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SHESS

DRUG ABUSE -

HOUSING

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STATE OF ALASKA
DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

Rachel + D.A.
JAY S. HAMMOND, Governor

Pouch H01, Juneau 99811
~~FEDERAL BUREAU OF INVESTIGATION~~

March 20, 1975

Mr. Tom Anderson
Executive Director
Greater Bethel Council on Alcoholism, Inc.
P. O. Box 190
Bethel, Alaska 99559

Dear Mr. Anderson:

At the January 31, February 1 and 2, 1975 Governor's Advisory Board on Drug Abuse meeting, it was recommended to curtail funding of the Bethel Rap Center. The reasons are stipulated in Document #232, which explains non-compliance of program objectives and lack of compliance with recommendations made by on-site evaluators.

As of this date the Bethel Rap Center has received \$5,602.87 for services provided in the months of August, September, and October 1974. You are requested to submit billings to the State Office of Drug Abuse within ten (10) days of receipt of this letter for the months of July, November, December, 1974, January 1975, and expenses incurred in February 1975.

Sincerely yours,

Francis S.L. Williamson
Francis S.L. Williamson
Commissioner

Enclosure

April 3, 1975

Page 2

recommendations indicated on Document #232.

I take particular note that a position for Mr. Pete be found as this action puts him out of a job.

Also as there is no date on Document #232, recommendation #3 is not clear.

As this is the first correspondence I have had from you about this matter, and no specifics are called for, I shall comply as best as possible to your request for billings.


If you are willing to pay our program costs for the month of July 1974 this would be a most gracious action on your part, as we had no Contract in force for that month. Funds for the previous year were totally expended by June 30, 1974 and the effective date of the present Contract is 1 Aug 1974.

But I guess all of us can make mistakes when we try to interpret Contracts.

It is a happy coincidence that a Fiscal Auditor from Mrs. Blanchards Office was in my office when your letter arrived. He will insure, I'm sure, that the billings I will send to you are substantiated.

Till I hear from you.

Cordinally,


Tom Anderson
Executive Director
TA:rmj

c.c. Senator George Hohman

P.S. Good Luck on your confirmation.

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Bethel
+ D A

GREATER BETHEL COUNCIL ON ALCOHOLISM, INC.
P.O. Box 190
Bethel, Alaska 99559

PH: (907)543-2116

April 3, 1975

Mr. Francis S.L. Williamson
Commissioner
Department of Health & Social Services
Office of the Commissioner
Pouch HO1
Juneau, Alaska 99811

Dear Mr. Williamson:

We have received your letter as of April 3, 1975.

Although the recommendations of the Governor's Advisory Board on Drug Abuse have been noted I'm sure that the intention of this Board was not to deny service to the people of Bethel because of misunderstandings and shortcomings on the part of the staff of two organizations who are, in part at least, dedicated to the alleviation of problems created by the abuse of Drugs.

Nowhere in any of the Documents has it ever been indicated that the services have been denied or not available to clients. What we are trying to do is serve clients and I'm sure it's much easier to sit back and criticize an operation that one knows nothing about, that to really find out about it. If ever these criticisms had some constructive merit they would be greatly appreciated.

In the final analysis, whether or not a program exists in Bethel to serve the AVCP Region is up to you. The idea of closing a program is something that I would feel some trepidation about, without insuring that some other provider of the service in question was available. If you were to look into the past history of the Drug Abuse Board and the Office of the Commissioner, all of the Board's recommendations were not followed. The most notable of these was the Langdon Clinic decision.

I had hoped to see you about this matter during your planned trip to Bethel, as you had indicated your intentions to visit Bethel in the very near future. I would hope that if the intent of your letter is to terminate our contractual agreement with the State, that you also comply with the Contract and indicate what you are doing through the language of the Contract.

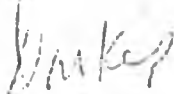
I suppose what I am asking for is some reference to this Contract in your letter of termination or suspension, whatever the case may be. In any case, I can find no provision in this Contract to cancel it on a retroactive basis. I also hope that your actions also will include the full

In administering this program, the state has no other choice but to follow the policies as established by the BIA. The state cannot modify a Federal policy by either regulation or law. Therefore, even if the state is fully agreed with the position you and Ms. Peters have taken, it could not correct or satisfy the adverse action alleged by Ms. Peters.

Several discussions have been held with the BIA since the policy modification was distributed on December 3, 1972. From these discussions, it is our understanding that the BIA does provide for certain specific needs of children in boarding schools in cases of extreme hardship. For details of what they will provide and to whom, I would suggest that you contact the BIA in Bethel.

I hope the above information is of some help to you in considering the States position on the BIA-Division of Family and Children Services contract. I will be happy to provide more information if it is desired.

Sincerely,



Don Kemp
Assistant Administrator
Assistance Payments

Approved by:


Freda H. Borchick, Acting Director

DK/div

cc: RAEM-NRO
Bethel District Office
BIA Social Services Bureau

Box 521
Cordova, Alaska 99574
January 31, 1975

2-17
file - Drugs/Marijuana
George H. Hohman
Box 100
Bethel, Alaska 99559

Dear Senator Hohman:

I believe you find the enclosed self-explanatory. You may well have already seen the article or one like it in another publication.

It does bring to mind one very important point, however, in that as you may recall, when the "Marijuana Controversy" began in the mid 60's many a scientist, medical doctor, psychiatrist and psychologist repeatedly stated "it will take twenty (20) years of usage before we will know what effects of "Pot" really are.

For the Public Servant who tends to view with suspicion all articles published by this particular periodical, I am sure more direct contact with the author would prove enlightening.

This article is particularly gratifying to me since I vigorously opposed the prior stance of Dr. Powelson when I was State Coordinator for Drug Abuse Education working out of Governor Miller's office.

It is extremely unfortunate that we constantly find ourselves placed in a position where we seemingly can only compare the merit or demerit of one drug as opposed to another. However, as long as certain rationalizations are expounded on at great length by a small vocal group of people wishing to "justify their personal actions", it therefore behooves those who know that "they aren't really telling it like it is" to make every attempt to make our unsuspecting and easily swayed youth and their less knowledgable parents at least partially aware of the trap that is being laid for them by other older youths and immature young adults. Unfortunately, all too often this type of action is viewed simply as confrontation.

One day, perhaps, we may actually get around to dealing with the problem. At present to my knowledge, this is not being done anywhere in Alaska. The main reason for this is that there are very few people, in or out of government, who actually understand the problem, and the remainder of those who would appear to be concerned are far more interested, for various and sundry reasons, in treating the symptoms of the problem or, failing in that, to bunglingly attempt to rehabilitate the visible and therefore socially unacceptable end result of the problem.

There is a workable solution to the problem but it is not a "quickie miracle" solution. It will take a lot of hard work for a lot of years. In short, it is the reverse of dependency - it is called building self-confidence, not pragmatocic - just self-confidence

If you would tell me, as a lot of self serving bureaucrats have, in order to preserve their position or function, that a lot is and has been accomplished toward the goal of correcting the problem then I would say to you "let the public see the results and take heart".

If you sincerely wish to pursue a solution to the problem, I wish you good luck because in my view human resources are at least as important as are all of our other "natural" resources.

Very truly yours,

James F. Calhoon
James F. Calhoon

8.3

Alaska Native Commission on Alcoholism and Drug Abuse

528 West 5th Avenue, Suite 3
Anchorage, Alaska 99501
Phone (907) 274-7435

February 20, 1975

Office of the Governor
Governor Jay Hammond
State Capitol
3rd Floor, Pouch A
Juneau, Alaska 99801

Dear Governor Hammond:

This letter is an official communication of the Alaska Native Commission on Alcoholism and Drug Abuse. The Commission represents the twelve Native corporations in matters concerning alcoholism and drug abuse statewide as outlined in the state plan.

At various times throughout your campaign you spoke of implementing evaluation processes in alcoholism programs and we agree that in order for state funded programs to deliver services in a responsible manner this must be done. However, it cannot be done on a maintenance level budget which is again proposed for the coming fiscal year. We feel that in order to implement some kind of responsibility within the Office of Alcoholism, various steps need to be accomplished. Among these are the appointment as soon as possible of a coordinator for the State Office of Alcoholism. Also permanent and competent staffing for that office. This is not to say that the previous acting coordinator (Ms. Barbara Miklos) was not a competent administrator. We applaud her efforts as she did the best she could under the circumstances. However, the efforts of one person however competent that person may be is not enough to insure order and responsibility within that office. We believe also the Office of Alcoholism cannot function properly under the Department Of Family And Children Services and should be a department of it's own under the Department Of Health And Social Services.

I believe you have received communication from other programs within the state addressing these same problems and others which we will be speaking on in more detail on the 27th of February. We are scheduled to meet with members of the Health, Education & Social Services Committee on that date and we expect at that time that members of that committee will be aware of the problems as we program people have stated them. We look forward to meeting with either yourself or your representative while we are in Juneau.

