

SCOMM

94:10

State of Alaska, Department of Natural Resources
DIVISION OF OIL AND GAS - DIRECTOR'S OFFICE
3601 C Street, Suite 1380, Anchorage, Alaska 99503

FAX 907/562-3852
PHONE 907/762-2549

FAX TRANSMITTAL

DATE & TIME:

2/1

TO:

Annette KREITZER

FAX NUMBER:

465-3810

FROM:

Ken Boyd

NUMBER OF PAGES, INCLUDING COVER:

3

COMMENTS:

MORE TRUTH, JUSTICE, THE AMERICAN WAY.

OPINION

CLIFF BURGLIN... At Large



by Cliff Burglin
Special to The Star

To quote Tim Bradner, columnist for the Alaska Journal of Commerce, January 24, 1994: "While the exploration licensing has not been done by the State of Alaska, it is commonly done here by Alaska Native Corporations on privately owned lands."

Alaskans need a recap of portions of the Native Land Claims Settlement Act.

The Settlement Act was substantially backed by major oil companies so that the Native Corporations, with the help of Big Oil, could select the most promising oil and gas and mineral lands.

Then the multinational oil companies would enter into exploration licensing deals with the Native Corporations on the cream of Alaska's potential oil bearing basins. This unholy alliance has been in effect for over 20 years. Millions of acres of Alaska Native's highest unproven oil resources have been laying fallow for over 20 years with little exploration and no production.

To the best of my knowledge, only native leaders have ever seen these top secret agreements with the major oil companies. These exclusive tracts have been tied up by the likes of Arco, Exxon, Texaco, Unocal, Amoco, Chevron and others for over 20 years. Remember, 44 million acres were selected by the Native Corporations with the best technical assistance of the major oil companies. So far, there have been no commercial discoveries on any of these licensed native areas.

The individual Natives in Doyon, Ahma, North Slope and Cook Inlet should demand to have these agreements made public.

When HB 199 and SB 150 are put to a vote, Alaskans should note the politicians who have voted to sell them out to Big Oil. Certainly, none of them are fit to be future governors. Or governesses. If the native licensing agreements are so clear why are they kept secret from the Native rank and file?

Why is so much in government kept secret? Like the settlements between the State and the oil companies? Probably because the oil companies have duped Alaskans out of billions of dollars. Alaskans, this is our money and our children's money that we are overpaying our state bureaucrats in the Department of Revenue, and the Division of Oil and Gas to give away. And now they want to give the rest of Alaska's valuable surface and mineral rights to those admittedly non-law abiding companies.



NAPA Celebrates Its New Building

City and chamber of commerce officials welcomed the new downtown building on Saturday with a ribbon-tying ceremony and congratulatory speeches. The 4,000 square foot building is the new family of New Town Chevron for long term lease to executives Mel Money and Gene Martin flew down from Anchorage to participate in the ceremony.

Blue Fuel Opposed by Diesel

by The Associated Press

JUNEAU—Alaska diesel distributors want an exemption from a rule that requires some diesel fuel to be dyed blue to distinguish it from fuel that needs to be taxed.

Jeff Hansen, manager of Taku Oil Sales, said more than 95 percent of the diesel fuel sold in Alaska is exempt from a new federal tax.

"It really only makes sense to exempt Alaska. There just isn't enough volume of taxable diesel."

The 1993 Revenue Reconciliation Act increased the diesel tax for some users from 20.1 cents a gallon to 24.4 cents.

The extra money is earmarked to help cover the federal budget deficit.

Commercial fishermen are exempt, but recreational boaters with diesel engines must pay the tax. Drivers of cars and trucks that use the fuel also must pay the tax.

Earl Kloster, manager of Delta Western-Chevron in Juneau, said marinas and

MORE LETTERS...

Continued from Page 4

bor cost countries, all at the expense of the American fishing industry.

The people in the industry being ruined have a much different attitude regarding

of acres of Alaska Natives highest unproven oil resources have been laying fallow for over 20 years with little exploration and no production.

To the best of my knowledge, only native leaders have ever seen these top secret agreements with the major oil companies. These exclusive tracts have been tied up by the likes of Arco, Exxon, Texaco, Unocal, Amoco, Chevron and others for over 20 years. Remember, 44 million acres were selected by the Native Corporations with the best technical assistance of the major oil companies. So far, there have been no commercial discoveries on any of these licensed native areas.

The individual Natives in Doyon, Ahtna, North Slope and Cook Inlet should demand to have these agreements made public.

When HB 199 and SB 150 are put to a vote, Alaskans should note the politicians who have voted to sell them out to Big Oil. Certainly, none of them are fit to be future governors. Or governesses. If the native licensing agreements are so clear why are they kept secret from the Native rank and file?

Why is so much in government kept secret? Like the settlements between the State and the oil companies? Probably because the oil companies have duped Alaskans out of billions of dollars. Alaskans, this is our money and our children's money that we are overpaying our state bureaucrats in the Department of Revenue, and the Division of Oil and Gas to give away. And now they want to give the rest of Alaska's valuable surface and mineral rights to those admittedly non-law abiding companies.

As has been pointed out in past articles, Alaska has enough oil discovered to be able to produce at least an additional 2 million barrels per day. So why is the U.S. importing more and more foreign oil? And why do our legislators keep letting state employees and the big-oil companies deceive them?

A strong case could be made against that employees of the DNR, Division of Oil and Gas, who, for over 35 years have failed the people of Alaska but not utilizing the land and resources to maximize the income from resource revenue. This could have been done in an environmentally sound way.

If, for the past 35 years, just \$20 million additional dollars per year had been collected in lease rentals and bonus bids, Alaska would have no financial problems.

This income would stimulate meaningful employment for all Alaskans who want to work.

Spill Drill Tests Readiness

Continued from page 1

hatchery. New Chenega also activated a shoreline cleanup crew as part of their readiness test.

The new oil spill response requirements were adopted in the wake of the Exxon Valdez oil spill of 1989.



Blue Fuel Opposed by Diese

by The Associated Press

JUNEAU—Alaska diesel distributors want an exemption from a rule that requires some diesel fuel to be dyed blue to distinguish it from fuel that needs to be taxed.

Jeff Hansen, manager of Taku Oil Sales, said more than 95 percent of the diesel fuel sold in Alaska is exempt from a new federal tax.

"It really only makes sense to exempt Alaska. There just isn't enough volume of taxable diesel."

The 1993 Revenue Reconciliation Act increased the diesel tax for some users from 20.1 cents a gallon to 24.4 cents.

The extra money is earmarked to help cut the federal budget deficit.

Commercial fishermen are exempt, but recreational boaters with diesel engines must pay the tax. Drivers of cars and trucks that use the fuel also must pay the tax.

Earl Kloster, manager of Delta Western-Chevron in Juneau, said marinas and

MORE LETTERS...

Continued from Page 4

bor cost countries, all at the expense of the American fishing industry.

So the traditional fishermen and processing plant is being savaged by low cost competition, in spite of growing population and world hunger, and wonder what it is all about.

The importer and consumer's attitude is the lower the better.

The people in the industry being ruined have a much different attitude, ranging from protectionism or somehow innovating to meet that competition.

Meanwhile the "Wise" politicians of Alaska remain strangely silent.

Philip Matthew
Agoura Hills, Calif.

The Valdez Medical Clinic
Would like to welcome
Family Physician Dr. John Watson
from Boise Idaho starting
January 19th through March 17, 1994.
Please call 835-4811 for an
appointment.




Submitted by: Sen. Bert Stump Bill on oil drilling gets more suspicious

Last April I reported here on a suspicious new bill in the Legislature that would change the way Alaska's oil rights are sold. Things are getting even more suspicious.

The bill was introduced by Gov. Walter Hickel in both the House and Senate. As originally written by the governor, it would allow oil companies to nominate virtually all unleased state land for exploration licenses, which would be sold at a public oral auction, with the bids being a "work commitment" of proposed drilling expressed in a dollar value.

