generally make use of the opportunity and jump right in.

Regional Workshops

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

<u>Southeast:</u>	<u>North:</u>	<u>Southcentral:</u>
Ketchikan	Kotzebue	Anchorage
November 13, 14	December 4, 5	January 15, 16

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

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

Community Meetings

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

Barrow provided an exception to both the local evening meetings and the regional workshop format. In

this study, the North Slope is treated as a part of the Northern region but participants from the North Slope did not attend the Kotzebue regional workshop because of the travel expense. Instead, a special one-day meeting was held in Barrow, January 29, with representatives from six North Slope villages among the participants.

The Governor, Legislators and Growth Policy Council

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

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

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

The Questionnaire

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

Funding

The Alaska Public Forum operates on a budget of \$290,000 appropriated by the state legislature and supplemental funding of \$60,000 from the State Department of Commerce and Economic Development; \$40,000 from the State Coastal Zone Management Program and \$25,000 from the Alaska Humanities Forum.

Recommendations

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

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

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

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

First, out of the regional workshops and community meetings with more than 1,500 people, come recommendations often in the form of group consensus. These are valuable because they are the result of discussing trade-offs and often provide a balance of community and state, personal and group needs. The

suggestions are generally a group's assessment of the "best way to go." As one participant explained in a Letter to the Editor in the Anchorage Times:

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

Second, the Public Forum asks both workshop participants and those unable to attend a meeting to respond to the same seven questions by filling out and returning the questionnaire at the end of the Alaska Public Forum newspaper. Over 2,200 people have participated in the Forum through the questionnaire. In Southcentral, 1,100 of the 1,633 questionnaires received were mail-ins. However, of the 475 questionnaires received in Southeast and the 134 from the North, most were handed in at meetings by participants.

These written suggestions have been tabulated. The answers cut across demographic categories and they indicate that Public Forum participants although not a true proportional cross-section of each region, respond similarly to the various recommendations. Where there are differences, these have been noted.

The summary includes both responses — group and individual. It is hoped that through these methods of hearing the public, you will come away understanding both the common thread of people's hopes for the future of Alaska and at the same time their extraordinary individuality.

Summary

Alaska Public Forum participants were asked to come up with answers to seven questions on major state issues. They were provided with six questions chosen by the Governor, legislators, state officials, people throughout the state and ultimately, based on all these suggestions, the Alaska Growth Policy Council. (The Alaska Public Forum is a program of the Alaska Growth Policy Council, an eleven-member citizen participation group set up by Governor Hammond.) Participants in the program then choose a seventh question — an area of state concern that they wish to discuss. All the questions (except 7) have a number of proposed choices, from which participants

may choose an answer. They may also select "other" and provide their own answer.

What follows is a summary of question recommendations from the first half year of the Alaska Public Forum program in Southeast, the North and Southcentral. The information is based on the comments and suggestions recorded at meetings as well as the answers provided in the mail-in questionnaires. Since the base of background information and time spent on each choice is different in every case, it is strongly recommended that you consider both the meeting summaries and the questionnaire statistics before reaching any conclusions.

See questionnaire on page 13 for complete questions

Question 1

"I know we're talking about more money than I can ever conceive of but if I get to put my two cents worth in regarding the investment of the state's two billion dollars, then no matter what gets done with it, I'll have the feeling it's more mine."

Anchorage

QUESTION 1 — OIL AND GAS WEALTH

SOUTHEAST

Uses of the oil and gas revenues

- Renewable resources
- Community development
 - a) Loans
 - b) Grants and revenue sharing
- Save it and tax cuts

NORTH

Uses of the oil and gas revenues

- Community grants and revenue sharing
- Renewable resources
- Save it

SOUTHCENTRAL

A. Investment of Permanent Fund

- Renewable resources
- Save it

B. Uses of surplus revenues

- Tax cuts
- Renewable resources

The first question asked, "How should the state use its new oil and gas money in the future?" The options were to: Save it; Loan it to 1) communities 2) industrial development 3) renewable resource industries, 4) individuals; Use it for 1) tax cuts, 2) community revenue sharing and grants 3) more state services; and other. Common to all three regions were the recommendations to promote renewable resource in-

dustries with oil and gas revenues and to save the money with Southeast and the North recommending community assistance efforts ahead of the suggestion to save.

For the Southcentral region, the question was divided into two parts because of some confusion in Southeast and the North over the role of the Permanent Fund in the original question as stated above.



Then, Question 1A asked, "How should the Permanent Fund money be invested?" and the options were the same as the first five mentioned above. Question 1B is the one asked in Southeast and the North — "How should the state use its new oil and gas money?" and the options were also the same nine with the inclusion of using the new wealth for cash payments to Alaskans or increasing the amount in the Permanent Fund. It is incorrect, however, to compare the second part of Question One in Southcentral with the question used in the first two regions despite the same wording because people in Anchorage and surrounding communities accurately viewed the answer to the second part of the question as surplus or extra oil and gas monies. People in Southeast and the North were more reluctant to do so and provided answers which reflect a concern for investments and future security more in tune with

solutions to the Permanent Fund issue.

Interestingly, whether people were specifically investing in the Permanent Fund, or using the new oil and gas wealth, there was across-the-board concern for the future of the *renewable resource industries* — fishing, timber and agriculture with tourism and varying combinations of the above spread throughout the three regions.

The option of using the new oil and gas money for *community revenue sharing and community grants* was the first choice of people in the North with *renewable resources* close behind. In Southeast, participants supported community assistance as their second choice although they were divided between using *community revenue sharing and grants* for this purpose or providing *loans to communities*. In Southcentral, an area with far fewer isolated, rural communities this option which rated so high in the Southeast and the North fell to fourth position.

Southcentral participants chose instead, to *save* the Permanent Fund money by investing in safe securities with guaranteed returns, or by increasing the size of the Fund itself. They also thought that the state should provide *tax cuts* with the new oil and gas wealth once the concern for renewable resources was met. Although tax cuts received a clear majority, largely as a result of Anchorage mail-in participants, most of the same people chose renewable resources as their first option for Permanent Fund investment and gave it second priority for uses of new oil and gas money. This would appear to give added weight to the renewable resource issue.

Save it as an option for investment of the Permanent Fund question in Southcentral received a great deal of support. It was also selected as a third priority for using oil and gas money in both Southeast and the North, indicating statewide support.

Question 2

"You can't get a job without a good education...and a lot of times if you don't have a job other things don't follow."

Barrow

QUESTION 2 — HUMAN NEEDS

SOUTHEAST

- Education
- Employment
- Alcoholism

NORTH

- Education
- Alcoholism
- Health

SOUTHCENTRAL

- Employment
 - Education
 - Alcoholism
-

The second question asked, "What areas of human need do you feel require the most attention?" The options were alcoholism, care of children, education, programs for the elderly, employment, health, housing, income maintenance, rehabilitation, and other. The



responses to these were similar in all three regions. Both *education* and *alcoholism* appeared a priority in each region. *Employment* also ranked among the top three choices in Southeast and Southcentral but was replaced by *health care* in the North.

Education received the highest ranking in Southeast and the North and generally younger people were more

concerned about education than older Public Forum participants. Employment ranked first in Southcentral. There, as well as Southeast, it was usually chosen by participants in the occupational categories of white collar and blue collar workers and those not in the labor force, but not as often by professional-technical people.

Alcoholism sparked the most discussion and comment. It ranked very high among people's top choices in both meetings and questionnaire tabulations, although when it was averaged with all seven human needs, its ranking fell. Perhaps the one consistent thought coming out of Public Forum meetings was the recommendation that an added tax be placed on alcoholic beverages to pay for the cost of rehabilitating alcoholics. A secondary suggestion encouraged local control and management of alcohol rehabilitation programs.

Health care was an important concern for people living in isolated communities in the North. There, lack of medical assistance in villages and extreme distances from hospitals and clinics, were repeatedly brought up as major concerns. Health was ranked fourth in Southeast and Southcentral.

The other human needs areas were generally the same throughout all three regions, with care of children, and programs for the elderly falling in behind the four issues mentioned above. In the North housing was high among people's needs and tied with employment as a fourth priority in that part of the state. It should be mentioned at this point that most of the choices for this question received very close ratings, perhaps supporting people's contention in meetings that it was difficult isolating one concern from another.

Question 3

"Children are one resource we all will have to live with whether I chose to have them or not."

Homer

QUESTION 3 – FINANCING SCHOOL CONSTRUCTION

SOUTHEAST

- Continue the Present System

NORTH

- 100% funding from the General Fund

SOUTHCENTRAL

- Continue the Present System

Question Three asked, "How should public school construction be financed in both the organized and unorganized boroughs?" The answers included an increase in the state income tax, a statewide sales tax, local property taxes throughout the state, to continue

the present system or fund entirely out of the General Fund. Behind the question is the requirement to build a number of schools throughout rural Alaska in the near future and the Public Forum options try to suggest methods of financing this construction.