Sincerely,



George Barril
Executive Director

GB/dd

cc: Lowell Thomas, Jr., Lt. Governor
Bob Palmer
Clem Tillion
Sue Green
Fred McGinnis
Stan Harris
Ben Iverson
Virginia Blanchard
Mike Bradner
Chancy Croft
John Keating
A. B. Colyar
Ed Stewart
Dennis Tiepelman
Members - Alaska Association of Alcoholism Professionals
Members - Governor's Advisory Board on Alcoholism
Members - Committees H. E. & S. S. House and Senate

8.3

Alaska Native Commission⁽²²⁾ on Alcoholism and Drug Abuse

"Mini-grants Program"

528 W. FIFTH AVENUE, SUITE 9
ANCHORAGE, ALASKA 99501

PHONE: 277-2578

February 13, 1975

TO: Ms. Helena M. Andree, Vice President ANCADA Board

FROM: Michael G. Moore, Technical Assistant *Michael G. Moore*

RE: Visit to Bethel Drug Abuse Program, February 5, 1975

I examined the Bethel Drug Abuse Program as administered by the Greater Bethel Council on Alcoholism February 5, 1975 as well as an "evaluation" of the program by Gail C. Shortell.

There are several facts of which you should be made aware:

1. There was exactly one (1) staff member available to fill out the forms.
2. The training program for filling out the CODAP forms was apparently unsuccessful as Ms. Shortell returned forms from locations other than Bethel.
3. The objections to the program appear to be all bureaucratic; that is, the Bethel program didn't correspond to what Ms. Shortell believed it should be. When she stated there was no counseling here, that apparently meant that no formal arrangement to see a client on a regular basis was set up. She did not question any of the clients for complaints, or rather, didn't report it if she did.
4. Ms. Shortell was repeatedly asked by Mr. Fred Pete and Mr. Tom Anderson to show him how to fill out a CODAP form. According to Fred she did not do this, but rather kept telling him which items were incorrect but not how they should be corrected. She may have thought she did this, but communication was apparently lacking.
5. The lack of need cited in Ms. Shortell's report came from conversation with "experts" and professionals. Coming out of the cafeteria at the dormitory for boarding school students here, I saw a reefer being passed. I wonder if Ms. Shortell bothered to look. I also visited the Ice Cream Parlor in Bethel about 2:30 A.M. February 8. As a former user and as one who wandered in the circles of drug users for several years, I was shocked to see symptoms which could and probably did involve use of various drugs and poly drug abuse. My shock stemmed from the severity and universality of the symptoms. I doubt if the social worker or the psychiatrist from PHS or Gail Shortell bothered to conduct this sort of investigation.

Ms. Helena Andree
February 13, 1975
Page two

6. I discussed certain sections of the evaluation with the Executive Director of the Greater Bethel Council on Alcoholism. I learned that the passage, "Despite Tom's protests, Fred Pete had gone to Denver as a representative of the Bethel School Board to observe the open classroom concept and then to San Francisco to attend the National Congress on Drug and Alcohol Abuse during December," could at best be termed a half-truth but is more correctly called a bald-faced lie. Tom stated that he protested the objections voiced by Gail and Mary Beth and was very proud that Fred could go. I also learned that the passage, "Tom further explained that he had considered terminating Fred, ..." resulted from Tom's answer to Gail's direct question as to whether he had considered terminating Fred. Tom's reply was that he'd several times considered terminating everyone including himself. Incidentally, Fred told me that Gail and Mary Beth were supposed to be attending the National Congress; however, when Fred sought their advice on which workshops to attend he was unable to locate them.
6. It's interesting to note that Nome's program was given a good rating, yet we're aware of a number of consumer complaints which SODA may or may not be aware of. The flimsy excuse that Fred's car broke down is indicative of the level of interest that is apparently exercised in seeing clients and looking at the issue of whether or not their needs are being met in evaluating drug programs.

The appearance to me is that the SODA personnel mentioned in this memo are professionals, are aware that they are professionals, and are impressed by the fact that they are professionals. They are unaware of the society in rural areas, ignorant of their lack of awareness, and stubbornly poised on their professional pride to refuse to admit that ignorance and lack of awareness. If this appearance is true the proper adjective to apply is STUPID.

P.S. Gail Shortell can't spell "Ekaiyurvik" even though it's on the front of the rap center in foot-high letters. Also, I wonder why the only programs given really poor evaluations were Native-administered.

MGM:lr

cc: Senator Ted Stevens
Lt. Governor Thomas
State Senator George Holman ✓
Martin Moore
Margaret Wilmore
Dr. Nightingale
Dave Vallo
Herb Powless
Steve LaBuff
Rick Weber
Dennis Tiepleman
Tom Anderson
Fred Pete

Gordon Jackson
Carl Jack
Charles Oxereok
George Barril
Commissioner of Health & Social Services
Members of the ANCADA Board
Mary Beth Hilburn
Gail C. Shortell

ENVIRONM'T

ANALYSIS OF IMPORTANT SECTIONS OF
SPONSOR SUBSTITUTE FOR SB 267

Section 2 and Section 19. Grants and loans for water supply and sewerage systems.

Section 2 substantially revises current law relating to local grants for water supply and sewerage system purposes. Current federal law precludes the possibility of a state's advancing to local governments the anticipated federal share for projects on which construction commenced after July 1, 1972. Section 19 of this bill thus repeals Section 30(a).

The important part of the proposed revision to AS 46.03.030 is the increase in state participation to 50 per cent of the total project cost or 50 per cent of the non-federal share, whichever is the lesser. This program involves state funding of projects which often are not eligible for federal funds, particularly in public water systems, which are often neglected, and projects which can receive federal funding are undertaken instead. In much of Alaska, public water supply systems are badly in need of upgrading, especially as they will have to meet new standards promulgated under the Safe Drinking Water Act of 1974. By increasing the state's share in these projects from the present maximum of 25 per cent to 50 per cent, we feel that more communities will be able to acquire badly needed facilities.

Section 3. Waste Disposal Permits.

This section expands the waste disposal permit jurisdiction of the department to any operation which results in the disposal of waste material into the water.

This amendment is necessary if the state is to assume jurisdiction over the National Pollutant Discharge Elimination System permit process, currently being administered in the state by the U. S. Environmental Protection Agency under Section 402 of the Federal Water Pollution Control Act amendments of 1972 (FWPCA). Under that section, it is currently necessary for a person to obtain a federal permit from EPA for any discharge from any point source into the water of the state, whether or not the receiving waterbody is navigable. See United States v. Holland, 378 F. Supp. 665 (DCMD Fla. 1974).

Under Section 402(b) of the Act, states may assume control of the NPDES permit program if the state possesses water quality authority at least equal to that possessed by EPA. A majority of states have acquired this delegation, precluding the need for continuing extensive federal involvement in state water quality management. However, the State of Alaska cannot assume this authority at the present time, because our water quality permit jurisdiction is limited to commercial or industrial operation.

Section 7. Plan Review.

The department is currently in the process of developing regulations to implement state responsibilities under the Safe Drinking Water Act of 1974 (P.L. 92-523). In order to assume authority for implementation of the Safe Drinking Water Act within the State of Alaska, it is necessary that the state possess "adequate procedures for the enforcement of . . . state regulations" (Section 1413(a)(2)). This section, by way of a new subsection (b) to AS 46.03.720, provides for the review of plans for larger public water supply systems in order to adequately insure that these systems will be constructed and operated in conformity with the state's substantive regulations.

Section 9, Section 11, Section 13. Pollution Enforcement.

1. The department currently possesses no civil "option" for enforcement of anything but oil spills (unless the department sues for costs of restoration under Section 780--a provision which often is not relevant). Thus, particularly in air pollution or sewerage disposal matters, the department must either proceed criminally, or simply drop the matter. It should be noted that a civil remedy is necessary to assume federal permit authority. Environmental enforcement is, to a large degree, either compensatory or remedial in nature--that is, the punishing of a culpable individual is often only tangential to the main purposes of an environmental enforcement agency. The main concern is preventing or remedying damage.

Revised AS 46.03.760 establishes a civil option for the full range of violations currently covered only by the criminal provisions of AS 46.03.790. We believe the existence of this civil option will at once greatly increase both the fairness and effectiveness of the department's enforcement functions.

The "normal" response to the need for a civil option in environmental enforcement has been the creation of civil penalties. The problem with this approach is that some courts may view this as an attempt to penalize or punish a defendant without affording him the normal range of rights given to a criminal defendant, i.e., privilege against self-incrimination, jury trial, etc. See Kennedy v. Mendoza-Martinez, 372 U.S. 144 (1963). As a matter of both policy and law, the argument has some merit.

Accordingly, the proposed revision of Section 760 has been written in a manner which frames the civil assessment to recognize the two primary goals of environmental enforcement--that is, compensation and correction.