Companies could buy oil drilling rights on up to 500,000 acres of state land this way. The governor's bill required the buyers to post a bond equal to the value of the work commitment offered for the lease, which would be forfeited along with the drilling rights if the company didn't do the work in the time specified.

As I noted last year, there are a number of things wrong with this.

Obviously nobody but the major oil companies can afford to post such huge a bond. The state would be unlikely to cancel the license and take the bond if the company doesn't do the promised work because it would just be tied up in court for decades, like the overdue

oil taxes only now being settled.

The effect of Hickel's proposal would be to let the large oil companies tie up huge tracts of Alaskan land indefinitely, locking out smaller competitors.

Currently the rights to develop oil on state land are sold through a leasing system. An area is put on a lease sale schedule five years in advance, potential buyers indicate their interest in what they want sold, and perhaps drill wells to get geologic data to guide their bidding.

Then they submit sealed bids for the tracts they want. The royalties and condition of the leases are set out in advance, and the tracts are sold for a cash "bonus" payment. These bids are opened and read in public, and the high bidder gets each tract.

This system isn't perfect, but it's brought us \$1.8 billion in lease bonuses on 10 million acres of state land since 1959, and has led to development that paid the state \$40 billion more in royalties and taxes.

Last year Senate committees amended Hickel's proposal several ways. They exempted most North Slope lands and areas in current lease sales, and the hotter parts of Cook Inlet. They also reduced the



Fred
Pratt

bond to only 10 percent of each current year's "work commitment."

Senators also weakened the part of the bill requiring oil companies to relinquish their oil exploration licenses if they fail to do work commitments.

Finally, the Senate replaced the oral auction with a sealed bid auction. This is another gift to the large oil companies, since it would prevent a public setting of the value of our state oil lands.

The Senate version of the bill, SB 150, came up at the end of the legislative session and failed on a nine-to-eleven vote, two short of passage.

All four Fairbanks and Interior legislators voted against it.

It was held for reconsideration, and was awaiting that vote on the Senate secretary's desk when the session ended.

Since then there has been a lot of activity to swing two votes and pass SB 150.

A draft of a revised bill surfaced in October. It was touted to the Senate Special Committee on Oil and Gas this week by officials of the Department of Natural Resources.

DNR's bill weakens the relinquishment provisions even more, allowing oil companies to keep all their rights even if they do only half the promised work in four years. If they do nothing at all, they still get to keep at least one-quarter.

The new bill would also require licenses cover at least 20,000 acres, equivalent to more than three existing leases.

What raised my suspicions even higher was the close match between what DNR proposed and amendments suggested to senators by the Alaska Oil and Gas Association, the industry's lobbying arm in Alaska.

This is the kind of thing that gives Cliff Burglin credibility when he complains that DNR runs like a subsidiary of the major oil companies.

Burglin strongly opposed SB 150 in the hearing this week, noting that the companies seeking the change are laying off Alaskans and moving to other areas overseas. He charge

the bill gives them a way to tie up the best potential oil and gas lands in our state until they might want to return.

Burglin also made the very valid point that the state is probably courting another fight with the Mental Health Trust with such a huge land action.

What I found most curious was the consideration of a new draft bill and amendments by a committee that doesn't even have the bill before it. I'm no parliamentarian, but it's clear the next action open on SB 150 is to bring it up for a reconsideration vote, and it can't be amended while it's on the Senate secretary's desk.

Like I noted last year, every time we've done something like this for the oil companies, we've been sorry. The last time Anchorage Republicans controlled both houses of the Alaska Legislature, in 1981, we got the "Economic Limit Factor" or ELF revision lowering our severance taxes, and it cost us hundreds of millions of dollar in lost income before it could be repealed.

If not the current leasing system that doesn't work, it's the way the system is being run.

Free-lance journalist Fred Pratt has been covering Alaska business and politics for the past 18 years.

Given at 1-25-94 OIL+GAS WORK SESSION
RE: CS SB 150 (FIN)am

Cliff Burglin

May 14, 1993

EXPLORATION LICENSING:

Definition: Special interest legislation solely for the benefit of multinational oil companies at the expense of, all other Alaskans.

Exploration licensing has not resulted in more jobs in Alaska for the natives in the native corporations. It has not resulted in accelerated exploration or production on native lands. It has not made individual natives ~~more~~ financially independent. It has not resulted in more income and better quality of life for the native people in general. In short, after over twenty years of exploration licensing by native corporations, there have been no commercial oil fields. However, most of the native corporations' forty four million acres have been closed to exploration by any entities but the major oil companies or wealthy independents.

As far as other countries go, it is true that licensing of large tracts by wealthy oil companies is the prevailing scheme of things. This has resulted in nearly total corruption of leadership in these countries and dire poverty for the citizens. Saudi Arabia's government controls all of the oil land. Most of it's up to ten million barrels per day is marketed by the largest oil company in the world, ARAMCO, an acronym for Arabian American Oil Company. It is composed of Saudi Arabia, Exxon, Texaco, Mobil and Chevron.

Russia and it's commonwealth nations in the past and now are negotiating licensing concessions. Since oil was discovered in imperial socialist Russia it has passed from the hands of wealthy concessionaires to the Russian communist government. Both have contributed mightily to the downfall of Russia's most vital industry. The environmental degradation in Russia is planet threatening. All caused by communist government and large land owners and multinationals corporations.

No one takes care of the land like individual owners or makes it more productive and beautiful. Don't forget that wealthy individuals and corporations and corrupt socialistic governments brought about the destruction of Russia as a powerful economic self sufficient nation. Like Alaska, Russia is endowed with every renewable and nonrenewable resource known on the face of the earth.

Fred Pratt has been criticized for his April 30th article in the Fairbanks Daily News Miner. The criticisms are self serving and omit several pertinent facts.

In a May 5th letter to the editor, Mr. Williams of BP states: "Fred Pratt should at least read the oil licensing bill before condemning it as he did in his column of April 30. Contrary to

what he wrote, exploration licensing will not replace the present system of competitive oil and gas leases, it would be in addition to leases." Common sense would tell anyone that the licensing areas would, by the very act, be closed to any other leasing system for up to twenty years. And in fact would become the private, exclusive area of exploration for the major oil companies. As I have said before, and it is a matter of public record, that every commissioner of Natural Resources has delegated his or her authority to the director for the Division of Oil and Gas, who has been for the past several years an ex-Arco employee.

Mr. Williams goes on to make the point that the bill has been awarded to make licensing more competitive. But he does not mention that the only competition would be among multibillion dollar corporations who don't even have to post a bond.

Probably the phoniest argument that oil companies use for exploration licensing is that it will save on exploration costs. These costs are already factored into their yearly budgets for the current year and future years. Unless you are willing to believe that multinational billion dollar oil companies operate on a day to day, hand to mouth basis. Furthermore, even in bad years, these major oil companies make hundreds of millions to billions of dollars in profit. Study their financial statements and read their press releases. Of course, if the legislature and governor of the State of Alaska are willing to turn over millions of acres worth billions of dollars to them as a gift, they will gladly accept. At the same time, the Alaska government will deprive over 500,000 Alaskans use of the property, probably forever.

Another fact that major oil companies neglected to mention, is that they pass all worldwide costs of doing business on to their customers. Anyone, which is everyone, who uses oil or gas products is familiar with this process.

If BP, Arco and Exxon want to go look for oil elsewhere, let them. They know that Alaska is the most secure, prolific source of domestic supply. Exxon makes great press releases of spending 80% of their exploration budget overseas. What Exxon doesn't tell Alaskans is that they participate with Arco; in most cases on a fifty-fifty basis with any Arco discoveries on the North Slope. And are not about to leave Alaska.

It was very disappointing and discouraging to interested Alaskan voters to learn that Senators Sharp, Miller and Frank had considered voting for this "license-to-steal" bill under any conditions. They know better.