Initially, Southeast and Northern participants were presented with the option of financing school buildings

through the General Fund. This option was later dropped in Southcentral and subsequent regions because it did not specify a method by which the General Fund will get the money to build schools.

Both Southeast and Southcentral chose to *continue the present system which provides for property taxes plus supplemental state funding in organized boroughs and 100% state funding in the unorganized borough*. Interestingly enough, to continue this method places a heavier financial burden on organized boroughs such as those found throughout Southeast and Southcentral.

The North on the other hand chose to *fund school construction from the General Fund*. With the exception of the North Slope Borough, most of this region has its school buildings financed entirely by the state. Nonetheless, they chose to recommend that the state pay for not only their needs but the needs in organized boroughs (such as Southeast and Southcentral) as well.

In each region, the top choice was recommended by a 10 to 20 percent margin. Suggestions of other financing methods such as a statewide sales tax or an increase in the state income tax were generally received unfavorably.

Question 4

"I'm asking the basic question, when am I and fellow people, fellow 'I's' going to get five acres to raise chickens and a garden on. We don't want a handout. We don't want to be subsidized. I'll buy it. When can I count on buying it?"

Ketchikan

QUESTION 4 — LAND MANAGEMENT

SOUTHEAST

- Renewable Resources
- Public Needs

NORTH

- Renewable Resources
- Public Needs

SOUTHCENTRAL

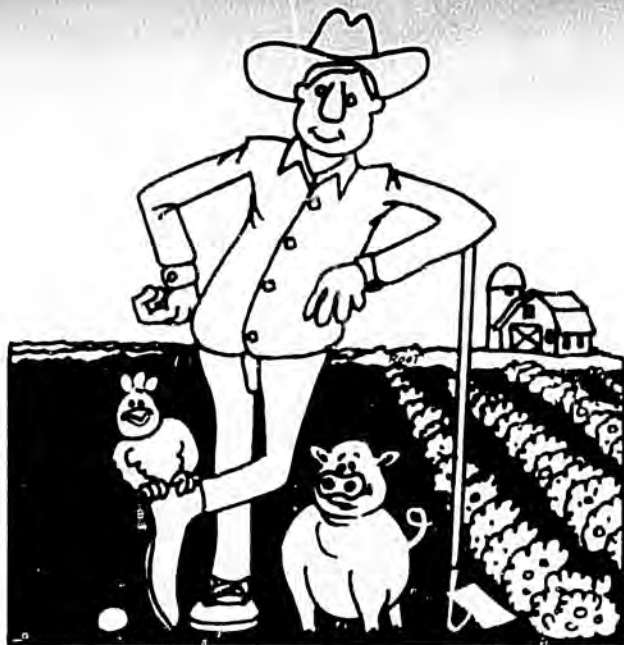
- People's Needs*
- Renewable Resources

**Language change a result of questionnaire revision. (See Appendix)*

Question Four asked: "What should be the objectives for managing Alaska's land?" The options included to raise revenues for the state, to provide for public or people's needs, to promote renewable resource development, to promote industrial development, to preserve the natural environment and other. In every region the responses were the same — *promote renewable resource development and manage the land to meet people's needs.*"

In Southeast and the North, people supported the option of *renewable resource development* for land management as their first choice. In both regions, renewable resources were explained as the economic mainstay of the area and in the North, a chief food source. In Southcentral, the people of that region gave renewable resources a strong second priority position.

Land for people's needs was a favorite topic in all three regions, particularly land poor Southeast, but it



was Southcentral participants who ranked it as their first priority. In all areas, people generally spent a great deal of time discussing the need for more land for homesites at less expensive rates and with built-in safeguards against speculators.

In the North, the subject of people's needs was often interwoven with subsistence and renewable resource concerns as participants indicated that fish and game resources were the people's needs. There was some support among the non-native population in the North for homesite land under this option.

In Southeast and the North, there were recommendations to *preserve the natural environment* which was often written in as an *other* suggestion. In Southcentral, where it was listed as an option, natural environmental preservation ranked third behind people's needs and renewable resource development.

Question 5

"We need impact help now to move smoothly through some rough times ahead. We can't wait till Front Street in Nome becomes another Second Avenue in Fairbanks. And it will be just the same if we don't look ahead and get some help now."

Nome

QUESTION 5 - LEASING OIL AND GAS LANDS

SOUTHEAST

- Sell leases at a moderate rate

NORTH

- Sell leases at a moderate rate with safeguards

SOUTHCENTRAL

- Sell leases at a constant pace*

**Language change a result of questionnaire revision. (See Appendix)*

Question Five asked, "What should be the state's policy on future oil and gas lease sales?" The options were to sell leases as fast as possible to make a lot of money, to sell at a moderate rate for a steady flow of income, to sell when the state needs a large sum of money, to do no further leasing, and other. The response throughout all three regions was the same — *sell leases at a moderate rate to assure a steady flow of income for a long time.*

Despite the large response to the option to lease at a moderate rate, participants from every region felt the need to tack on addendums to their answers. In almost every case, their attachments expressed concern over environmental and community impact stemming from oil exploration activities. Participants urged state lead-

ers to involve the local community in any leasing activities and train local people for petroleum-related jobs. Over and over again, people from communities in Southeast, the North and Southcentral recommended that monies be made available in advance of severe impact. Further, they urged that the lives of people, and the preservation of the state's fish, game and environmental resources be given priority over the revenues to be gained from leasing activities.

There was some sporadic support for the option *to do no further leasing* but not enough to make much of a dent in the majority opinion discussed above. Finally, participants thought the state should steer away from *leasing only when it needs money* which, people felt, could only lead to panic selling.

Question 6

"It sounds enticing to us all to be really independent and produce our own products from our own resources, but if we become just another conduit for big oil production with little control or benefit, then we really won't accomplish much at all."

Kenai

QUESTION 6 – ROYALTY OIL AND GAS

SOUTHEAST

- Sell it for financial gain

NORTH

- Provide in-state residential use

SOUTHCENTRAL

- Provide in-state residential use
-

Question Six asked, "What is the best use of Alaska's royalty oil and gas?" The options were to sell the royalties to make money, to use them for promoting industrial development in-state, to provide in-state residential use, and other. The responses in the North and Southcentral proved similar – use it *to provide in-state residential use of royalty oil and gas*. In Southeast, people recommended that the state *sell it for financial gain*.

In the two regions, the North and Southcentral, where there is a better likelihood that oil and gas royalties can be used for individual needs by residents, this option was the top priority. Southeasterners, however, because of their physical separation from the main body of the state often felt that it would be too expensive to get the oil and gas to them and it would make more sense for the state to *sell its royalties for financial gain* instead. However, there was a good deal of secondary support throughout the region for using the oil and gas to meet individual needs within the state.

Many participants in all regions indicated a preference for several of the options, specifically, to use what is needed in-state and then sell the rest.

There was also widespread concern over the inequities in the price of oil within the state today and many participants, particularly in the North, suggested

using the royalty oil and gas to equalize prices by subsidizing transportation or selling shares of the royalties throughout the state.

Many felt that any revenues to be derived from the royalty oil and gas sales or the refining of the product should go to develop alternative energy resources, especially solar, tidal and wind energy.



Question 7

"....What I'm trying to say is that it's my job to catch fish; I want to go on and do my job, but I also want to make sure 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 because he caught them all.'"

Craig

QUESTION 7 - REGIONAL CONCERNS

SOUTHEAST

- 1) Transportation
- 2) Fisheries (renewable resources)
- 3) Alternate Energy Sources

NORTH

- 1) Transportation
- 2) Oil and Gas Exploration
- 3) Subsistence/Renewable Resources

SOUTHCENTRAL

- 1) Government Efficiency
- 2) Transportation
- 3) State Population and Economic Growth

Question Seven provided the opportunity for Alaska Public Forum participants to discuss subjects they wanted recognized as problem areas. The question asks: "What other state problems do you feel should be considered?" The one concern that all three regions shared in common was *transportation*. Beyond this, the focus in the different regions varied.

Transportation spanned all three regions as a major concern, but in each area the needs were different. In Southeast, participants directed their criticism at the ferry system requesting that schedules and service be improved and that no attempt be made to run the Marine Highway system as a profit-making venture. Southeasterners voiced the secondary concern that air service schedules and airport maintenance be improved throughout the region.