2. Current oil spill liability provisions are deficient in many respects. Under current AS 46.03.822, a private party or a governmental agency other than the state is entitled the full compensation, based on strict liability for all actual damages caused by an oil spill. However, the availability of strict liability compensation to the state is limited by the provisions of current 760(b), which places an upper limit on state compensation of \$100,000.

Requiring the state (and the state alone) to prove negligence to obtain full recovery for actual damages flies in the face of judicial and legislative opinion that the handling of oil is a hazardous undertaking, for which the handlers should be strictly liable in the event of injury. The Alaska Legislature has recognized this in Section 822 and has accordingly granted unlimited recovery for actual damages based on strict liability to any person, except the state. In Section 13 of this bill, revisions to Section 822 remove this distinction, and permit the state to recover for all actual damages caused to it by an oil pollution incident.

Section 10. Injunctions.

Currently Title 46 does not confer upon the department the power to seek an injunction for violations of its standards. This power is necessary to assume federal permit jurisdiction. Absent a specific statutory provision authorizing such suits, the courts will not enjoin the violation of a statute or regulation as such. Thus, except in cases where an actual "public nuisance" can be demonstrated, the department's authority to seek immediate effective remedial action may be extremely limited.

-4-

At common law, in order to obtain a preliminary injunction, it was necessary for the plaintiff to demonstrate that physical irreparable harm would be caused to him by a failure to grant the preliminary relief. There has emerged a judicial response toward this problem. Particularly in federal courts, it is often not necessary to demonstrate physical irreparable harm when seeking an injunction against a violation of a public welfare statute--such as environmental legislation. See Jones v. District of Columbia Redevelopment Agency, 499 F.2d 502, 512 (CA DC 1974); Environmental Defense Fund v. TVA, 468 F.2d 1164, 1184 (CA6 1972); Lathan v. Volpe, 455 F.2d 111 (CA9 1971). Section 765 mirrors this judicial philosophy.

Moreover, Section 765 mirrors current judicial attitudes toward the balancing of equities in environmental actions, as articulated in United States v. Reserve Mining Co., 514 F. 2d 492. The court in that case held that the balancing of equities in environmental enforcement actions would be relevant in determining the timing of compliance, but not in the ultimate necessity of complying within a reasonable time.

Section 14. Compliance Order.

The compliance order is often the most effective single means of enforcing environmental quality standards. It is effective and expeditious, and does not necessarily require expensive and time-consuming litigation on the part of either the department or the person on whom the compliance order is served. Its very informality makes it a useful tool to the department and an important alternative to formal judicial action. Section 14 expands the order procedure beyond water quality matters.

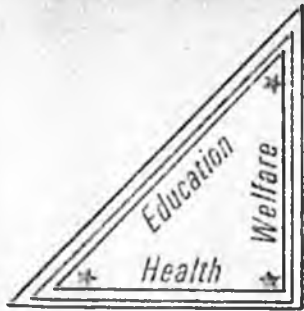
Section 19. Repealers.

AS 46.03.230(a) is repealed. This was not included in original SB 267. Presently, the state funds local air pollution control authorities under two statutes--AS 43.18-.010(a)(3), state aid to local governments, and AS 46.03.230(a), state and federal aid. The Title 43 provision provides for \$2.00 per capita to cities and boroughs for both air and water pollution control facilities. The Title 46 provision currently provides that localities are entitled to a block grant. The amount of money appropriated by the legislature for AS 46.03.230(a) purposes has represented only a token contribution (total \$25,000) compared with the total budgets of the

three boroughs that presently have air pollution control authority. The costs of administering these two funding programs are also duplicative, as essentially the same information must be regenerated for each application.

Because the legislature is currently undertaking a comprehensive review of the state's revenue-sharing laws, the administration believes that the establishing of adequate levels of air and water pollution control funding should be analyzed in the context of that debate. However, SSSB 267 does take the matter halfway, by removing the unnecessary duplication of programs by repealing current subsection (a) of Section 230, and making subsection (b) the full text of that section. The related AS 46.03.240 is likewise repealed.

Fisheries



COPPER
RIVER
NATIVE
ASSOCIATION, INC.

(Ahtna Tanah Ninnah)
Drawer G
Copper Center, Alaska 99573

Telephone: 822-3333

April, 14, 1976

Mr. Nels A. Anderson
P.O. Box 234
Dillingham, Alaska 99576

Dear Mr. Anderson,

We of the Copper River Area, support House Committee Resource Bill 114, (Relating to the Copper River Subsistence Fishery) and 115 (Requesting Department of Fish & Game to change the restrictive procedure for permit issuance for Copper River Subsistence Fishery) wholeheartedly, since more than 85% (documented in the AHTNA Region Planning Guide, 1973) of the people in the Copper River Basin are subsistence off the land, we feel this would be a great asset of flexibility and convenience for the people in regard to HCR 114 and 115. Also, we of the Copper River Area would like to see some effort of study directed towards banning the use of airplane equipment. I think that a ban on their use would favor rural people, who usually has the time, rather than money to invest in connection with the use of airplane equipment for hunting and fishing, the entire question of access should be carefully considered because it can pose serious problems. For instance, people because of their knowledge or time available to them, have access to the resources of their community may not be benefited if access is improved for outsiders. We realize such recommendations would take much time and cooperation between interested parties, but we are willing to cooperate and help in any way.

Sincerely,

Wilbur T. Joe, Executive Director
Harry Johns, Paralegal (Alaska Legal Services)

Harry A. Johns Sr.

cc: Frank Ferguson
Keith W. Specking
Jalmar Kerttula



PRINCE WILLIAM SOUND AQUACULTURE CORPORATION

A regional non-profit organization for the enhancement of fisheries.

Wallace H. Noerenberg
Executive Director

P.O. Box 1110
Cordova, Alaska 99574
(907) 424-3411

March 10, 1976

The Honorable Frank Ferguson
State Senate
Pouch V
Juneau, Alaska 99811

Dear Frank:

The enclosed position paper by the Prince William Sound Aquaculture Corporation is being sent to you in an effort to identify some of the many issues underlying the formulation of an Alaskan fisheries policy. It has been written in response to the recent introduction by Governor Hammond of a 40 million dollar fisheries rehabilitation bond proposal and an accompanying 200 million dollar Fisheries Enhancement Loan Bill (SB689).

We encourage you to consider our proposal as a viable alternative to the existing situation, and we solicit both your criticisms and support. Please do not hesitate to call on us for further comment, testimony or information. We are vitally concerned and eager to contribute.

Sincerely yours,

A. W. (Bill) Hall,
Secretary

AWH:sk

Encl.

(10)

PRINCE WILLIAM SOUND AQUACULTURE CORPORATION

Position Paper on Salmon Aquaculture Development in Alaska.

INTRODUCTION

Following passage of the private nonprofit salmon hatchery act in 1974 and the subsequent incorporation of nonprofit aquaculture corporations, the subject of salmon aquaculture development in Alaska has acquired a new significance that calls for a careful examination and definition of the numerous issues involved. This significance was given added impetus with the appointment by Governor Hammond, in January of 1976, of an Alaska Fisheries Council whose goal is to stimulate and direct the actions necessary to restore the salmon fisheries to acceptable high levels of production in the shortest time possible.

As an aid to the council and for the information of the general public, the Prince William Sound Aquaculture Corporation, on the basis of experience gained in the forming of a regional organization, planning, financing and partial construction of a salmon hatchery offers the following position paper.

A PARTNERSHIP PROPOSAL FOR SALMON ENHANCEMENT

As a point of departure from which to launch this position paper, it is necessary to establish the value judgements that must necessarily precede a logical proposal. In this case, the relevant value judgements are inherent in the following constitutional and statutory quotations.

"Wherever occurring in their natural state, fish, wildlife and waters are reserved to the people for common use".

(Alaska Constitution Article VIII, Sec. 3)

"The Commissioner shall manage, protect, maintain, improve and extend the fish, game and aquatic plant resources of the State in the interest of the economy and general well-being of the State;..." (A.S.16.05.020(2)).

"The Division of Fisheries Rehabilitation, Enhancement, and Development shall encourage the investment by private enterprise in the technological development and economic utilization of the fisheries resources;..." (A.S.16.06.092(2)).

"It is the intent of this Act to authorize the private ownership of salmon hatcheries by qualified nonprofit corporations for the purpose of contributing, by artificial means, to the rehabilitation of the State's depleted and depressed salmon fishery." (Section I, Ch. III, SLA 1974).

It is an obvious and logical deduction from the foregoing, that because of the common property constraints on the management and use of the salmon resource, that the goals of the State and of qualified nonprofit corporations in a salmon rehabilitation program must be identical.