BP EXPLORATION

BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612
(907) 561-5111

Date: January 26, 1994

To: Annette Kreitzer, Staff
Senate Special Committee on Oil and Gas

From: E.P. (Pete) Zseleczy, Jr.
Land Manager, BP
564-5083

The proposed amendment to CSSB150 allowing license areas of less than 20,000 acres in certain circumstances causes BP concern for the following reasons. Although BP supports large block licensing for certain areas of the state, we do not support legislation which could be substituted for the existing competitive oil and gas lease sale process.

By allowing licenses to be granted for tracts constituting fewer than 20,000 acres, the legislation will be ignoring the original intent of the bill. That intent was to provide for a supplemental process to competitive bidding, but only for large tracts on which substantial work programs will be conducted. The intent for small tracts was to continue the existing competitive lease sale program.

Thank you for this opportunity to express our concern.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

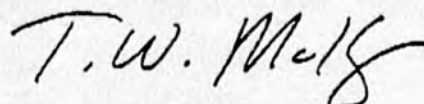
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,



Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Flamona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Pamell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

Exploration Licensing

Testimony by V. M. Withington
2840 Pelican Dr. - Anch, AK

I want to thank this committee for letting me present written comment on HB-199/SB150.

Only a few short years ago, the Trans-Alaska Pipeline carried 2.1 million barrels of oil a day. Today, North Slope production has dropped to only 1.6 million barrels daily. This loss is equivalent to losing 5 Pt. Macintyre size oil fields!

HB-199/SB150 is a bill that offers high potential for both Alaska and the oil and gas industry. It will attract investment to our state, target state lands of interest to the industry, and accelerate the finding new oil and gas fields. These factors are important because our existing fields are maturing.

Alaska is a resource state, 85% of state revenues are a result of oil production. These revenues have given us tremendous prosperity. If we are to sustain this prosperity, we must replace this declining production with new fields. This requires exploration. More importantly, it requires legislation that will make Alaska attractive to the industry.

As you review this and other important oil and gas legislation this session, ask yourself these questions. Of the companies currently operating oil and gas fields today, how many are aggressively exploring within Alaska? Of those companies that have left in recent years, how many do you expect to return and explore? Not many. Not unless Alaska's business climate changes for the better.

Alaska is virtually unexplored, yet U.S. oil companies are now investing twice as much of their exploration and production capital overseas than domestically. I believe that Exploration Licensing can help bring these companies back to our state. Pass this bill in the next session, and you will send a signal to the industry.

If Alaska seriously wants oil industry companies to return and work in Alaska.

Alaska has to improve the business climate.

Alaska must pass HB-199/SB-150.

Thank you again for the opportunity to present this written testimony.

to Annette in Sen Lerman's Office

465-3810

SB150

✓

DEC 1 1993

11-30-93

George C. Berry

P.O. Box 81590

Fairbanks, AK 99708

Alaska Legislator,

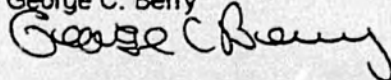
Enclosed you will find two copies of recent articles by Mr. C. Burglin and Ms. M. Bauman. My concerns are that the proposed revival of Arco's large lease tract legislation, if passed, will only continue to concentrate the financial stranglehold the 3 Major's (Arco, B-P, Exxon) have upon the citizens of Alaska whom you represent. We should instead, be leasing tracts that small/independent producers can compete on to fully realize the capitalist free enterprise system which our nation's history shows works best for the citizens and government alike. The continued high profits of the major Alaska oil producers should indicate they do not need, special competitive bid/leasing protection only to control more acreage and continue to monopolize the citizens and state by financial manipulations. Mr. Finesberg's findings point out the true cost of environmental and daily maintenance to be miniscule with respect to overall net revenues of the TAPS system. It seems that many corporate CEO'S like to use the phrase "THE BIG PICTURE" when looking to scrutinize cost of the front line workers and/or proper and adequate maintenance but continue to run managerially void as the recent BLM audit points out. I expect that you, as a citizen legislator, will hold these Majors and the other multinationals accountable to the same moral and legal promises as other business in the state.

I have sent these copies to help convey the concerns of a long time citizen and a 15 year front line TAPS worker in hopes it will provide a constructive criticism on pending legislation you will be addressing in the next legislature.

Thank You for taking the time to read my concerns and the findings of others as attached..

Sincerely

George C. Berry



cc: Editor - Daily News

Editor - Fairbanks Daily Newsminer

C. Burglin

M. Bauman

Oil analyst reports Slope profits top \$3 billion yearly

By Margaret Bauman
Alaska Journal of Commerce

Debated expenditures of \$150 million for spill prevention and environmental mitigation measures would reduce oil industry profits in the year 2000 by a mere one cent a barrel, a researcher says.

That compares with total after-tax profits in excess of \$5 per barrel, said Richard A. Fineberg, a former state oil and gas analyst, who based his conclusions on assumed oil prices at \$19 a barrel.

"I don't make any pretense to having a crystal ball," Fineberg said in an interview, "but when you take the annual average of oil prices, it is very steady."

Fineberg, a Fairbanks resident, said he relied heavily on state documents in preparing his report. "I'm very grateful (to the state) for making public information available where it can do so without violating taxpayer confidentiality," he said.

In a paper prepared for delivery at the 15th annual North American Conference of the International Association for Energy Economics in Seattle Oct. 11-13, Fineberg estimated after-tax profits from North Slope production and pipeline operations exceed \$3 billion annually.

"If these operations were controlled by one firm (in fact, three companies control more than 90 percent of Alaska's production and pipeline facilities), that company would rank among the five most profitable industrial corporations in the nation," Fineberg said.

The 800-mile trans-Alaska pipeline currently accounts for about one-fourth of U.S. domestic crude oil production and is the lifeblood of the state's economy.

"A straight-forward approach to

have ample room to make additional environmental expenditures, if warranted, despite public pronouncements to the contrary by industry officials."

Fineberg reviewed costs of equipment to reduce the amount of toxic benzene vented by oil tankers at the Valdez marine terminal and to buy special escort vessels known as tractor tugs, which have been judged superior to conventional tugs in dealing with spills hazardous to the environment.

Fineberg notes that James Hermiller, then president of Alyeska Pipeline Service Co., argued against a resolution by Prince William Sound Regional Citizen's Advisory Council, which wanted Alyeska to install a

vapor recovery system to capture and incinerate gasses vented when tankers deballast and load at Valdez.

Hermiller cited current regulations that do not require the venting system, current health risk information, and the \$120 million cost as the driving factors in his rejection of the petition. The two tractor tugs would cost approximately \$25 million.

Fineberg concluded that the vapor recovery system could be purchased at a cost of about 4 percent of one year's after-tax profits and the tractor tugs for less than 1 percent of these profits.

Fineberg said the tractor tugs are being used at Louisiana offshore oil projects and have been ordered for Puget Sound and San Francisco Bay.

In a speech to the Anchorage Chamber of Commerce Jan. 6, 1992, Hermiller warned that North Slope production was declining. "If the state imposes excessive financial burdens on the owners of the production going through the line or on the pipeline system itself, the line will close sooner than later," he said. At that time

Hermiller cited the vapor recovery system he later rejected as an example of a cost Alyeska should not be asked to bear until unacceptable harm was done to the environment or the public health.

Arco Alaska Inc. spokeswoman Susan Reed declined comment on Fineberg's report, saying she had not read it.

But Tom Williams, a spokesman for BP Exploration (Alaska) Inc., questioned Fineberg's study, saying the industry was not convinced the safeguards were proven. Williams said it was an issue of unnecessary regulations.

"He's tilting at the wrong windmill," Williams said. "The question is, is this (an environmental problem) that should be addressed? We're never making so much money that we can just afford to waste it."

Williams said oil industry executives discuss the cost of environmental safeguards in public speeches to make a case that requirements could harm the state's economy by speeding the pipeline's demise.

The Associated Press contributed to this story.



(1975) SEATTLE POST-INTELLIGENCER, FROM AMERICA, 1984/85



Cliff Burglin at large

Oil and Gas Lease Sale #57 was held on September 22, 1993 by the State of Alaska Department of Natural Resources, Division of Oil and Gas.