Air transportation was also the focus of much discussion in the North. Criticism was leveled at federal regulations which limit service in that region to one air carrier company and complaints of poor freight delivery seemed to head everyone's list. There was also concern over the poor maintenance of air fields in small communities which can isolate a village for weeks at a time.

Transportation in Southcentral was largely an issue of road improvement whether in front of people's homes or on major highways outside of the city of Anchorage. People also discussed transportation planning, the North Slope haul road, and the possibility of extending the existing highway system as secondary transportation problems.

In Southeast, people went on to discuss methods of *rehabilitating the struggling fishing industry* and *developing hydroelectric power* for the region.

In the North, Public Forum participants discussed their growing concern over "oil and gas exploration impact" in that area — whether it was Norton Sound or the Beaufort Sea. Their needs, while largely the same as those itemized in Question Five, were important enough for participants to repeat in this question.

Closely tied in with this were the reactions through-

out the North that "fish and game management" be handled carefully and with local involvement to protect subsistence activities and renewable resource interests.



In Southcentral, participants in almost every area of that region decried the extravagant size of state government and its less-than-effective performance. There were concerns of people who didn't know where to turn for help and those who felt state government has become inefficient. Tied into this theme was the concern over rapid state growth and the fact that too many people are arriving, ill-equipped to participate in Alaska's life and end up supported by the state.

There were many other concerns brought up in each region and for a more complete discussion, please see the section on Question Seven. However, these appear to be the major problem areas voiced by Alaska Public Forum participants.

Secondary Suggestions

In this last section, we have attempted to capsule the thoughts and recommendations of all the people who have participated in one way or another in the Alaska Public Forum in three regions of the state — Southeast, the North and Southcentral. If we suggested at the beginning of the report that some imaginative ideas might slip by for the sake of brevity, this is even more true for the summary of recommendations.

In an attempt to fit in a few more pieces before we end, we set forth some secondary concerns brought up by many of the Public Forum participants. Some of these suggestions are already being met through existing programs or legislation. We repeat them nonetheless because we heard them from the people of the state. Other concerns may be new and again, because we heard them, we thought you too might want to know.

- Place an added tax on alcoholic beverages to pay for the cost of rehabilitating alcoholics.
- Provide land for homesiting with safeguards against speculators.
- Review fish and game management patterns and include more local involvement on policy decisions from opening and closing of fishing seasons to caribou hunting permits.
- Provide for Outer Continental Shelf impact assistance *before* the leases are finalized.
- Establish means now of involving local communities in oil and gas exploration activities.
- Provide job training for employment on oil and gas exploration projects.
- Provide an emergency fund for oil spills and have it available *before* the spill so that it may be put to use immediately if needed.
- Take steps to improve government sensitivity and outreach to rural areas of the state.
- Improve transportation:
 1. the ferry system and air service in Southeast;
 2. air service and airport maintenance in the North;
 3. road improvements and upgrading in Southcentral and wherever roads exist
- Encourage local involvement both financially and educationally in schools around the state and move toward equal educational opportunities for all areas.
- Develop hydroelectric power for Southeast and reassess the Devils Canyon Dam project in Southcentral.

Appendix

The Alaska Public Forum

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)
- | | |
|--|--|
| <input type="checkbox"/> a. Save it | <input type="checkbox"/> d. Loan it to develop renewable resource industries |
| <input type="checkbox"/> b. Loan it to communities | <input type="checkbox"/> e. Loan it to individuals |
| <input type="checkbox"/> c. Loan it for industrial development | <input type="checkbox"/> 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)
- | |
|--|
| <input type="checkbox"/> a. Use it for tax cuts for Alaskans |
| <input type="checkbox"/> b. Use it for cash payments to Alaskans |
| <input type="checkbox"/> c. Use it for more community revenue sharing and community grants |
| <input type="checkbox"/> d. Use it for more State services |
| <input type="checkbox"/> e. Save it by increasing the Permanent Fund |
| <input type="checkbox"/> f. Loan it to communities |
| <input type="checkbox"/> g. Loan it for industrial development |
| <input type="checkbox"/> h. Loan it to develop renewable resource industries |
| <input type="checkbox"/> i. Loan it to individuals |
| <input type="checkbox"/> 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.)

- | | |
|--|---|
| <input type="checkbox"/> a. Alcoholism | <input type="checkbox"/> e. Employment |
| <input type="checkbox"/> b. Care of Children | <input type="checkbox"/> f. Health care |
| <input type="checkbox"/> c. Education | <input type="checkbox"/> g. Housing |
| <input type="checkbox"/> d. Programs for the Elderly | <input type="checkbox"/> h. Other _____ |

3. The Question:

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

- | |
|--|
| <input type="checkbox"/> a. 100% State funding through an increase in the State income tax. |
| <input type="checkbox"/> b. 100% State funding from a statewide sales tax. |
| <input type="checkbox"/> c. Local property taxes throughout the State and supplemental funding where needed. |
| <input type="checkbox"/> 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. |
| <input type="checkbox"/> 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.)

- | |
|--|
| <input type="checkbox"/> a. To raise revenues for the State |
| <input type="checkbox"/> b. To provide land for people's needs |
| <input type="checkbox"/> c. To promote renewable resource development |
| <input type="checkbox"/> d. To promote industrial growth and development |
| <input type="checkbox"/> e. To preserve the natural environment |
| <input type="checkbox"/> f. Other _____ |

5. The Question:

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

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

6. The Question:

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

- | |
|---|
| <input type="checkbox"/> a. The State should sell its royalties to make money. |
| <input type="checkbox"/> b. The State should use its royalty oil and gas primarily for promoting industrial development in the State. |
| <input type="checkbox"/> c. The State should provide in-state residential use of the royalty oil and gas. |
| <input type="checkbox"/> 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.)

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? _____

Alaska Public Forum Meetings: Southeast

LOCATION	DATE AND TIME	NUMBER OF PARTICIPANTS	COMMUNITIES REPRESENTED	ELECTED OFFICIALS	RESOURCE PEOPLE	GROWTH POLICY COUNCIL REPRESENTATIVES
KETCHIKAN Regional Workshop	Nov. 13-14, 1976 all day—both days	100	18 S.E. communities 21 random selection participants	Gov. Jay Hammond Rep. Terry Gardiner	Department of Health and Social Services Coastal Zone Management	Lowell Thomas, Jr. Frank Homan Leonard Lane Harold Pomeroy
WRANGELL	Nov. 16, 1976 evening	40	1	None	None	Harold Pomeroy
PETERSBURG	Nov. 17, 1976 evening	40	1	Rep. Ernie Haugen	None	Harold Pomeroy
JUNEAU	Nov. 18, 1976 evening	71	1	Gov. Jay Hammond Rep. Jim Duncan	None	Frank Homan Harold Pomeroy
SITKA	Nov. 22, 1976	64	1	Sen. Pete Meland	None	Frank Homan
SKAGWAY	Nov. 23, 1976	6	1	None	None	None
HAINES	Nov. 30, 1976 evening	20	(Klukwan) 2	None	None	Lowell Thomas, Jr.
CRAIG	Dec. 6, 1976	11	1	None	None	None
KLAWOCK	Dec. 7, 1976	12	1	None	None	None
THORNE BAY	Dec. 8, 1976	20	1	None	None	None
ANGOON	Dec. 9, 1976 evening	51	1	None	None	
METLAKATLA	Dec. 13, 1976 evening	12	1	None	None	None
HOONAH	Dec. 14, 1976 evening	2	1	None	None	Leonard Lane

Alaska Public Forum Meetings: North

LOCATION	DATE AND TIME	NUMBER OF PARTICIPANTS	COMMUNITIES REPRESENTED	ELECTED OFFICIALS	RESOURCE PEOPLE	GROWTH POLICY COUNCIL REPRESENTATIVES
KOTZEBUE Regional Workshop	Dec. 4-5, 1976 all day—both days	100	12 Northwest communities 15 random selection participants	Gov. Jay Hammond Sen. Frank Ferguson Rep. Leo Schaeffer	1. Div. of Land 2. Div. of Oil and Gas 3. Div. of Coastal Zone Management	Lowell Thomas, Jr. Frank Homan Leonard Lane Harold Pomeroy Herb Smelcer Diana Tillion
BARROW One-day Workshop	Jan. 29, 1977 all day	34	6 North Slope villages	Lt. Gov. Lowell Thomas, Jr.	1. Div. of Oil and Gas 2. Div. of Coastal Zone Management	Lowell Thomas, Jr. Herb Smelcer
NOME	Nov. 18, 1976 evening	68	1	Rep. Al Nakak	None	Leonard Lane
KIVALINA	Nov. 22, 1976 afternoon	20	1	Rep. Leo Schaeffer	None	None
DEERING	Dec. 2, 1976 afternoon	21	1	None	None	None
SHUNGNAK	Nov. 24, 1976 afternoon	15	1	Rep. Leo Schaeffer	None	None
KOBUK	Nov. 24, 1976 evening	6	1	Rep. Leo Schaeffer	None	None
GAMBELL	Jan. 21, 1977	30	1	None	None	None
STEBBINS	Jan. 27, 1977	28	1	None	None	None
SAINT MICHAEL	Jan. 28, 1977	15	1	None	None	None
UNALAKLEET	Jan. 31, 1977	23	1	None	None	None