It is very significant that this same concept was alluded to by Commissioner James Brooks of the Alaska Department of Fish & Game at a salmon aquaculture conference in Cordova in January of this year. To quote from Commissioner Brook's speech which was entitled "A Partnership Proposal for Salmon Management":

"... With common goals, purposes and constituencies, state and private salmon enhancement efforts must develop in harmony

even to the point of joint enterprises where there is mutual benefit and agreement. These statements reflect the administration's policy, certainly another fundamental change from the traditional role of government in our fisheries, and I hope they contribute to a new era of progress and cooperation."

The Prince William Sound Aquaculture Corporation congratulates Commissioner Brooks, and in acknowledgement of the commonality of goals, purposes and constituencies between public and private salmon enhancement programs, accepts the Hammond Administration's partnership proposal for salmon management. Now, in the spirit of that proposal, we suggest that the important question to ask is how to do the job most economically and expeditiously. This question in turn raises the following questions:

1. Who should finance the planning, construction and operation of the hatcheries?
2. Who should be responsible for the planning and construction of the hatcheries?
3. Who should operate the hatcheries?

The remainder of this paper will deal with these questions, and in so doing will attempt to define a plan of action through which to achieve a true partnership in the rehabilitation of Alaska's salmon resource.

FINANCE

Because qualified nonprofit hatchery corporations are assisting the state by contributing toward the rehabilitation of a common

property resource, they are in effect, public service corporations. In this regard, they provide access to private sources of funding otherwise unavailable to the state, and thereby offer the state the opportunity for expediting the rehabilitation effort. It is only logical therefor that the state and the public service hatchery corporations should join together in a program to finance the planning and construction of salmon hatcheries.

We propose that a state loan program be enacted including a provision for performance grants. The performance grants would constitute a credit against the interest and principal of the loan based on a specified dollar amount per quantity of salmon fry actually produced with the total credit limit being the full amount of the debt. As a means of funding the performance grants, the proposed 40 million dollar bond issue should be modified to allocate a specified dollar amount for this purpose, and provisions should also be made to make monies from "The Renewable Resources Fund" available for this and other related purposes.

PLANNING AND CONSTRUCTION

Beacuse of the staff and expertise presently existing with the A.D.F.&G., it is only logical that the state should play a primary role in the planning of salmon hatcheries. However, the planning process must include user group input in specific regard to site selections and species to be produced. As the public service hatchery corporations gain more experience and expertise they will, of course play a larger role in the planning process.

In regard to the question of who should construct the hatcheries,

we offer the following observations. Because of state law specifying bidding procedures for construction of publicly owned facilities, it may very well be more economical for private enterprise to construct the hatcheries. Particularly in the case of regional user group corporations, savings may be possible through the availability of donated services. This did in fact, occur in the construction of the Port San Juan hatchery by the Prince William Sound Aquaculture Corporation. However, until the public service hatchery corporations acquire the necessary experience and expertise, it is probable that the state, by contracting with private enterprise, can build more economically.

OPERATIONS

It is the position of the Prince William Sound Aquaculture Corporation that the operation and management of state owned salmon hatcheries should be contracted to qualified nonprofit hatchery corporations for the following reasons.

1. Private enterprise can do the job for less cost. The A.D.F.&G. estimates that the annual operating cost for a 50 million egg capacity pink and chum salmon incubation facility to be approximately \$300,000. The Prince William Sound Aquaculture Corporation estimates that it can accomplish the same job for about \$150,000.
2. Under management by private enterprise, the receipts from sales of surplus fish can be more easily applied to operating costs thereby avoiding a costly expense to the state.
3. Under management by regional, nonprofit user group corporations the marketing of surplus fish will be done by experienced persons in such a manner as to avoid adverse effects

on the existing economic structure. This has not been the case in Oregon and Washington where the marketing of fish from state owned hatcheries has caused the value of fish caught by commercial fishermen to drop precipitously.

4. Because the operations of a system of salmon hatcheries will not constitute a financial burden on the state, more state money will be available for research and management. Again, this is not the case in Washington where the cost of hatchery operations consumes so much money that little or nothing is left over for research and management.

The foregoing outlines the basic elements of a partnership for salmon enhancement as conceived by the Prince William Sound Aquaculture Corporation. The present bond issue and loan program proposals are inconsistent with this partnership concept because they define two separate sets of criteria and regulations, (one for the state and one for the nonprofit public service corporations) that serve to emphasize and increase the separation between the two efforts. This is obviously not the most economical and expeditious way to rehabilitate the salmon resource. Rather, we should pool our resources in a cooperative effort to apply the appropriate talent to the appropriate problem.

In addition to the foregoing reason, we feel that the loan program is unacceptable because it will impose too high a debt service on the financing. Why should a public service nonprofit hatchery corporation be charged a fee for helping the state? If the purpose of a state sponsored financial aid program for aquaculture development is to accomplish a significant infusion of capital in-

to hatchery construction, then the loan program as defined by the latest bill drafted by the Governor's Fisheries Council will defeat its' own purpose. We say this because our experience has taught us that the costs of administration, research and development, operations, and construction are such that they alone will tax the ability of a fledgling corporation to survive. In fact, without a brood stock that can produce an immediate return of significant size, the only means by which a hatchery corporation can pay its' debts during its' first years of operation is by a subsidy borne by supporters of the program.

CONCLUSION

We have refrained in this paper from dealing with specific details both in regard to our proposals and to our criticisms. We have done this in an intentional effort to emphasize the underlying assumptions and value judgements that must precede the formulation of a comprehensive salmon enhancement program. We feel very strongly that agreement must be reached on these value judgements prior to creation of specific programs, because the assumptions upon which a program is based will dictate the direction in which it proceeds. We definitely DO NOT want a program created that pulls in two different directions and that will eventually arrive at two different destinations. We definitely DO want a program created that will develop into a cooperative effort consistent with a pre-determined set of goals that will accomplish an objective beneficial to the general well-being of the state.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April, 1976

MAILER MEMORANDUM NO. 76-3

FROM: Charles H. Meacham, Director
International Fisheries and External Affairs

Here it is--the long-awaited Fishery Conservation and Management Act of 1976, the United States extended fisheries jurisdiction legislation! The enclosed copy is provided with the compliments of Senator Ted Stevens.

Governor Jay Hammond has lauded the efforts of Alaska's Senator Ted Stevens and Congressman Don Young in attaining congressional passage of the extended fisheries jurisdiction bill, which became law on April 13, 1976, with an effective date of March 1, 1977. Under terms of this bill begins a new era of U. S. fisheries jurisdiction extending seaward 200 nautical miles and based on a regional management concept.

Foreign fishing will be allowed within the 200-mile zone only when fish stocks cannot or will not be harvested by U. S. vessels. Total fishing in the zone is not to exceed the optimum yield for each stock. All continental shelf fishery resources within and extending beyond the fishery conservation zone are also protected. Exclusive U. S. fishery management authority is extended to anadromous fish spawned in U. S. waters throughout the migratory range of such species.

One of the most important items to Alaskans covered in the bill is the establishment of a North Pacific Fisheries Management Council. Alaska alone among the 50 states has a region consisting entirely of one state and a clear majority of the voting membership on its regional council.

The North Pacific Fisheries Management Council will consist of eleven members, five of whom are nominated by the Governor of Alaska and appointed by the Secretary of Commerce. The sixth Alaskan member of the Council will be the Commissioner of the Alaska Department of Fish and Game (or his designee).



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 17, 1975

MAILER MEMORANDUM No. 75-4

FROM: Charles H. Meacham, Director
International Fisheries and External Affairs

From the many articles and subjects related to international fisheries and external affairs recently in the news, the following have been selected as being of special interest to you:

Law of the Sea, Geneva, Report of the first week
U F A W U Convention Calls for Pressure on Americans to Reduce
Their Catch, Western Fisheries, Vancouver, B.C., Feb. 1975
Incidental Halibut Catch Coming Under Control, ibid
Proposal to Change Bering Sea from Two Fishing Periods to One, ibid
Halibut Association Meeting Held . . . , ibid
North Korea, Deepsea Catches up 20 per cent, Fishing News Inter-
national, Jan. 1975
Taiwan, Catch Target of 820,000 Tons, ibid
USSR and Norway Agree on Quota, ibid
British Fishermen Angered as Soviet Fleet Moves in, ibid, Dec. 1974
Russia and Norway Discuss Fish Limit, ibid
Web of Danger, Japanese High Seas Salmon Fishery, The Fishermen's News,
Seattle, Feb. 1975
New Vaccine for Salmon, The Fisherman, Vancouver, B. C., Feb. 24, 1975
Japanese Tags on Oregon Tuna, ibid
"Equator" Visits Vancouver, Soviets, U.S. Tag Halibut, ibid
Britain Rejects Idea of Exclusive Fishing, International Herald
Tribune, Paris, March 17, 1975
Soviet Fishing Fleet May Be on Way Home, Shipping and Trade News,
March 25, 1975
Soviet Crab Ban Bid Rejected, Japan Times, March 26, 1975
Tohoku Fishermen Worried, ibid, March 31, 1975
Russia Seeks Curbs on Salmon Fishing, ibid, March 30, 1975
Mediterranean Tuna Fishing Banned by Japan, ibid
Focus on Fisheries, ibid, March 7, 1975
Continental Shelf Pact, ibid, March 15, 1975
Japanese, Chinese Delegates Discuss Marine Resources, ibid
Soviet Fisheries Minister to Visit Japan in May, ibid
Japan to Accept 200-Mile Zone Proposal at U.N. Sea Law Meet, ibid
March 16, 1975
U.N. Sea Law Meet, ibid
Miyazawa Not Sure of Sea Law Confab Outcome, ibid
N. Pacific Fishing Ban Not Due Soon: Official, ibid, March 17, 1975
Japan, China Talk Voluntary Fishing Curbs, ibid