The technical employees of the DNR, the commissioners, the head of the Division of Oil and Gas, petroleum engineers, geologists, research analysts, statistical technicians and many others get paid upwards of \$75,000 dollars per year plus benefits.

They would come under the classification of "rich" as defined by President Clinton.

Acreage for all proposed state sales is nominated by a gang of ten to fifteen multinational corporations and large, multibillion dollar independents, and approved by the well overpaid state technical people, some of whom have been on the state payroll for over fifteen years.

Sale #57 consisted of over one million acres. Despite the fact that all of this acreage was on the North Slope and had been nominated by the major oil companies, it did not re-

ceive one bid. Alaskans might ask, "Why did they (the multinationals) nominate it if they weren't going to bid on it?" Why do the state experts not know enough to decide what is potentially valuable? They are certainly paid enough, and all claim to be well qualified experts in their fields.

One reason for the lack of bidding is that at least three of the largest explorers and bidders are over their state acreage limits.

Any bid that Arco, BP or Exxon makes on state acreage is illegal. As they are the primary operators and producers of most of the state's one million six hundred thousand barrels per day, they may have been interested, but they cannot acquire more state leases. Legally, that is.

The lease terms were fairly reasonable. Minimum bid was \$5.00 dollars per acre, with 12 1/2% overriding royalty to the state and an initial term of ten years.

For a measly \$5 million dollars, these or any other oil companies could have picked up over one million acres in one of the

world's greatest producing petroleum basins. These are the same companies that are and have been flaring (wasting) \$2 million dollars worth of gas per day for many months.

These also are the same companies that have persuaded Governor Hickel and the majority of the state legislators to give them 500,000 acre chunks of the state's best land for no money down and a lot of empty promises.

They have even written the enabling legislation. WHY DO ALASKANS NEED A LEGISLATURE OR GOVERNMENT THAT CANNOT EVEN DRAFT ITS OWN LEGISLATION? Or a Department of Natural Resources? Or a revenue department that is so ignorant that it can't compute the number of tankers and their capacities loading out of Valdez. This would give the state government an accurate account of the daily production.

The University of Alaska is a land grant University. It is asking the state for one million acres with mineral rights. Why not give the University their million acres, instead of the do nothing, bid

nothing oil companies who are laying off workers and leaving the state for other countries and taking their money and their jobs with them?

Why not let the mental health people select productive state land? Both the University of Alaska and the Mental Health should have preference over the oil companies.

Neither entity should trust the DNR to manage their land. The DNR is not working for the people of the State of Alaska. This department is working for big oil. And getting overpaid by Alaskans for destroying our economy. Unfortunately, our Governor and our selected representatives are ready, willing and able to give away the state's resources for a few thousand dollars in campaign contributions and guaranteed re-election.

(Cliff Burglin is a life-long Alaskan who majored in economics at Washington State University and the University of Alaska. He has been active in business and resource industries in the State of Alaska for over 40 years.)

CITIZENS VOICE

Q. What would you recommend to increase voter turnout?



North Pole
Independent

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

JAN 25 1993

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

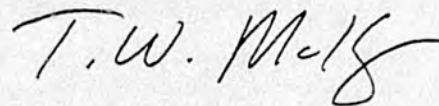
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first and last names clearly legible.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

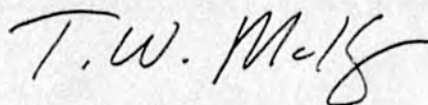
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to develop capital and development is large block leasing programs such as t.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,



Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

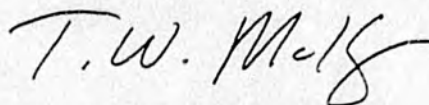
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

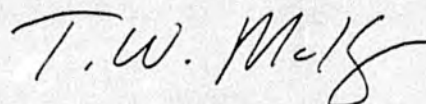
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

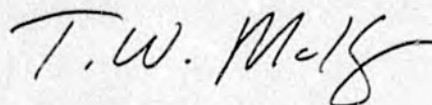
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first and last names clearly legible.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

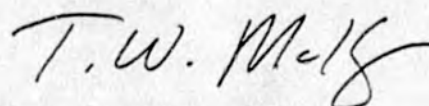
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

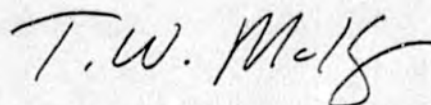
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

January 18, 1994

Alaska State Legislature
Senate Special Committee on Oil and Gas
Public Hearing
Legislative Information Office
Anchorage, Alaska

Re: Exploration Licensing
Public Testimony
SB-150 / HB-199

Dear Senators:

I urge you to support Large Block Exploration Licensing as one way to attract oil industry investment in the State of Alaska. As an oil industry explorer, I have seen first hand, the hundreds of millions of dollars the industry spends attempting to find commercial quantities of oil and gas here in Alaska. It is a tremendously challenging task, and the industry needs State support to continue the search.

With the beginning of this Session, you are now seeing what many fiscal conservatives have been clamoring about for years, the decline in state revenue caused by a combination of excessive spending, oil production decline, and depressed oil prices. It should be clear that incentives are in order, now more than ever, to attract industry exploration dollars to Alaska given this depressed industry outlook.

How many more oil company departures from Alaska would you like to see? Will it take major industry layoffs before this Legislature will take substantive action to help the industry? Virtually every wealth producing sector of Alaska industry is showing employment decline. This is documented in State labor statistics. Think of how many oil companies have left Alaska already: Chevron, Amoco, Texaco, Conoco, a large part of Shell's operation.

As I understand it, SB-150 and HB-199 would allow a large block oil and gas leasing program to be established in Alaska. Given the stated and documented position of the Democratic Clinton Administration against ANWR development, it is obvious that the State of Alaska must forge ahead with pro-development policies on State lands. One way to accomplish this is through the leasing program presented by this legislation.

By the way, I hope you noticed that Al Gore and Bruce Babbitt are evidently succeeding in their mission to re-invent government and lock up Alaska by planning to close several Department of the Interior offices in Alaska. Newspaper reports reveal plans to close or severely curtail operations in the Bureau of Mines, Minerals Management Service, and U.S. Geological Survey offices in Alaska.

With Prudhoe Bay on decline, the State must look to the development of other oil and gas resources to have any hope of maintaining revenue and spending levels even close to those that currently exist. You know that spending cuts and new taxes cannot alone make up the fiscal gap.

I am absolutely convinced that responsible oil and gas development can occur on state lands with minimal if any environmental impact given the current technology available in the oil industry. As I am sure you are aware, the technology and impact minimization techniques practiced on the North Slope are second to none on the entire planet.

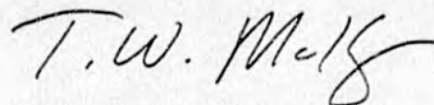
This program will help accelerate the leasing and exploration process, which in turn will reap dividends for the State. To meet current budget demands, we are cutting spending, borrowing from reserves, and considering a variety of taxes. The exploration licensing program presented by SB-150 and HB 199 will help to alleviate these budget shortfalls, and prevent us from rapidly spending our children's savings accounts on excessive government in the next couple of years.

Oil and gas development is a long term process, and the time to start is now with our major source of revenue at Prudhoe Bay on its long predicted decline. Numerous oil companies have left Alaska, and I have personally read where one of the programs foreign governments are using to entice capital and development is large block leasing programs such as this.

I urge you to support the large-block licensing program established by this legislation. Please let me know where you stand on this important issue.

I appreciate the opportunity to prepare and submit this letter to your committee. I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "T.W. McKay". The signature is fluid and cursive, with the first and last names clearly legible.