Alaska Public Forum Meetings:

Southcentral

LOCATION	DATE AND TIME	NUMBER OF PARTICIPANTS	COMMUNITIES REPRESENTED	ELECTED OFFICIALS	RESOURCE PEOPLE	GROWTH POLICY COUNCIL REPRESENTATIVES
ANCHORAGE Regional Workshop	Jan. 15-16, 1977 all day—both days	Sat. 450 Sun. 520	13 Southcentral communities 30 random selection participants	Gov. Jay Hammond Sen. Chancey Croft Sen. W. E. Bradley Sen. Pat Rodey Sen. Ed Willis Rep. Mike Beirne Rep. Kris Lethin Rep. Lisa Rudd	1. Div. of Lands 2. Div. of Oil and Gas 3. Dept. of Health and Social Services 4. Dept. of Coastal Zone Management	Lowell Thomas, Jr. Mark Boesser Tim Bradner Frank Homan David Klein Leonard Lane Harold Pomeroy
KENAI-SOLDOTNA	Jan. 24, 1977 evening	42	2 Kenai and Soldotna	None	Department of Health and Social Services	Mark Boesser Harold Pomeroy Diana Tillion
HOMER	Jan. 31, 1977 evening	93	1	None	Department of Health and Social Services	Mark Boesser Harold Pomeroy Diana Tillion
PALMER	Feb. 9, 1977 evening	22	1	None	None	Mark Boesser Harold Pomeroy Lidia Selkregg
TALKEETNA	Feb. 16, 1977	45	1	None	None	Mark Boesser

Behind the Scenes

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Evelyn Tuzroyluk

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Alaska Sound Labs — *Audio*
Institute of Social and Economic Research — *Research and Analysis*
Snow Goose Productions — *Print Matter*

*This report was written and edited by Diane Burgin.
The Southcentral portion was written by Cathy Allen.
Layout by Snow Goose Productions.*

*Tabulation and analysis of questionnaires by Jack Kruse, Institute of
Economic and Social Research, University of Alaska.*

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NEWS RELEASE

April 7, 1977

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NEWS RELEASE

FOR IMMEDIATE RELEASE
April 7, 1977

Alaska Public Forum Findings Released

"What I'm trying to say is that it's my job to catch fish; I want to go on and do my job, but I also want to make sure 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 because he caught them all'."

This comment came out of the Alaska Public Forum meeting in Ketchikan. The findings from this and the rest of the first half year of this new program have been put together in a recently released report. The most revealing information came in suggestions like that of the Southeast fisherman who told Governor Jay Hammond, legislator Terry Gardiner, the Alaska Growth Policy Council members and representatives from throughout 18 Southeastern communities his concerns for the future of the fishing industry in particular and renewable resources in general, in the state of Alaska.

In meetings throughout three regions of the state--Southeast, the North and Southcentral the major theme was consistently the preservation of one or another of the renewable resource industries.

There was a farmer in Matanuska Valley who urged: "Do something about our farmland being whittled away by real estate scalpers and make

the land safe to use for long-range farming goals." And a subsistence hunter in Barrow who suggested: "The state should develop strong support for a reindeer industry in the Arctic Slope for subsistence as well as revenue." But the concerns for the future of the state's renewable resource wealth were the same.

The Alaska Public Forum was created this year by the Alaska Growth Policy Council, an eleven member committee set up by Executive Order to provide citizen input into state decision-making. During the first three months of the Public Forum, participants have discussed and recommended solutions to seven major questions, most of which deal with issues now before the legislature and the state administration. The following information is a compilation of the thoughts from over 2,200 people in 49 communities.

Thirty three percent of the Public Forum participants discussing Question One, investment strategies for the Permanent Fund and methods of using the new oil and gas wealth, urged the state to provide loans to renewable resource industries.

Following closely behind, people urged the state to provide more assistance to communities. This issue received 22 percent of the vote, however people were divided between providing loans to communities or using it to increase the size of community revenue sharing and grants. But the discussion on community support did not end there. Public Forum participants from all three regions expressed local concerns for public works projects whether it was a seawall in Deering to protect the village from the Kotzebue Sound or a firehouse in the wooded Southeastern village of Klawock.

A third widespread suggestion for using the \$3 billion oil and gas revenues was to "save it" which was explained as placing the money in safe and guaranteed investments such as banks and government bonds.

Anchorage provided a break from the rest of Southcentral, the North and Southeast regions when its mail-in participants voted by 62% to use the surplus oil and gas wealth for tax cuts. However, when Anchorage participants in meetings discussed the issue it received only 40% of the vote.

A 73 year old Anchorage woman who had attended the regional workshop said she had been tempted to rank the tax cut as her favorite. She went on to write on the side, back and top of her questionnaire, "...then I talked with some people in my discussion group and I got to thinking, what good is \$50 in a tax cut for me when all of the Matanuska Valley could get a hydroelectric plant or Homer could get more fish."

In Question Two of the seven asked of Public Forum participants, people were asked to state their priorities for human needs from the areas of alcoholism, care of children, education, programs for the elderly, employment, health, and housing. Of these, education, alcoholism and employment appeared the top three choices in Southeast and Southcentral. In the North, health care appeared in place of employment.

Many people supported the thoughts of a Homer bank assistant who said: "It's from education that we can attack all of those other human needs you outlined. I don't think that there's a person here who wouldn't agree that the kids are our primary renewable resource and I'd always opt to put the dollars there."

"I go with education," offered an elderly man in Barrow. "I've always said you cannot force human beings but you can lead them -- with

understanding."

Yet others were not so sure of the priorities as a middle aged engineer in the North explained, "You can't get employed without having a good education... and a lot of times, if you don't have a job other things don't follow."

Alcoholism was the most heated issue coming out of the Public Forum meetings but when the smoke cleared people's direction was clear--Place an added tax on alcoholic beverages to cover the cost of rehabilitating alcoholics. "I only wish it could be instituted right away," commented a young Native leader at the Kotzebue workshop.

Participants throughout the three regions went on to recommend more assistance at the community level. "The problems I've seen are all related to alcoholism," commented a young woman from Nome. "And," she added, "there are only four people to deal with all these problems."

The third question presented to Public Forum participants asked: "How should public school construction be financed in the organized and unorganized boroughs?"

In Southeast by a 39% vote and Southcentral by 32%, participants chose to continue the present system which provides for property taxes plus supplemental state funding in organized boroughs and 100% state funding in the unorganized borough. Interestingly enough, this method places the heavier financial burden on organized boroughs such as those found in Southeast and Southcentral although it provides them with more local input into the design of their schools.

In the North, on the other hand, people by 44% chose to fund the school construction from the General Fund. Although most of this region's needs (with the exception of the North Slope Borough) are currently met

entirely by the state, people chose to have the state pay not only for their needs but the needs in organized boroughs as well.

The fourth Public Forum issue asked for recommendations on managing Alaska's land. The first priority proved to be managing the land to meet people's needs which gathered 34% of people's vote in the three regions. This generally meant providing land for homes and providing it at a reasonable cost free from speculators' grasp.

"I'm asking the basic question," said a young school teacher at the Ketchikan meeting, "when am I and fellow people, fellow 'I's' going to get five acres to raise chickens and a garden on? We don't want a hand-out. We don't want to be subsidized. I'll buy it."

"But," said an Anchorage pipeline worker at the Southcentral workshop, "we need some assurance that this disbursement of state land does not end up in the cutthroat real estate market where the land gets speculated out of our means."

Close behind land for people's needs, was the suggestion that the state manage its lands for renewable resource development which received 30% of people's support, reiterating the earlier message that the state not overlook the sound possibilities of the renewable resource industries specifically, fishing, timber, agriculture and game management.

Question Five asked people for preferences on leasing Alaska's oil and gas lands. Overwhelmingly by 60% people chose to lease at a moderate rate to assure a steady flow of income for a long period of time. Participants generally acknowledged the inevitability of oil and gas development but went on to express deep concern for the environment and social disruption which might accompany any exploration.

"There's got to be some control over these sales," urged a woman

from Seldovia. "We have to live with the impact before, during and long after the damn oil rigs are in place."