April 17, 1975

China Unwilling to Withdraw Military Protection Line Closing Off Gulf of Liaotung in Fishery Negotiations, translation from Asahi Shimbun, March 4, 1975
 Japan Soviet Fishery Negotiations Begin for Salmon and Trout, *ibid*
 United States Observer Placed on USSR Fishing Vessel, Statistics and Market News, March 24, 1975
 Consolidation of Japanese Whaling Industry from Four Fleets to Two, *ibid*
 Soviet-American Fisheries Claims Board, *ibid*, March 17, 1975
 Digest of Congressional Record, Protection/Fishery Industry, Vessels/Fishermen's Protective Act, Jurisdiction/Extended Fisheries Zone, *ibid*
 December 1974 Japanese Frozen Shrimp Imports Record 9,404 Metric Tons, *ibid*
 Counting Fish Populations by Computer . . ., *ibid*, March 6, 1975
 Four U. S. Halibut Vessels in Early Bering Sea Fishery, *ibid*
 Japanese Fishery Reports Recovery of Tagged Sablefish, *ibid*
 Spain to Buy Alaska Pollock from Japan, Foreign Fisheries Information, Feb. 25, 1975



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Geneva, Switzerland
March 21, 1975

Following is a report covering the first week of the third session of the Third United Nations Conference on the Law of the Sea which convened in Geneva, Switzerland, March 17, 1975.

Chairman Hamilton Shirley Amerasinghe (Sri Lanka) in his opening address urged committees to begin immediate negotiations for the first two weeks, after which he stated his intention to meet with committee chairmen and other conference officers to consider a future course of action. He listed as essential the achievement of articles which include the issues of territorial sea, straits, and an economic zone. These were presented in a sober atmosphere with wide recognition that failure to achieve substantial progress at this session will substantially minimize chances of any widely acceptable LOS agreement.

The Conference is divided into three main committees: (1) Seabed beyond the limits of national jurisdiction--exploitation system, conditions of exploitation, economic implications, and evaluation; (2) Territorial sea, contiguous zone, straits, high seas, access to the sea, archipelagos, economic zone and continental shelf; and (3) Marine pollution, scientific research and transfer of technology. These committees are, for the first two weeks, to meet to discuss a program of work which will include committee meetings in the morning and informal working and negotiating groups in the afternoon.

Committee 1: Vice Chairman Thomas Flores of Brazil, in the absence of Chairman Engo (Cameroon) who has not yet arrived, announced that Committee 1 working group would continue with Articles 1-21 on a regime for seabeds with emphasis on Article 9 (who shall exploit) and on conditions of exploitation.

Committee 2: At a formal meeting of Committee 2 the chairman's (Galindo-Pohl of El Salvador) work program was approved which will entail informal morning meetings to consider articles in the main trends paper beginning with provisional territorial sea with a view to reducing differences. The chairman indicated his intentions to undertake an active role in informal working groups and consultations in the afternoon.

Committee 3: Committee 3 will take up questions of marine environment, scientific research, and the transfer of technology from the point left at the last meeting in Caracas, Venezuela, June 20-August 29, 1974.

Additional meetings: "The Group of 77": (Less-developed countries). "The Group of 77" met, privately, during the week prior to the opening session as well as this week. "Landlocked Group": This group has been holding meetings as have many other informal consultative groups.

Charles H. Meacham, Director
International Fisheries and
External Affairs

PACIFIC-RIM DEVELOPMENT RESEARCH ASSOCIATES

SENIOR ASSOCIATE: YUTAKA JAKE OKAMOTO
TEL: ANCHORAGE 333-8530
MAILING ADDRESS: P. O. BOX 3417
ANCHORAGE, ALASKA

PENTHOUSE
101 BUNNELL STREET
ANCHORAGE, ALASKA 99504
U. S. A.

February 20, 1975.

Dear Frank:

Enclosed please find a copy of the letter I received from the Fish & Game Department here in Anchorage.

Since the Kotzebue Coop indicated that they did not desire to have the Prince William Sound fishermen's organization, CAMA, have access to this research results, I am now determined to finance this trip to Japan myself, and go to Hokkaido to get all the data documents I need to complete the final paper for you.

I expect to receive the 2nd payment of \$2,000 sometime in the early part of the next week, and am planning to leave for Japan on March 1, 1975.

..... I just got through and talked to you.

Well. As I said, I am taking some \$1500 out myself to finance this trip and try to deliver the full product to you toward the end of March.

I know, from the reaction of ADF&G and some others, our paper will be some kind of time bomb once it gets into proper circulation. It will arouse considerable interest across the State.....Say, you say you didn't receive my last long letter about all this and other things?

May be it got lost at the hotel, or something. To brief you in on it, right at this moment (learning from the Prince William Sound Experience) there are two schools of thought in Juneau on this subject. They are as follows:

- (1) One group lead by Dr. William Y. McNeil, Auke Bay Lab. Auke Bay, Alaska (National Marine FISHERIES Service), who favor our kind of artificial rehabilitation effort, and see no problems pitching in for help.
- (2) The other group headed by Jack Helle, a genetics biologist of the State Fish & Game (of all organizations!), who has gotten his Phd. on the genetic study of Chum salmon, and adamantly maintains a position that 'tampering with the nature' of genetics such as artificially fertilizing salmon eggs with random male melt tends to cause unforeseen adverse consequences to the future Chum run in Alaska!!!!!!

OK. In a substantive way, the obvious conclusions of my study will challenge such negative position. And in order to combat that sort of 'scholarly' negativism, I feel I should best prepare myself to provide you with sufficient ammunition on firm academic and statistical ground once you open up your barrels.

I know I can provide such support which will make you famous in Juneau.

Since I was unable to get any expenses reimbursed on this study project, and since I am further getting into expending more of my fund in order to get it done, I wish you would try your best to get some more fund for my study.

I will complete it for your purpose anyway with what I got from CEDC. But, please do the best you can to fund another study project so that I can, between the two projects, get an equitable return for the effort I am putting into it.

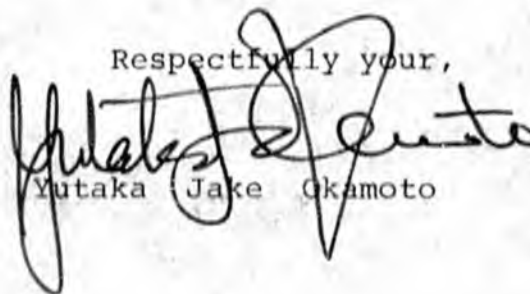
I will contact you as soon as I come back from Japan, so that you can let me know what you will have been able to do about additional funding.

Perhaps, the first project will be what you and I have discussed before, and the second project will strictly be an economic feasibility study and investment-return analysis of the Kotzeube Chum salmon rehabilitation program itself!

I know I will get enough data from Japan to base such study on a sound analytical evidence. With the input of Fish & Game, I am certain I will come up with a sound and comprehensive feasibility study for you as it applies to your area in Kotzebue Sound.

A lot of good luck.

Respectfully your,



Yutaka Jake Okamoto

P.S. Yoshiko wanted to convey her best regards to you.

PACIFIC-RIM DEVELOPMENT RESEARCH ASSOCIATES

SENIOR ASSOCIATE: YUTAKA JAKE OKAMOTO
TEL: ANCHORAGE 333-8530
MAILING ADDRESS: P. O. BOX 3417
ANCHORAGE, ALASKA

PENTHOUSE
101 BUNNELL STREET
ANCHORAGE, ALASKA 99504
U. S. A.

February 20, 1975.

Mr. Edwin Cross
Manager
KOTZEBUE SOUND AREA FISHERIES COOP, INC.
Kotaebue, Alaska

Dear Edwin:

Thank you very much for your attention to my study contract for which I understand you are now mailing your second payment check tomorrow.

As I promised, I am now enclosing a copy of an official letter I received from Mr. Kenneth Middleton of Alaska Department of Fish & Game dated February 18.