Thomas W. McKay, P.E.
District 17 Chairman
Republican Party of Alaska
3190 Marathon Circle
Anchorage, AK 99515
(907) 265-6890 (W)
(907) 349-9380 (H)

cc: Governor Walter J. Hickel
P.O. Box 110001
Juneau, AK 99811-0001

House Speaker Ramona Barnes, House District 22
House Majority Leader Gail Phillips, House District 7
Representative Sean Parnell, House District 17
Representative Joe Green, House District 10
Representative Mark Hanley, House District 12
State Capitol
Juneau, AK 99801-1182

Senate President Rick Halford, Senate Seat M
Senate Majority Leader Robin Taylor, Senate Seat A
Senator Steve Rieger, Senate Seat I
State Capitol
Juneau, AK 99801-1182

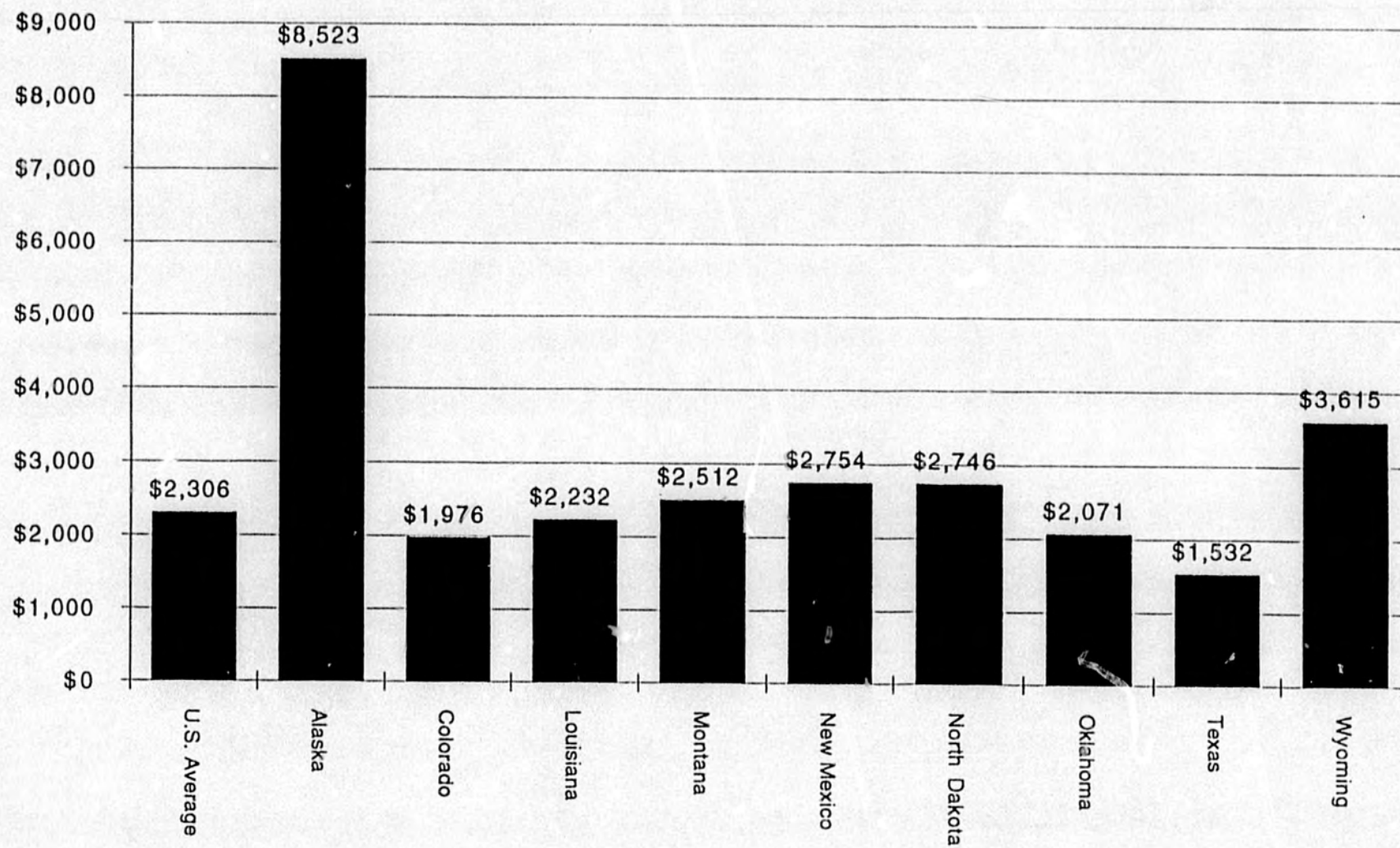
Voice of the Times
P.O. Box 40
Anchorage, AK 99510-0040

Anchorage Daily News
P.O. Box 14-9001
Anchorage, AK 99514-9001

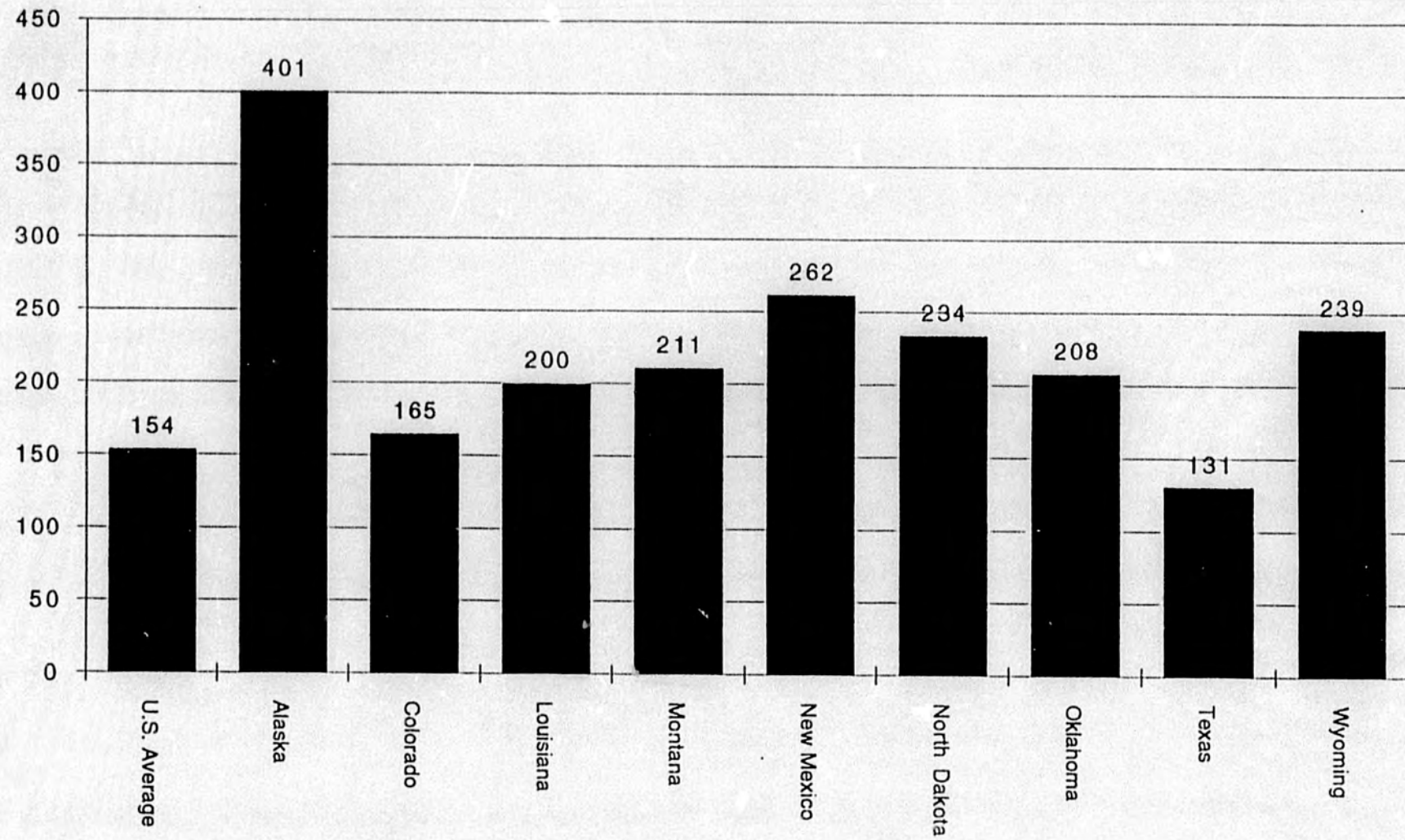
Chugiak-Eagle River Alaska Star
16941 North Eagle River Loop Road
Eagle River, AK 99577