A 27 year old subsistence hunter in Barrow put it this way. "The social impact of oil development on Native peoples has reached deep into their lives, to an extent not seen or readily accepted. Due to the differences in environment, past and present cultures, and 'sudden' change, the true Natives of rural Alaska are unheard. Please listen. Subsistence living is a way of life that we wish to continue with."

Public Forum participants were very explicit on what to do with Alaska's royalty oil and gas on question six -- use it to provide for in-state residential needs. This received 40 percent of the three region vote. Only Southeasterners chose to use the state's royalty share to sell for financial gain with in-state residential use close behind.

A worker from the Kenai oil fields put it this way: "I think it's important to cut us into that oil and gas market directly--even if the price doesn't go down. At least we'll have some of the resource."

The last question on the Public Forum agenda was open to participants and more often than not the major themes of the first six questions appeared again through topics such as fisheries rehabilitation, community assistance, alcoholism, land and subsistence preservation. However, several other notable areas were brought up in each of the three regions. Two of these were transportation and alternate energy sources.

Transportation needs shifted from region to region. In Southeast, people were concerned about the poor service and inappropriate schedules of the Marine Highway System. In the North, people discussed the irregular air service and inadequate airport maintenance. In Southcentral, people repeatedly spoke of the deplorable road conditions.

Alternative energy sources seemed to be a widespread theme as participants recommended hydroelectric, wind and tidal power for the state.

The Southcentral region participants expressed their concern over growing government inefficiency, an issue echoed in other regions. A woman in Spenard summed up the problem. "I look around me and see two pages of state offices here in Anchorage in the telephone book and yet I just want to find out where to get an income tax form and nobody can help me."

These were the major findings from the first half year of the Alaska Public Forum program but this information only begins to touch on the sensible solutions and imaginative answers from so many Alaskans. Copies of the full report are available from the Alaska Public Forum, 429 D Street, Anchorage, 99501.

The Public Forum concludes its year shortly with meetings in Southwest and the Gulf Coast in March and the Interior to be held in Fairbanks on April 16 and 17 at the Ryan Junior High School.

A report on these findings will be published upon completion of the workshop schedule.

For further information please contact Diane Burgin, Alaska Public Forum, 429 D Street, Anchorage, Alaska 99501, 276-5262.

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NEWS RELEASE

FOR IMMEDIATE RELEASE
April 7, 1977

People Speak Out on Alcoholism

The single most controversial issue coming out of the Alaska Public Forum discussions held in three regions -- Southeast, the North and Southcentral -- the program's first half year would have to be alcoholism. Over 2,200 participants from 49 communities were asked to make suggestions on a series of state problems and the issue of alcoholism consistently aroused the greatest reactions of participants.

The responses were mixed. People were torn between doubling, even tripling the present effort and scuttling the existing programs and starting again or using the money for other needs. A myriad of solutions were posed, only several rose to the top and became a theme in meeting after meeting.

Most often heard - place an added tax on alcoholic beverages to rehabilitate the alcoholic. "The sooner the better," said a Native leader in Kotzebue. "If we're going to drink, we might as well not only have a tax but know that it is contributing to offsetting alcohol problems," he added.

A Ketchikan resident attending the regional workshop in that town put it this way: "I had an idea that a tax should be

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

The second most often heard suggestion on the problem of alcoholism was for more rehabilitation services, education programs and recreation activities to be handled at the local level. People in Craig, expressed the importance of rehabilitation programs at the evening town meeting held in that community and the Wrangell workshop provided participants with an opportunity to voice their concern that too little is being done to reintegrate the recovered alcoholic into the mainstream of society.

In Kotzebue, a participant and an employee of the state's alcoholism program protested the enormous workload left to so few people. "One person can't 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."

A woman in Nome concurred: "The problems I've seen are all related to alcoholism. And not only alcoholism but drug abuse not only in Nome and Kotzebue but the outlying villages, also. Just two weeks ago there was a young boy 13 years old who was found frozen to death from drinking. First of all, who's selling alcohol to a 13 year old kid and why aren't the police doing something about it? In Nome, there are only four people to deal with all these problems."

However, a man at the meeting in Kenai viewed the problem

differently. "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.

"The problem is not that we're oblivious to the situation," he continued, "but pouring dollars into more rehabilitation programs doesn't strike me as the answer when the present programs aren't making much progress."

Despite this, most people in the Southcentral region promoted the idea of an added tax on alcoholic beverages as a good way to meet the increasing expenses of these programs. People in Homer wanted tighter controls on those who drink and drive and people in Kenai wanted to put alcohol tax money into recreation programs to offer alternatives to drinking.

Interestingly enough, people in the Southcentral region who have lived in the state for shorter periods of time (under 10 years) and those under 45 years of age were more apt to give alcoholism a higher priority compared to older and more seasoned residents.

Although people in every meeting discussed alcoholism from every angle, not everyone viewed it with the same degree of importance. When people were asked for their top choice among the human need areas of alcoholism, care of children, education, programs for the elderly, employment, health and housing, alcoholism ranked third in Southeast and Southcentral and second in the North. However, when people were asked to average all the human need areas together, alcoholism as an

issue dropped its ranking to the fifth in Southeast and the North and sixth in Southcentral.

This public expression on the issue of alcoholism was only one of seven areas discussed by Alaska Public Forum participants in three regions during the first three and a half months of the program. During that time, the Alaska Growth Policy Council, an eleven member committee set up by Governor Hammond to provide citizen input into major state policy decisions, listened to more than 2,200 people in Southeast, the North and Southcentral Alaska in meetings or through mail-in questionnaire comments. In many cases, they have been joined by state legislators and the Governor.

The summary of these opinions and suggestions are now available in the Alaska Public Forum Mid-Year Report which outlines many imaginative answers and sensible solutions to critical state issues such as investment strategies for the Permanent Fund, using the new oil and gas wealth, human need priorities, construction of new schools, Alaska's land, oil and gas leasing and royalties.

Copies of the report are available from the Alaska Public Forum, 429 D Street, Anchorage, 99501.

The Public Forum concludes its year shortly with meetings in Southwest and the Gulf Coast held in March and the Interior to be held in Fairbanks on April 16 and 17 at the Ryan Junior High School.

A report on these findings will be published upon completion of the year's workshop schedule.

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NEWS RELEASE

FOR IMMEDIATE RELEASE

April 7, 1977

Free Up The Land

Land! It was a favorite topic and a priority item for the more than 2,200 people throughout the Southeast, Northern and Southcentral regions of the state participating in the Alaska Public Forum. And, the findings from the first half year of this public participation program indicate that people in these three regions strongly support the use of land for people's or individual's needs followed by land for the promotion of renewable resource industries as the two most important land management schemes for the state.

Participants were offered the options for managing Alaska's land to 1) raise revenues for the state, 2) provide for people's needs, 3) promote renewable resource industries, 4) promote industrial development, 5) preserve the natural environment or 6) an option of their choice.

Alaska Public Forum participants by 34% recommended the state manage the land for people's needs stipulating the desire to buy land on which to build a home free from the grip of real estate speculators.

"It is ridiculous to have so much land available and

-more-

not be able to build a house on one little portion of it," protested a social worker in Kotzebue who echoed the sentiments of Public Forum participants from Ketchikan to Barrow.

"I'm asking the basic question," asserted a Ketchikan school teacher. "When am I and fellow people, fellow 'I's' going to get five acres to raise chickens and a garden on? We don't want a handout. We don't want to be subsidized. I'll buy it."

Free up the land! That seemed to be the cry throughout all the Public Forum meetings, but cautioned a middle-aged legal assistant from Southeast, "Large real property investors from the lower '48 should be precluded from buying up tracts of land, developing it and selling it back to us for huge profits. Let's keep our land for Alaskans."

Or as a 38 year old pipeline worker in Anchorage put it, "We need some insurance that this disbursement of state land does not end up in the cutthroat real estate market where the land gets speculated out of our means."

Close behind land for people's needs followed the recommendation that the state manage its land to promote renewable resource development. This received 30% of the three region vote. Often people viewed the two categories as similar, like the Juneauite who said "local resources are in fact, also people's needs."

This thought was repeated in the North. "The land belongs to the individuals of the state," commented a Kotzebue Public

Forum participant, "and it should be treated as theirs by concentrating primarily on renewable resources. This can be done in the areas of agriculture, reindeer herding and such things that would not necessarily damage the land and then, the same land could be enjoyed and used by the public."

The option to preserve the natural environment was added to the agenda after the Southeast and Northern workshops, primarily because it received a notable amount of discussion and write-in comment on the Public Forum questionnaire. However, despite its strong support in those regions, one Southeastern participant sagely commented: "Alaskans are really no different than many people in other states - they want all the amenities of life at the front door and wilderness at the back door."