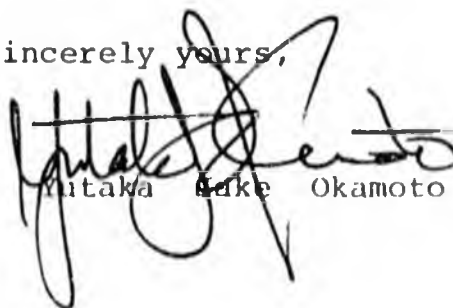
I will also send a copy to Frank in Juneau so that he can be kept informed.

Now that I can plan on the trip to Japan next week, instead of the 22nd, it sort of interfears with my schedule.....I have to get a few things done which I now cannot do here during the second week of March.....and am presently trying to get off here on March 1, 1975.

This way, I can spend enough time in Hokkaido talking to the experts at the Federal hatchery system, getting everything I need to write the final report. I will check with Frank before leaving so that we can make sure he will get the final report in time for his legislative use in Jueanu.

Hope your coop will have a good contract this year so that you will enjoy a productive and profitable summer this year. Say hello to all Board members.

Sincerely yours,



Yutaka Jake Okamoto

cc - Senator Frank Ferguson.

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF FISH & GAME

Division of Commercial Fisheries

333 RASPBERRY ROAD — ANCHORAGE 99502

February 18, 1975

Mr. Yutaka Jake Okamoto
Pacific-Rim Development Research Associates
P. O. Box 3417
Anchorage, AK 99501

Dear Jake:

It was with great interest that I read your recent report concerning the development and status of the chum salmon rehabilitation efforts in Hokkaido, Japan.

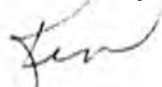
There currently is a great deal of interest in Alaska in fisheries rehabilitation techniques, both from the standpoint of public (Department of Fish and Game) expenditures and programs, and private endeavors as a result of recent legislation enabling private entities to engage in fisheries production programs.

Naturally, there is much to gain by utilizing the experience of others, especially if that experience is successful. Therefore, there is a great deal of interest in the Japanese experience.

The question of segregating (identifying) natural vs. hatchery produced fish is a basic and difficult question. Accurate and realistic assessment of hatchery produced fish, both from a survival and cost-benefit standpoint, is heavily dependent upon this factor.

In any event, it certainly appears that there is much to learn from a detailed study and evaluation of the Japanese work in this field. I am looking forward to your continued examination of these efforts to assist the public as well as private interests for similar programs in Alaska.

Sincerely,



Kenneth R. Middleton
Regional Supervisor

PACIFIC-RIM DEVELOPMENT RESEARCH ASSOCIATES

SENIOR ASSOCIATE: YUTAKA JAKE OKAMOTO
TEL: ANCHORAGE 393-8530
MAILING ADDRESS: P. O. BOX 3417
ANCHORAGE, ALASKA

PENTHOUSE
101 BUNNELL STREET
ANCHORAGE, ALASKA 99504
U. S. A.

February 20, 1975.

Mr. Tomonari Matsushita
Deputy Director
Fishery Agency
The Ministry of Agriculture, Forestry, and Fishery.
Government of Japan

Dear Mr. Matsushita:

I trust you have received my previous letter by now. I just received a comment letter from our mutual friend Kenneth R. Middleton of Alaska State Department of Fish & Game, who has been the supervisor of the Bristol Bay commercial fisheries for a long time.

He is fully in accord with my view, that I discussed with you at dinner in Tokyo, that the Japanese government and the government of Alaska should develop areas of technical cooperation in the field of salmon stock rehabilitation as a purely 'technical' exchange program and as such completely divorced from the political issue of international fisheries.

I will also hand-carry another letter from Mr. Robert C. Lebeda who is in charge of the Division of Fisheries Rehabilitation, Enhancement, and Development under the State Department of Fish and Game.

I am also working on this study particularly in assistance to a Alaska State Senator Frank Ferguson from the Kotzebue area, who is introducing a new legislation in April calling for a special State appropriation to finance a salmon hatchery system in the Kotzebue Sound.

I am now leaving definitely for Tokyo on March 1, 1975. And I will contact you sometime Monday, the 3rd for an appointment at another day. Please kindly make advance arrangement so that I will be able to obtain the publications I wish to have as mentioned in my previous letter to you.

May I congratulate you on your appointment recently to the position of Japan's chief negotiator with the government of the People's Republic of China. I hope I will not hit you at the busiest moment in Japan. Please give my best regards to Mr. Yonezawa who I understand is heading for Europe soon.

Sincerely yours


Yutaka Jake Okamoto

cc - Senator F. Ferguson.

Form 02-006

REPLY MEMO

File Fisheries
State of Alaska

MESSAGE

REPLY

TO *Mr. G. E. Williams* DATE *4/11*TO *Nike Whitstead* DATE *5/1/75*

*I am sorry that you
will have to wait
for the
of the collection*

*During our conversation after I
received this memo with the
attached letter from Vernon
Robert you indicated that
you thought you had
solved the problem. I wonder
how you were successful.
George H. White*

SIGNED

SIGNED

1. KEEP YELLOW COPY 2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

1. WRITE REPLY 2. DETACH STUB. KEEP PINK COPY. RETURN WHITE COPY TO SENDER.

MEMORANDUM

State of Alaska

TO: Mike Whitehead
Special Assistant
Office of the Governor

DATE: April 16, 1975

FILE NO:

TELEPHONE NO: 465-4124

FROM: Vern Roberts, Director
Division of Administration
Department of Fish and Game

SUBJECT:

Lake Nunavaugaluk (Snake
Lake) Land Problem

Mike, this will confirm our telephone conversation of April 14, 1975 regarding the above referenced subject.

Chapter 2 SLA1974 appropriated \$1,500,000 to the Department of Fish and Game for rehabilitation of fisheries in the Bristol Bay area. One million dollars of this was allocated to the "Snake" Lake incubation project. This money lapses on June 30, 1975 if not obligated or reappropriated.

We have negotiated with Choggiung Limited, the native corporation for Dillingham, which filed on the land at "Snake" Lake under the Alaska Native Claims Settlement Act, for the lease of lands required. Although the state has included all terms and conditions demanded by Choggiung Limited in a proposed lease, it has remained unsigned for six months; despite attempts of their attorney to expedite its completion. Unless the required land is either owned by the state or committed to the state by a valid lease, I cannot and will not commit the state to a capital expenditure of over a million dollars.

Representative Ted Smith contacted the Department of Fish and Game approximately thirty days ago to determine if a land swap was objectionable. This swap would be land at Snake Lake for land in the proposed Tikchik State Park on a fair market basis. Alaska Department of Fish and Game concurred with this idea and so notified Representative Smith and Representative Nels Anderson. Further, we notified Mike Smith, Director, Division of Lands, that we would pay survey and appraisal costs.

I have notified both Representatives Smith and Anderson that time was of the essence in this matter. Bids must be solicited and contracts awarded in order to obligate this money before it lapses on June 30. There is a technical loophole which may be exploited, that of encumbering the money by a reimbursable services agreement to the Department of Public Works who has contracting authority, to buy an additional year on this project. If all else fails, this may be preferable to letting the money lapse.

I have been informed by Representative Smith that the Division of Lands has the authority to enter into an agreement with Choggiung Limited which would provide for the swap upon Choggiung Limited being granted interim conveyance of the land at Snake Lake.

Mike, we need one of two things by April 30, 1975 to guarantee the state's long range use of the required land at Snake Lake so that this project can proceed on schedule: a) Signature by Choggiung Limited on the lease they are holding or b) Signature by the state and Choggiung Limited on an agreement covering the land swap.

Any assistance which you may be able to render in obtaining either of the above alternatives will be appreciated.

FOREST

mgmt

SANTCO

SOUTHEAST ALASKA NATIVE TIMBER CORPORATION

PRESIDENT

Clarence Jackson Sr.
Box 200, Kake, Alaska 99830

SECRETARY

Marjorie Young
Box 73, Craig, Alaska 99921

March 10, 1976

Honorable Frank R. Ferguson
Senate
State of Alaska
Pouch V
Juneau, Alaska 99811

Re: H.B. 607 Sponsor Rep. Miller/Beirne
S.B. 563 Sponsor by the Rules Committee by
Request of the Governor. Relating to Alaska
Forest Practices Act and Resources

Dear Senator Ferguson:

The Southeast Alaska Native Timber Corporation (SANTCO) was formed by the village corporations, urban corporations and regional corporation established pursuant to the Alaska Native Claims Settlement Act (ANSCA) with its sole intent to provide the natives of Southeastern Alaska a means to inventory, classify, plan, develop, harvest, reforest and manufacture timber resources on lands each is a beneficiary of under ANSCA. The shareowners, living predominantly in communities in the Tongass National Forest where these lands are located number over 16,000 persons. Although, patent to lands, pursuant to ANSCA are yet to be conveyed to the participant corporations, it is estimated that over 400,000 acres of timbered lands will be conveyed. In anticipation of this occurrence, our member corporations individually and collectively, have been working to inventory, classify and plan for the use of the newly acquired properties. This process is not yet completed.