Fairbanks Daily News-Miner
P.O. Box 70710
Fairbanks, AK 99707

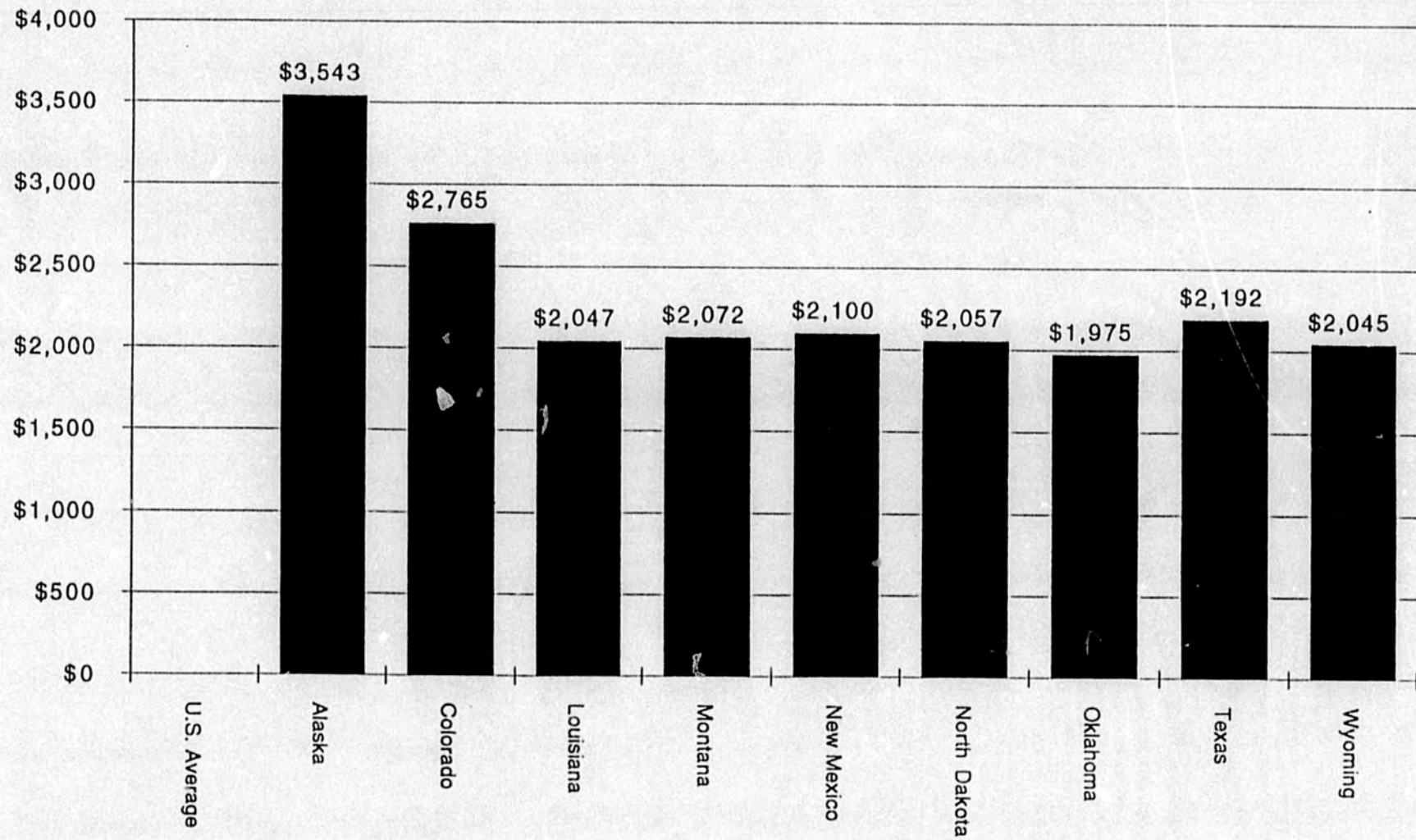
Per Capita State Expenditures -- Total



State Employees per 10,000 Population

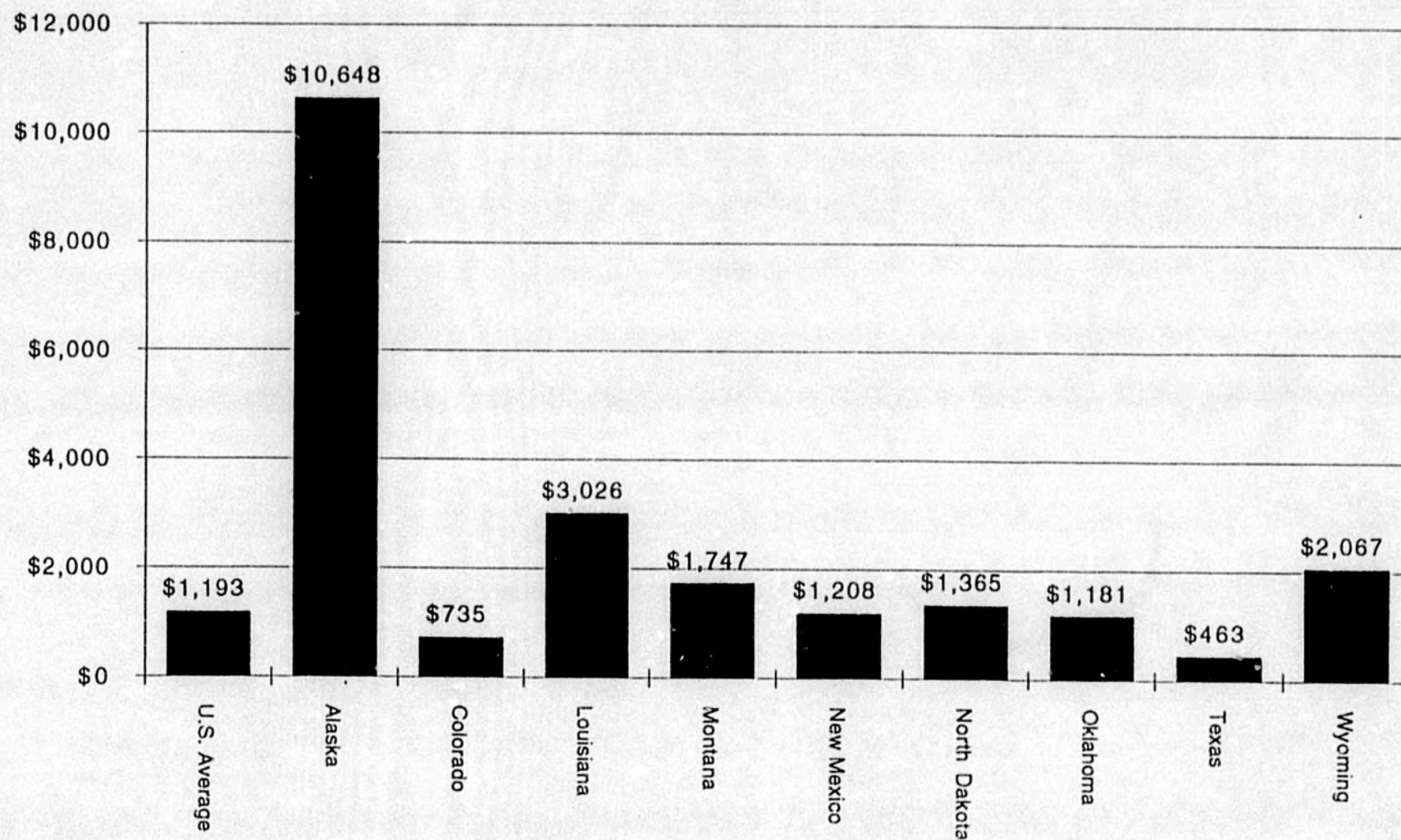


Average Monthly Earnings -- State Employees