Nonetheless, to manage the land to preserve the natural environment did rank third among Southcentral participant's priorities when it had been added to the question. Interestingly, Southcentral persons living in the state less than three years ranked this option giving it 37% of their vote. Those in the state from four to ten years gave 24% of their support and those who have lived here over 10 years gave only 14% of their support to preserving the natural environment.

The rest of the options received small percentages of the vote in all three regions. However, people in the Northern region participated vigorously in a discussion of managing the land for industrial development.

An enthusiastic teacher in Kotzebue and a long-time

Alaskan provided a good case for small industries to boost the economy, indicating "We could have industries for tanning of 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 items coming up here."

But others were more skeptical of the effects of industrial development. One participant conceded, "Industrial development? Sure, we're in favor of it -- in Anchorage!"

This public expression on the issue of land was only one of seven areas discussed by Alaska Public Forum participants in three regions during the first three and a half months of the program. During that time, the Alaska Growth Policy Council, an eleven member committee set up by Governor Hammond to provide citizen input into major state policy decisions, listened to more than 2,200 people in Southeast, the North and Southcentral Alaska, in meetings or through mail-in questionnaire comments. In many cases, they have been joined by state legislators and the Governor.

The summary of these opinions and suggestions are now available in the Alaska Public Forum Mid-Year Report which outlines many imaginative answers and sensible solutions to critical state issues such as investment strategies for the Permanent Fund, using the new oil and gas wealth, human need priorities, construction of new schools, Alaska's land, oil and gas leasing and royalties. Copies of the report are

available from the Alaska Public Forum, 429 D Street, Suite 310, Anchorage, 99501.

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A report on these latter findings will be published upon completion of the year's workshop schedule.

For further information please contact Diane Burgin, Alaska Public Forum, 429 D Street, Suite 310, Anchorage, 99501, 276-5262.

STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA GROWTH POLICY COUNCIL
ALASKA PUBLIC FORUM

JAY S. HAMMOND, Governor

Phone 276-5262
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Anchorage, Alaska 99501

NEWS RELEASE

FOR IMMEDIATE RELEASE
April 7, 1977

Public Forum Participants On Oil and Gas Leasing

The State's future leasing policy was a critical issue to every one of the 2,200 people who participated in the first half year of the Alaska Public Forum whether in the Southeast, North or Southcentral regions of the state.

Sixty percent of the participants, strongly recommended that the State lease its oil and gas lands at a constant pace to assure a steady flow of income over a long period of time.

"In fact, I rather thought this question was like 'when did you stop beating your wife?'" explained a librarian from Anchorage. "Of course, the most rational plan is to do it at a moderate, constant pace."

"Moderate", "constant" was defined by a middle-aged lodge owner from Admiralty Island at the Ketchikan workshop. "We want to keep the oil flowing for 50 years and with it a moderate rate of income figured for the same 50 year period."

This leasing policy suggestion was, in almost every instance, accompanied by a series of qualifications generally

-more-

related to the concerns of local communities and the environmental as well as social disruptions which might occur.

"There's got to be some local control over these sales," protested a Seldovia participant. "We have to live with the impact before, during and long after the damn oil rigs are in place."

"We do not want another Prudhoe Bay situation where great numbers of people come in and upset the life style," asserted a Southeastern participant at the Ketchikan workshop.

In the North, the concerns were the most urgent. There outer continental shelf exploration looms outside the door. A middle-aged businessman in Nome voiced the concern of many at the meeting in that town. "We need impact help now to move smoothly through some rough times ahead. We can't wait till Front Street in Nome becomes another Second Avenue in Fairbanks. And it will be just the same if we don't look ahead and get some help now."

More even than community impact, Northerners also felt concern over the subsistence way of life. A 27 year old subsistence hunter from Barrow expressed his fears: "The social impact of oil development on Native peoples has reached deep into their lives, to an extent not seen or readily accepted. Due to the differences in environment, past and present cultures, and 'sudden' change, the true Natives of rural Alaska are unheard. Please listen. Subsistence living is a way of life that we wish to continue with."

The remaining options offered Public Forum participants,

received much less support. The choice to do no further leasing ranked second with a vote of 16% and gathered more support in Southeast than any other single region. However, Sitka Public Forum participants were the only ones who chose this solution during a meeting. People in Homer and Talkeetna also preferred to end leasing altogether.

The other option of leasing as fast as possible to bring in a lot of money fared poorly, as did the choice to sell only when the state needs large sums of money to meet public needs.

The write-in option of "other" gained more support than these last two choices and generally appeared to reiterate people's concern for the environmental and social impact on communities throughout Alaska.

However, there was an underlying skepticism among many Public Forum participants. As a nurse from Sitka questioned: "Do Alaskans really have any choice or say in the oil or gas policies, or will federal demands and monetary gains by industry override citizens' desires?"

This public expression on the issue of oil and gas leasing was only one of seven areas discussed by Alaska Public Forum participants in three regions during the first three and a half months of the program. During that time, the Alaska Growth Policy Council, an eleven member committee set up by Governor Hammond to provide citizen input into major state policy decisions, listened to more than 2,200 people in Southeast, the North and Southcentral Alaska in meetings or through mail-in questionnaire comments. In many

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NEWS RELEASE

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April 7, 1977

Transportation Leads the List

"What is it that the state is doing to you, for you, about you, around you, by you that you would like to talk about?" So the question was informally posed to Alaska Public Forum participants in Southeast, the North and Southcentral.

And the issue that most of the 2,200 participants in over 49 communities wanted to talk about in almost every instance was transportation.

When people came to the Alaska Public Forum meetings, they were asked what they thought about six issue areas facing both the legislature and the state administration. These remained constant on the Public Forum agenda. However, the program was then opened up to include whatever issues participants would like brought to the attention of decision-makers and it was at this point that transportation concerns became a part of the discussions.

The transportation needs shifted from region to region but the issue remained a topic of concern throughout all the Public Forum meetings. In Southeast, the Marine Highway System led the list of problems for participants. Although they all supported the idea of the ferry system, criticism was leveled at inappropriate schedules and unacceptable sanitary standards.

In Skagway, a young woman pointed out: "We have four or five ferries a week in the winter and that sounds real good, but three of them are on Sunday." People also repeated the protest of a middle-aged Southerner who said, "That ferry system is our road to the south and you keep reading in the paper about the profit it's making or how much money they're losing. There ain't no talk about the profits they're making or how much money they're losing on the roads into Anchorage and Fairbanks. I think this ferry system is our road and it should be treated that way..." Poorly maintained roads and airports and limited commercial air service in that region also appeared among the concerns of Alaska Public Forum participants.

In the North, criticism was directed at the poor air service available to residents in that part of the state. People explained their dependency on one commercial airline company for all their goods, mail, travel and emergency medical service.

A Nome resident explained: "A poor patient is left laying in the plane for three or four hours at a time when he should be right in Anchorage at the medical center."

People protested the arrival of defrosted frozen foods and frozen produce, lost freight, mail arriving three to four weeks late, and parcel post taking weeks to get from Fairbanks to Kotzebue.

"I'm still receiving news in December of the presidential election," protested one participant at the Kotzebue workshop, "telling me that Carter and Ford are running neck and neck."

Finally, participants in the North voiced their concern over airport maintenance explaining that second-hand, inoperable clearing equipment in villages can mean weeks of isolation when planes are unable to land

on icy or muddy airstrips.

"Furthermore," added one Public Forum participant, "planes often have to land and take off in dangerous crosswinds because of the position of the airfields and there are no lights on many of the fields which are needed for medical evacuations."

In Southcentral, people's transportation concerns turned to the highways. This meant anything from potholes in front of people's homes, to expanding the present road system.

Miners from the Valley wanted new roads into the mining rich areas there. Anchorage 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.

This public expression on the issue of transportation was only one of seven areas discussed by Alaska Public Forum participants in three regions during the first three and a half months of the program. During that time, the Alaska Growth Policy Council, an eleven member committee set up by Governor Hammond to provide citizen input into major state policy decisions, listened to more than 2,200 people in Southeast, the North and Southcentral Alaska in meetings or through mail-in questionnaire comments. In many cases, they have been joined by state legislators and the Governor.