As we are all aware, the timber industry in our region is at an all time low - in harvesting, production, marketing and jobs. Natives and non-natives alike are being affected by the negative economic impact of this occurrence. On top of all this, a federal court ruling regarding the "clear cut" method of harvesting timber threatens to completely bring to a standstill, a basic industry of our State. Constant pressure by federal environmental requirements threaten to make obsolete present processing facilities in the region and prohibits construction of planned new facilities. Further, lawsuits relating to preservation of certain land areas of our State by the Sierra Club and other environmental interests promote set asides of vast land areas for special purposes and special interests thereby prohibiting a comprehensive view of the natural resources of the State remaining available for development. After careful observation, the members of SANTCO advance, based on these circumstances, that this is no time to promote restrictive legislation on a prime resource until the aforementioned problems are settled out.

Honorable Frank R. Ferguson
Re: HB 607 & SB 563
3/10/76 - Page 2

At this moment in history, the only people owning, the greatest part of Alaska, private timber lands are the Native Corporations. H.B. 607 and S.B. 563 is clearly aimed at native ownership and use of lands. Members of SANTCO would like to remind this body that Alaska Natives were and are still the first conservationists in Alaska.

We are not about to destroy our remaining meager resources. The Alaska Native Claims Settlement Act requires that, at a minimum, that we manage our lands under a multiple use sustained yield management plan no less stringent than that of the U.S. Forest Service. This plan must be filed with Congress. For the interim, it is believed that the public's interest will be considered through this process.

In discussions pertaining to the legislation before this session, concern has been raised as to the extent of the State of Alaska interests. Both bills purport to treat potentially timbered lands owned by the State of Alaska and those owned by the private sector similiarly and without distinction. Firstly, at this time, it is not clear as to what level the State of Alaska is involved with timber resources. Although the State pursuant to the Statehood Act, is allowed to select up to 400,000 acres of land within the National Forest, the State Administration has failed to do so. In this vain, as a pre-requisite to any State Forestry Practices Act, SANTCO believes it important that the State legislature provide some guidance to the Administration by providing or requesting the State's plan of selection, means for inventory and classification, commitment and outline of a multiple use/sustained yield plan, designation of land set asides for special purposes, plan for protection and preservation of other natural resources pursuant to the Constitution of the State of Alaska and lastly, a specific plan and schedule to put State lands into the flow of economics and commerce. Secondly, both bills broadly interpret the State's jurisdiction to regulate commerce related to the timber industry and to protect other natural resources and the general welfare of the people pursuant to the State Constitution with little regard to the property rights and interests of private citizens. In the opinion of SANTCO, it is important that any legislation narrowly construct the responsibilities of the State of Alaska pursuant to its Constitution. Furthermore, the bill, as presented, prescribes an excessive regulation of timber commerce not presently included as precedence in statute for any other industry or business in the State of Alaska. Additionally, the legislation strains the level of restrictions on the civil rights of citizens and property owners, not envisioned in the State Constitution. The legislature should clearly review the possibility of separating the need for law governing forest management of State lands from that of private landholdings.

At a recent meeting of the Board of Directors of SANTCO, it was concluded upon the

Honorable Frank R. Ferguson

Re: HB 607 & SB 563

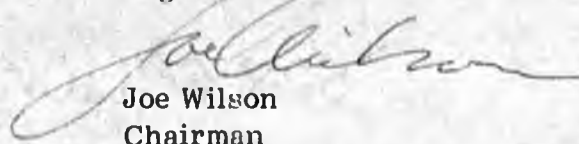
3/10/76 - Page 3

advise of legal counsel and various members, that the Alaska Forestry Practices Act legislation as presented before this session of the legislature is detrimental to the interests of private landowners/timber owners. The Board voted to oppose the advancement of the H.B. 607 and S.B. 563 during this session of the legislature. It is hoped that your office could lend its support toward "shelving" or deterring progress on these matters. This is not to say that the native timber interests are totally opposed to some form of legislation relating to the Alaska Forestry Practices and Resources in the future, however, it is our intent that a longer process for development of the legislation take place, possibly under the guidance of the Legislative Council. Through a committee of this forum, a series of hearings through the affected areas of the State could take place and an extensive analysis of the timber situations, legislative alternatives and other considerations be made.

Thanking you for this consideration.

Sincerely,

S.E. ALASKA NATIVE TIMBER CORPORATION
Legislative Committee



Joe Wilson
Chairman

cc: Robert W. Loescher, SANTCO Legislative Committee
Ethel Staton - SANTCO Legislative Committee
Gerald Gray - SANTCO Legislative Committee
Glenn Charles - SANTCO Legislative Committee
Warren Weathers - SANTCO Legislative Committee
Clarence Jackson - SANTCO Legislative Committee
Board of Directors - SANTCO
Central Council of the Tlingit & Haida Indians of Alaska
Executive Committee/Delegates
Alaska Native Brotherhood/Sisterhood
SEALASKA - Board of Directors
Alaska Loggers Association

RWL:JW:lg

HEALTH
SERVICES

Senator Ferguson

Rt 6, Box 6309
Juneau, Alaska 99803
April 16, 1976

PROGRAMS
R AND
RESEARCH
IN
BHUMAN
BEHAVIOR

SUSAN SULLIVAN, CHAIRMAN
HOUSE H.E.S.S. COMMITTEE

FOR THE FOLLOWING REASONS I REQUEST YOU CONSIDER FORMATION OF A
SEPARATE DEPARTMENT OF HEALTH.

1 The scope of health services needed in both rural and urban areas of Alaska must be given top priority consideration in an environment of medical expertise. It is apparent that Health services are secondary to welfare services in the combined system now operating in Alaska.

2 Additional impetus must be given to delivery of health services by local communities. The relinquishment of authority to local entities cannot be realized under the established dictums of the Department of Health & Social Services. Contractual & funding procedures are too cumbersome and/or archaic to produce new agreements rapidly and for the benefit of the client.

3 The expanded services offered by the various Health sections, offices and Divisions can be coordinated and practised within the concept of a Department of Health rather than as an adjunct to the welfare agencies.

4 The status of State owned health facilities such as Harborview and Alaska Psychiatric Institute has much improvement in general administration. In a Health oriented Department these facilities and comprehensive Health programs could be blended into a smoothly functioning whole, rather than a fragmented series of services.

5 The formation of one Department whose sole responsibility is to advance medical care and treatment facilities will offer needed services now, not on a crisis basis.

Thank you.

Perry Holm

Rt 6, Box 6309
Juneau, Alaska 99803
April 16, 1976

PROGRAMS
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ESEARCH
IN
HUMAN
BEHAVIOR

AND REPRESENTATIVE SUSAN SULLIVAN
HOUSE OF REPRESENTATIVES
H.E.S.S. COMMITTEE
CAPITOL

FOR THE FOLLOWING REASONS I REQUEST YOU CONSIDER THE FORMATION OF A
SEPARATE DEPARTMENT OF HEALTH.

Answer to 1 on top page.

1 The Division of Public Health has been without a Director or Deputy Director for an extended period of time. This Division in many areas of service and care is the only Division offering assistance to those Alaskans living in the more remote areas of Alaska. The Bethel area is in a serious condition regarding sanitation and prevention of diseases such as Hepatitis and typhoid. The introduction of virulent strains of flu to the people of Alaska has hospitalized State workers located in the metropolitan sectors of the State. These germs will continue to cause severe illness to bush communities that have not been exposed during the winter season. The authority to cope with these problems and the support for Health employees does not exist in a situation where the Commissioner is unable to hire a Director, after an extremely ^{small} campaign to attract outsiders for the position, and continues to fill the position without providing the total responsibility for Divisional actions to the acting Director. Health problems must have top priority.

Answer to 2 & 3 on top page.

2 The expanded services offered by the various Health sections, offices and Divisions could be coordinated and practised within the concept of a Health Services department rather than as an adjunct to welfare programs. The bureaucratic sprawl associated with present welfare agencies is a deterrent to those professionals in the Health field; nurses qualified to make decisions and to follow-through with treatment on the spot, village aides trained to recognize symptoms and to utilize preventive techniques, doctors in all fields of medicine visit remote areas periodically and treat problems during that visit - these workers cannot and should not be equated with or hampered by the welfare system. It is apparent that Health services are secondary to welfare services in the present system.

3 Additional impetus must be given to local communities to form their own service programs. This relinquishment of power cannot be realized under the established dictums of the Department of Health & Social Services. Had local control been possible many areas would now have viable programs rather than a plan lying in a drawer in the Department's Central Office complex.