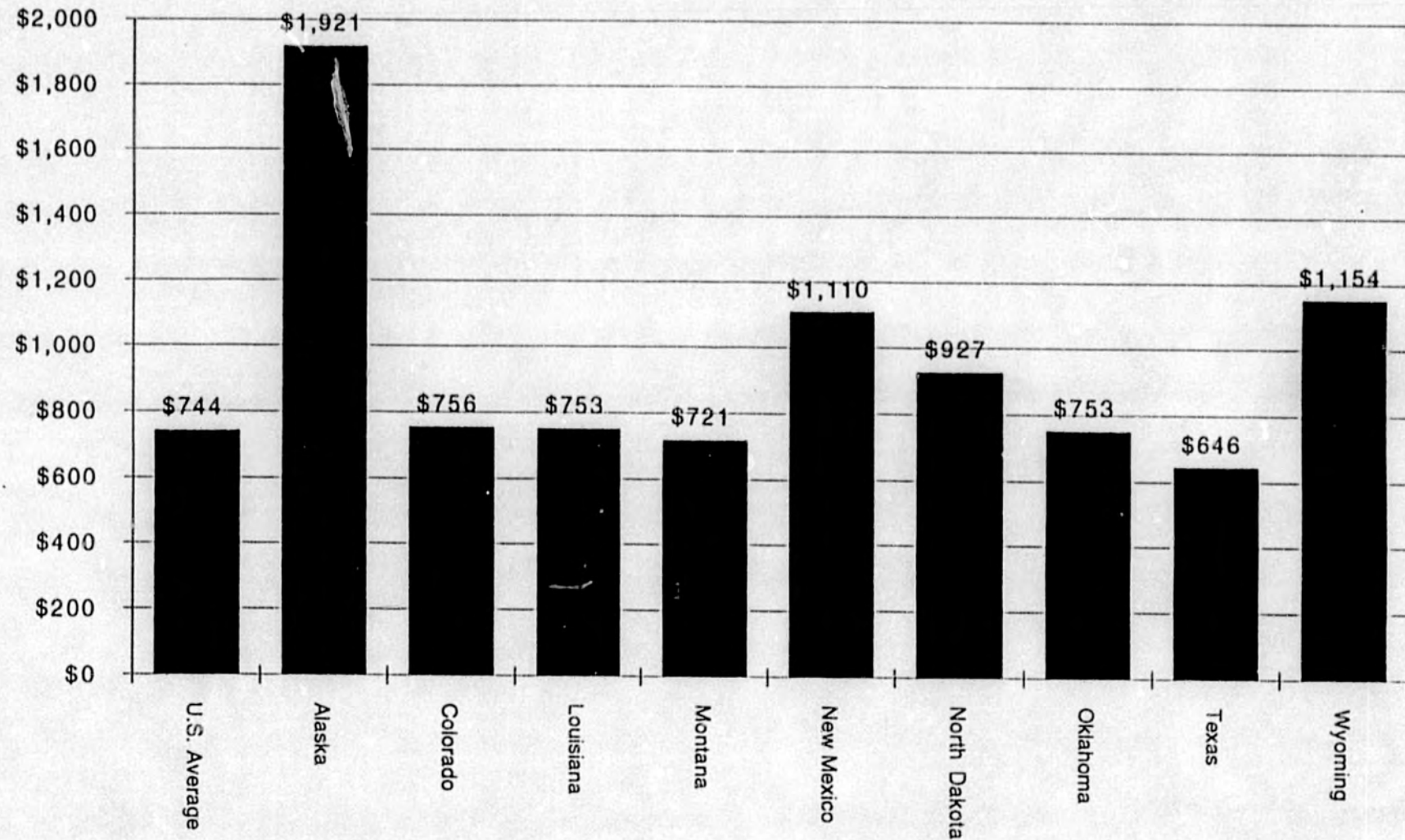


Bureau of Census 1990

Per Capita State Expenditures -- Outstanding Debt

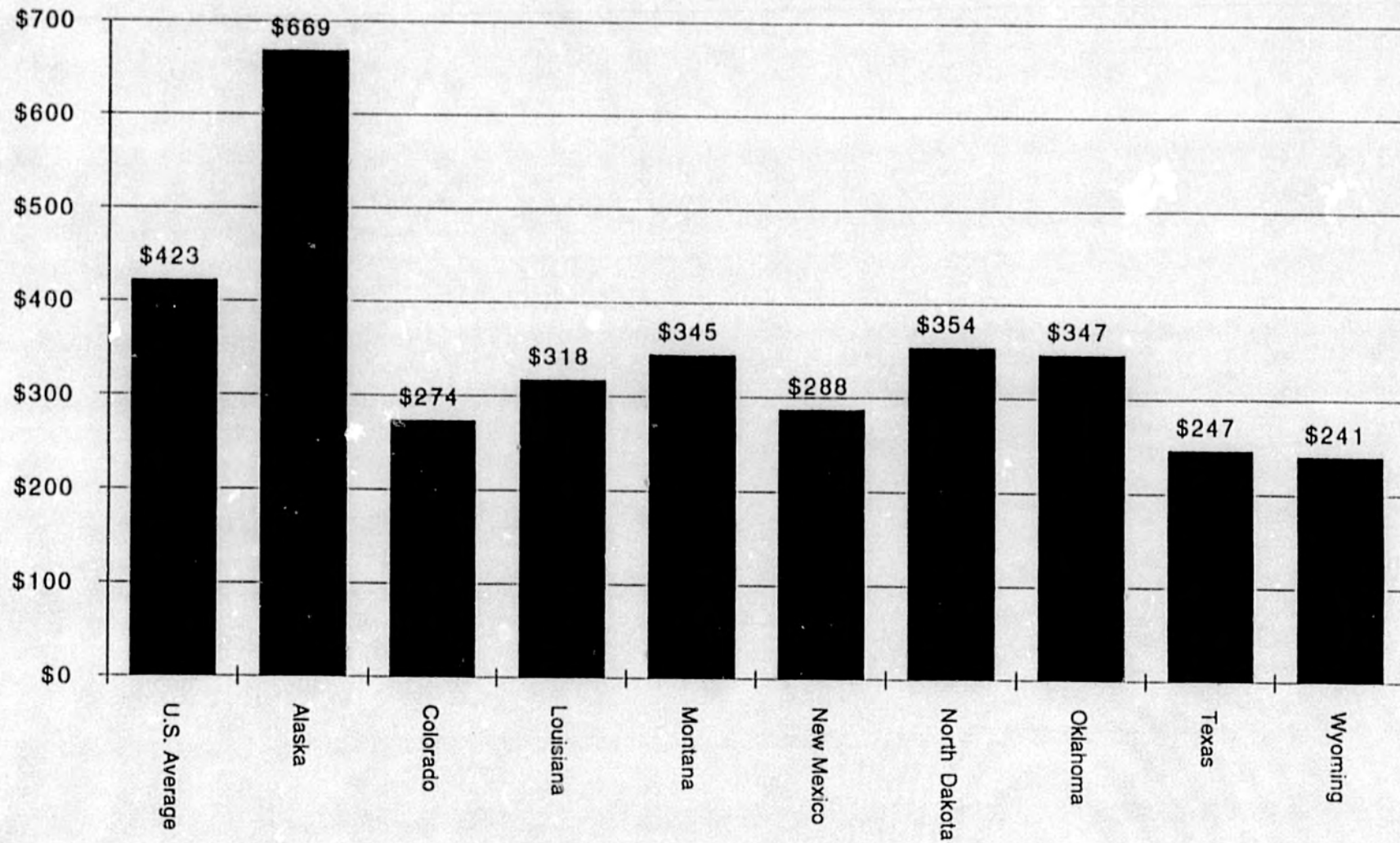


Per Capita State Expenditures -- Education



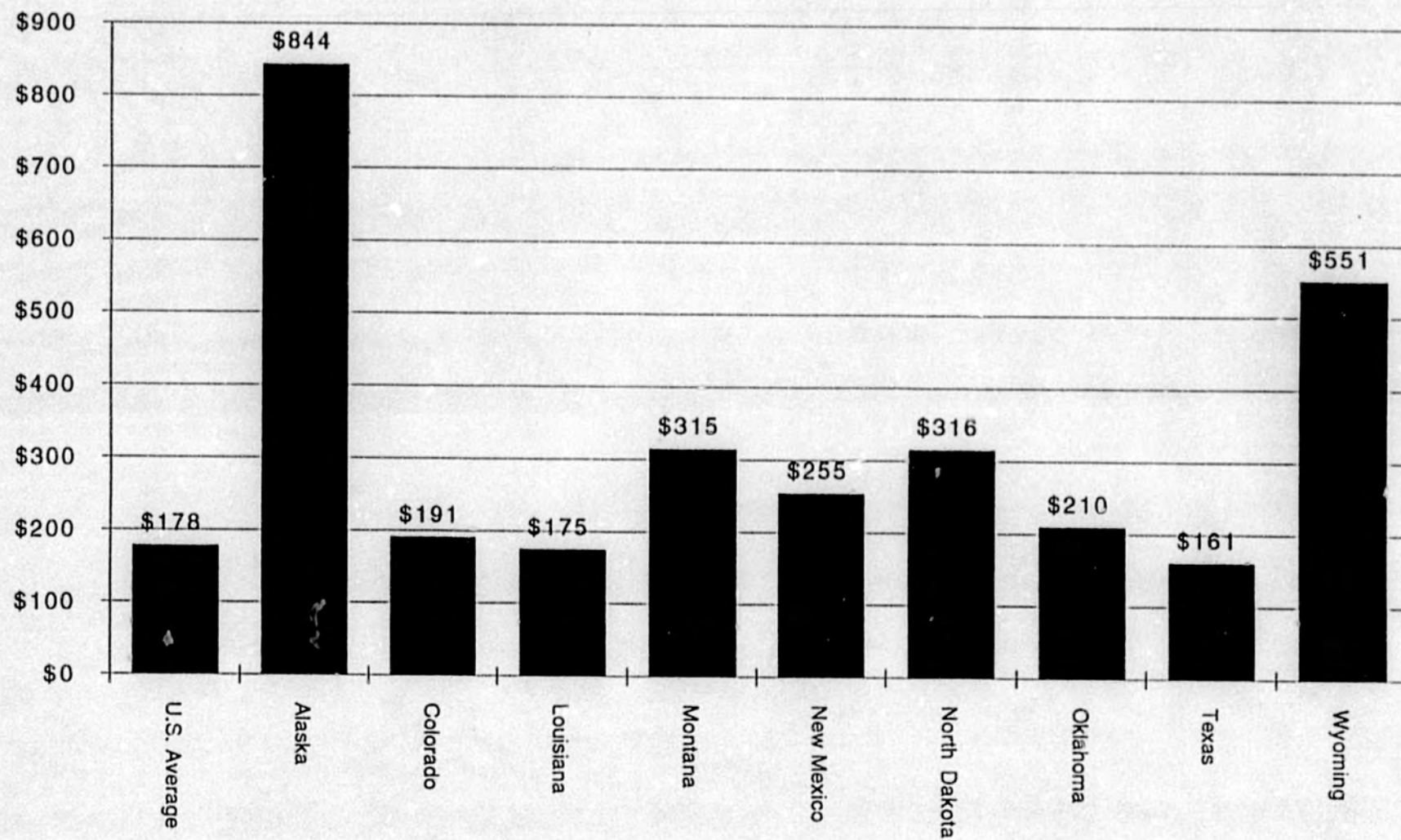
Bureau of Census 1990