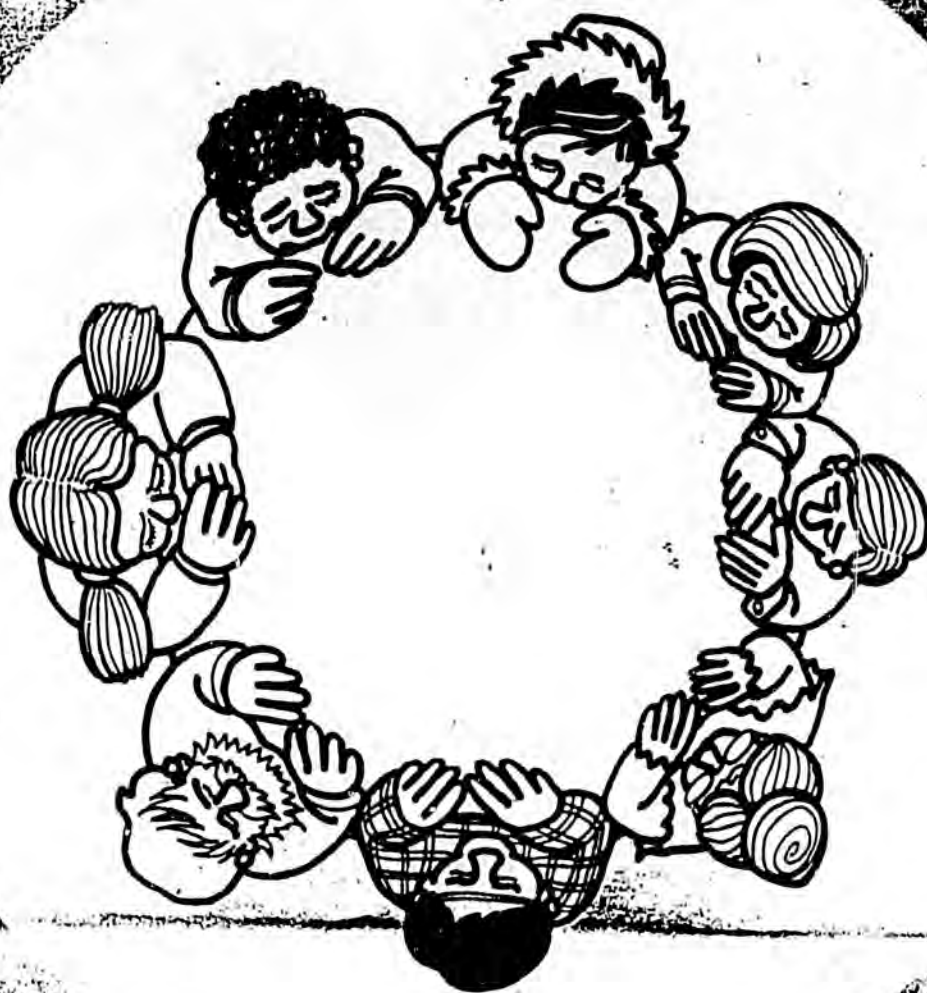
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The Alaska Public Forum

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 Tillion
Lowell Thomas, Jr. Chairman	

How does it work?

The Alaska Public Forum will be highlighted by seven regional workshops scheduled for:

Southeast	November 13, 14
North	December 4, 5
South Central	January 15, 16
Copper River	February 11, 12
Southwest	March 5, 6
Gulf Coast	March 26, 27
Interior	April 16, 17

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

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

Regional Workshop Locations



How can I participate?

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

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

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

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

Governor Jay Hammond

About this publication

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

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

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

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

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

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

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.

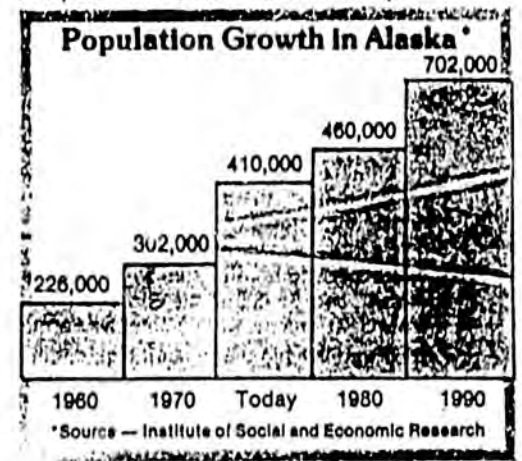
But you are an Alaskan, and what does all this mean to you? Probably, it means more people in your town, more job opportunities, more items at

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 billion 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.

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

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

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

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

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

Options for surplus oil and gas money

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

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

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

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

The \$900 Million

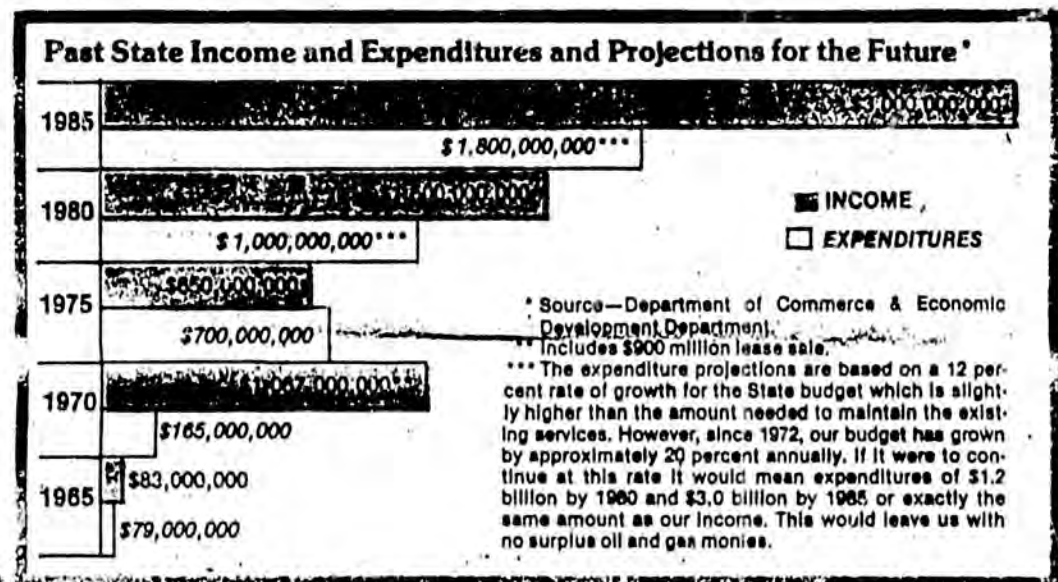
In addition to the Permanent Fund monies to be invested, the State will have to decide what to do with the earnings from the Fund as well as the remaining portion of the new oil and gas revenues not allocated to the Permanent Fund. That will be a good deal of money and it may be used in a variety of 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



The Question:

1.

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 children 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)

- | | |
|--|---|
| <input type="checkbox"/> a. Alcoholism | <input type="checkbox"/> e. Employment |
| <input type="checkbox"/> b. Care of Children | <input type="checkbox"/> f. Health care |
| <input type="checkbox"/> c. Education | <input type="checkbox"/> g. Housing |
| <input type="checkbox"/> d. Programs for the elderly | <input type="checkbox"/> h. Other |

The Cost of Schools



The State's responsibility to education

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

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

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

The cost of learning

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

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

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

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

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

Who pays the school bill?

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

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

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

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

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

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

The Question:

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

3.

- | | |
|--|--|
| <input type="checkbox"/> a. 100% State funding through an increase in the State income tax. | <input type="checkbox"/> 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. |
| <input type="checkbox"/> b. 100% State funding from a statewide sales tax. | |
| <input type="checkbox"/> c. Local property taxes throughout the State and supplemental funding where needed. | <input type="checkbox"/> 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 30 million acres today, with another 32 million waiting for approval from the Federal government. But let's retrace the history.

Selection of Lands

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



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

Alaska's Land

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

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

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

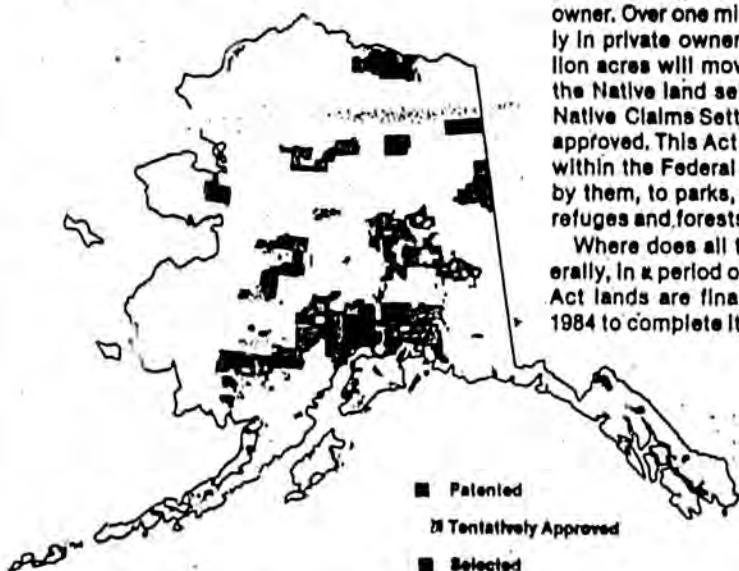
First, the State could manage its lands to encourage the kind of use that will produce the largest profit. For example, if the land has oil and gas or mineral potential which will produce large financial returns for the State, then the management plan should reflect this.

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.



OWNERSHIP OF ALASKA'S LAND

State28%
Federal60%
Native11%
Private1%

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.

- | | |
|---|--|
| <input type="checkbox"/> a. To raise revenues for the State | <input type="checkbox"/> d. To promote industrial growth and development |
| <input type="checkbox"/> b. To provide land for people's needs | <input type="checkbox"/> e. To preserve the natural environment |
| <input type="checkbox"/> c. To promote renewable resource development | <input type="checkbox"/> 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

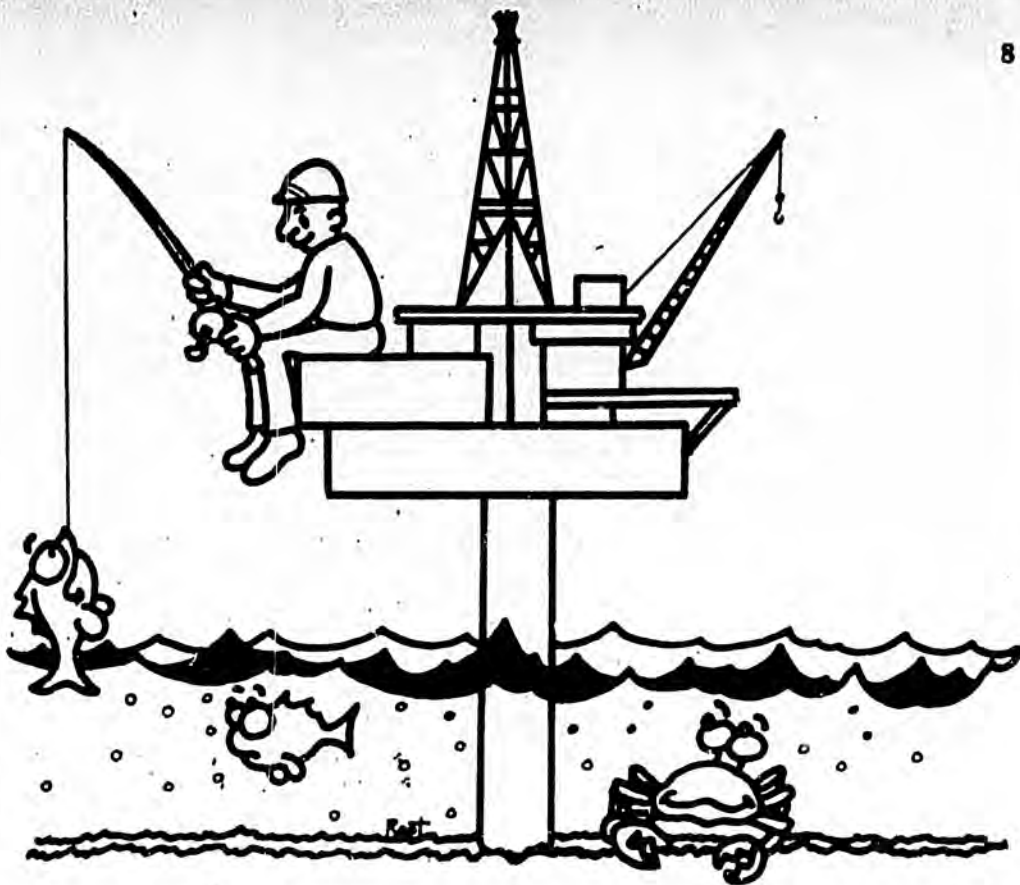
The process that starts the revenue flow begins with the first lease sale. But more than money, the sale will bring with it development of the area. The impacts are far reaching—some of them are productive and some are not.

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, to determine if they actually have oil and gas.

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

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

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

Alaska's Lease Sales

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

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

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

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

The Question:

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

5.

- a. It should sell leases as fast as possible to bring in a lot of money immediately.
- 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 9.6 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 ground, but it must be transported from the well site to the site where it will be used—a private home or a business, for example. If the gas is to be sold out of State, it must be *liquefied* before it can be transported by tanker. A liquefaction plant must be built to meet this need. To skip the liquefaction process, the gas could be transported to outside markets by an overland pipeline.

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

Options for Use

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

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

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

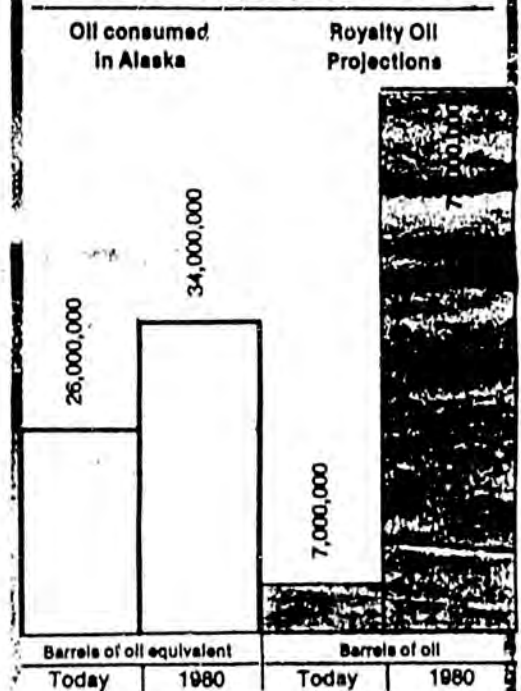
In this case, as with most industrial development, benefits such as job opportunities and improved services must be weighed against the possibility of increasing the population and environmental impact.

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

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

How much oil we use annually*

How much royalty oil is there



*Source — Department of Natural Resources

The Question:

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

6.

- a. The State should sell its royalties to make money.
- 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

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

5. The Question:

- What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)
- | |
|---|
| <input type="checkbox"/> a. It should sell leases as fast as possible to bring in a lot of money immediately. |
| <input type="checkbox"/> b. It should sell leases at a constant pace to assure a steady flow of income for a long period of time. |
| <input type="checkbox"/> c. It should lease when the State needs large sums of money to meet public needs. |
| <input type="checkbox"/> d. It should do no further leasing and make the best use of present income. |
| <input type="checkbox"/> e. Other _____ |

6. The Question:

- What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box.)
- | |
|---|
| <input type="checkbox"/> a. The State should sell its royalties to make money. |
| <input type="checkbox"/> b. The State should use its royalty oil and gas primarily for promoting industrial development in the State. |
| <input type="checkbox"/> c. The State should provide in-state residential use of the royalty oil and gas. |
| <input type="checkbox"/> d. 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.)

- | | |
|--|---|
| <input type="checkbox"/> a. Alcoholism | <input type="checkbox"/> e. Employment |
| <input type="checkbox"/> b. Care of Children | <input type="checkbox"/> f. Health care |
| <input type="checkbox"/> c. Education | <input type="checkbox"/> g. Housing |
| <input type="checkbox"/> d. Programs for the Elderly | <input type="checkbox"/> h. Other _____ |

3. The Question:

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

- | |
|--|
| <input type="checkbox"/> a. 100% State funding through an increase in the State income tax. |
| <input type="checkbox"/> b. 100% State funding from a statewide sales tax. |
| <input type="checkbox"/> c. Local property taxes throughout the State and supplemental funding where needed. |
| <input type="checkbox"/> 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. |
| <input type="checkbox"/> 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.)

- | |
|--|
| <input type="checkbox"/> a. To raise revenues for the State |
| <input type="checkbox"/> b. To provide land for people's needs |
| <input type="checkbox"/> c. To promote renewable resource development |
| <input type="checkbox"/> d. To promote industrial growth and development |
| <input type="checkbox"/> e. To preserve the natural environment |
| <input type="checkbox"/> f. 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? _____

Bulk Rate

#990 766

**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 Citizen
Nome Nugget
Cordova Times
Tundra Times

Pioneer All Alaska Weekly
Palmer Frontiersman
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.



B.

Fold Here

Alaska Public Forum
Workshop

Business Reply
Permit
#148

BUSINESS REPLY MAIL

No Postage Stamp Necessary if Mailed in United States

Postage will be paid by

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



C.

Fold this flap last



Tape or staple here