Per Capita State Expenditures -- Public Welfare

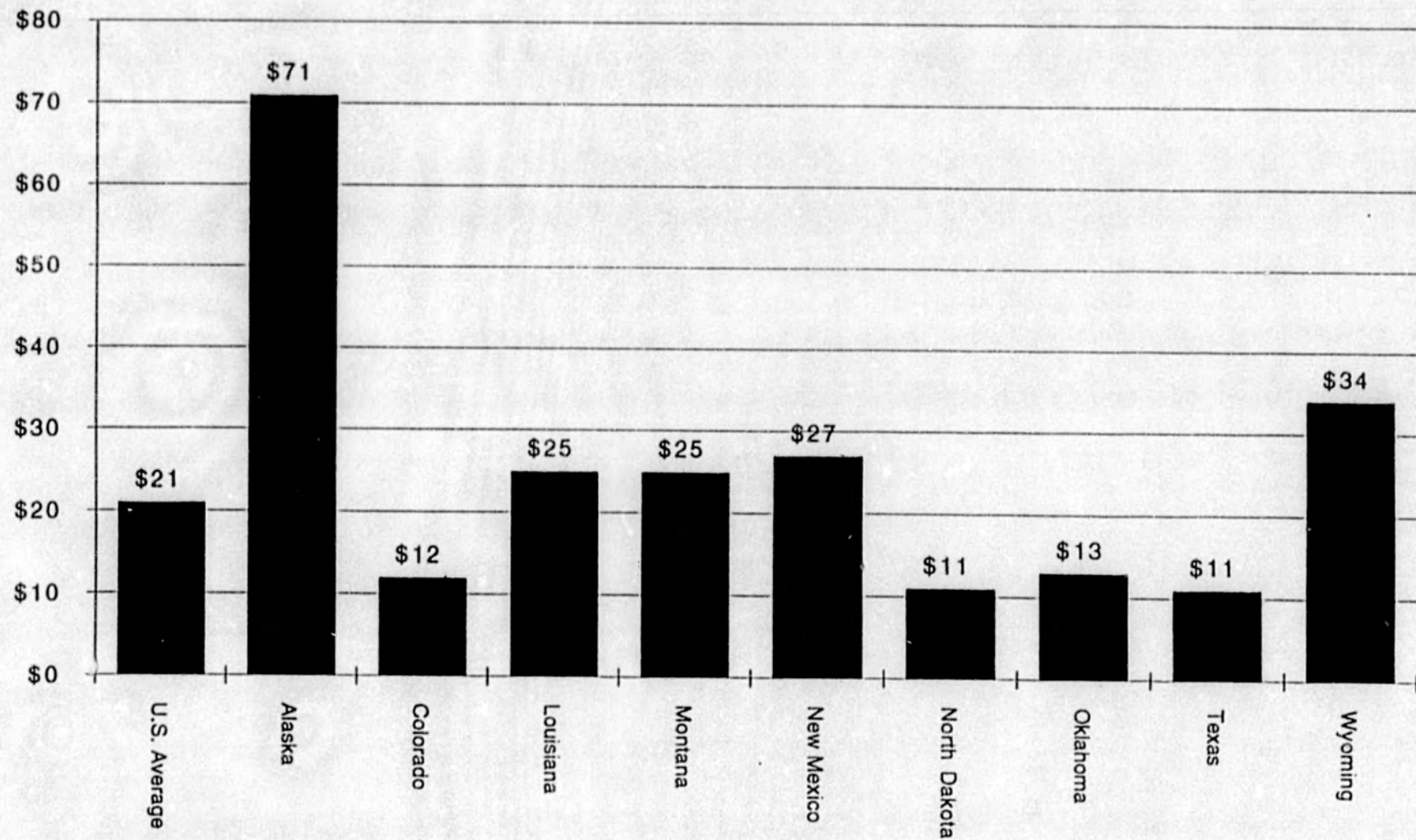


Bureau of Census 1990

Per Capita State Expenditures -- Highways



Per Capita State Expenditures -- Police



Bureau of Census 1990

Per Capita State Expenditures -- Intergovernmental Expenditures