HOPE

COTTAGE

STATE
of ALASKA~~MEMORANDUM~~TO: Frederick P. McGinnis
CommissionerThru: Jerry L. Schrader, M.D.
Director
Division of Mental Health

DATE : May 1, 1974

From: Robert P. Gregovich, Ph.D. *RGW*
Coordinator
Office of Developmental Disabilities
Division of Mental Health

SUBJECT: 1973-74 DD Construction Funds

On Monday, April 29, 1974, originals and copies of the attached documents together with the Hope Cottage Grant application (not attached) were mailed to HEW, Region X, in Seattle..

A copy of the Hope Cottage Grant application is available in the Office of Comprehensive Planning.

RPG:rrr
attachments

250.62
61.79

388.88

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF MENTAL HEALTH

POUCH H -- JUNEAU 99201

April 21, 1974

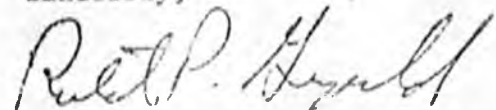
Mr. Samuel N. Guida
Acting Regional Commissioner
Department of Health, Education
and Welfare
Region X
Arcade Plaza Building
1321 Second Avenue
Seattle, Washington 98101

Dear Mr. Guida:

Enclosed is an application by Hope Cottage, Inc., of Anchorage, Alaska, for \$100,000 in federal Developmental Disabilities construction funds.

The use of federal funds for the above purpose was recommended by the State Developmental Disabilities Council and approved by the Office of the Commissioner of the Department of Health and Social Services. A letter signed by the Chairman of the Council is attached. Also, attached is a Form OPC-11. indicating approval of the project documented in the revision of the State Plan for 1973-74. The State Plan revision is also enclosed.

Sincerely,



Robert P. Gregovich, Ph.D.
Coordinator
Office of Developmental
Disabilities

RPG:rrr
attachments

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

April 24, 1974

Mr. Samuel N. Guida
Acting Regional Commissioner
Department of Health, Education
and Welfare
Region X
Arcade Plaza Building
1321 Second Avenue
Seattle, Washington 98101

Dear Mr. Guida:

On behalf of the Developmental Disabilities Council, herewith attached is a transmittal form (OPC-11) and amended attachments to the State of Alaska State Plan for Developmental Disabilities Programs for 1973-74.

Sincerely,

Helen Mothershead

Helen Mothershead, Chairman
Governor's Planning and Advisory
Council on Developmental Disabilities

HM:rrr
attachments

Attachment 5.4A - Service and Construction Priorities

Planning and service priorities are given under subheading C of Attachment 5.1 of this plan.

Construction priorities are as follows for 1973-74:

(a) Construction of a group home in Anchorage that meets national accreditation standards.

(b) Construction of a developmental center for Southeast Alaska.

Rationale for these priorities is based on the limited availability of construction funds together with the readiness of organizations to respond to time requirements imposed. Specifically, of the two applicants eligible for construction funds, the Developmental Disabilities Council recommended the above priorities.

Attachment 5.5 - Financial Plan: Proposed Obligations During 1973-74

This State Plan proposes that 1973-74 federal funds be used to finance special projects under a system of grants to community non-profit and public agencies. Responsibility for administration of the funds rests with the Department of Health and Social Services. Accountability for grant management rests with the State Office of Developmental Disabilities. Grants will be awarded to agencies that submit applications in accordance with the priorities and criteria listed in Attachment 5.1 of this plan.

Specifically, it is intended that \$94,000 in federal funds be expended in the form of grants to community non-profit and public organizations, and that \$6,000 in federal funds be expended for the purpose of (a) establishing a long-range, state-wide, planning effort under the preview of the State Developmental Disabilities Council (\$2,000), (b) financing travel and per diem expenses for official duties of members of the Developmental Disabilities Council (\$2,500), and (c) financing expenses relating to the management of grants by the Office of Developmental Disabilities (\$1,500). The establishment of regional focal points to integrate and monitor generic and specialized programs offered by both public and private agencies in a region is the highest priority (cf., Section 5.1). It is estimated that approximately \$50,000 in grant funds will be awarded to implement this priority. It is estimated that \$44,000 in grant funds will be awarded to implement specific service priorities (i.e., prevention, vocational training, and others listed on Page 4 of Section 5.1).

In addition, it is intended that \$100,000 in federal construction funds be used to help finance the construction of a group home in the Anchorage area that meets national accreditation standards.

Page 2 of this attachment summarizes the financial plan on the preprint supplied.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL AND REHABILITATION SERVICE
Washington, D. C. 20201

Submit 6 Copies

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
SOCIAL AND REHABILITATION SERVICE STATE PLAN PROGRAMS

TO: REGIONAL COMMISSIONER SOCIAL AND REHABILITATION SERVICE DEPARTMENT OF HEALTH, EDUCATION & WELFARE	TRANSMITTAL NUMBER DD 74-2
-------------------------------------------------------------------------------------------------------------	-----------------------------------

I PROGRAM IDENTIFICATION *(Same identification as title page of preprinted plan)*
State Plan: Developmental Disabilities Construction Act of 1970 (P.L. 91-517)

II TYPE OF ACTION SUBMITTED FOR APPROVAL *(Check one and enter effective date)*

<input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT	EFFECTIVE DATE	 April 24, 1974
------------------------------------------------------------------------------------------	----------------	--------------------------------------------------------------------------------------------------

COMPLETE REMAINDER OF PART II IF THIS IS AN AMENDMENT *(Separate transmittal for each amendment)*
FEDERAL REGULATION CITATION

CFR Title 45, Part 416

NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 5 (Attachment 5.4A, and 5.5A)	NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT Section 5 (Attachments 5.4A and 5.5A)
-----------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------

SUBJECT OF AMENDMENT


Construction Funds

III GOVERNOR'S REVIEW *(Check one)*

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL TO GOVERNOR'S OFFICE

SIGNATURE OF STATE AGENCY OFFICIAL 	REPORT OF SRS APPROVAL	
TITLE Acting Deputy Commissioner Dept. of Health and Social Services	DATE RECEIVED IN REGIONAL OFFICE	REGION
DATE April 24, 1974	<i>Plan approved - one copy attached</i>	
RETURN TO: <i>(Name and Address of State Agency)</i> Frederick P. McGinnis Commissioner Dept. of Health and Social Services Pouch "H" Juneau, Alaska 99801	SIGNATURE OF REGIONAL OFFICIAL	
	TITLE	DATE
	REMARKS	

****NOTE***

THE ORIGINAL FILE CONTAINS AN OVERSIZE BLUEPRINT OF THE PROPOSED CHALET FOR HOPE COTTAGE, INC. THIS DOCUMENT MAY BE RETRIEVED FROM THE ALASKA STATE ARCHIVES FOR VIEWING.

HOUSING



The Association of
Village Council Presidents
Housing Authority

Box 767

Bethel, Alaska 99559

~~(907) 543-2602~~ ~~(907) 543-2603~~ 543-2604

March 23, 1976

Senator Frank A. Ferguson
Pouch V
Juneau, Alaska 99811

Dear Senator Ferguson:

You recently received a letter from the village of Emmonak requesting your assistance in resolving the problem of past due wages for a construction project undertaken by the A.V.C.P. Housing Authority. Our Authority is presently participating in a special housing program funded through a Memorandum of Agreement between H.U.D., B.I.A. and P.H.S., under which we are developing 80 houses for the villages of Emmonak, Hooper Bay, and St. Mary's. Within this program we were limited to a development budget of \$30,000 per unit which was arbitrarily established back in Washington, D.C. three (3) years ago without the consultation of any Regional Housing Authorities.

It was apparent that this budget limitation was inadequate and in September of 1975 we submitted a revised budget to H.U.D. with complete justification for all additional costs. Since that time we have received continual delays from H.U.D. and the matter is now becoming of extreme urgency.

Attached is a copy of our recent letter to H.U.D. providing further information and justification, and our responding letter to James Hart. This problem has caused severe problems for the people of Emmonak, and we request your support.

Sincerely,

Michael B. Jones
Executive Director

cc: James Hart

MBJ/m3a



The Association of
Village Council Presidents
Housing Authority

Box 767
Bethel, Alaska 99559
(907) ~~543 2693~~ ~~543 2693~~

March 23, 1976

Mr. James E. Hart
and the Workers of the AVCP Housing and Citizens of Emmonak
Emmonak, Alaska 99581

Dear Mr. Hart:

This is in response to the letter you have written to Governor Hammond concerning non-payment of wages for our housing project in Emmonak. I know that this has been a serious problem for you and the workers on this project, and it's been a very serious problem for us too. We have tried over and over again to obtain from HUD the additional funds that are required to complete the projects and to pay all of the back wages that are owed. In October of 1975 we submitted to HUD our amended budgets with a request for additional funding. Since that time, HUD had delayed and delayed, and now they are arguing with BIA as to which agency will pay the necessary additional costs. Your letter to Governor Hammond, and all of the copies that you sent out to other people, will help us to bring this problem to the attention of the right agency officials, and to put the needed pressure so that we can get much needed action from HUD.

Attached is a copy of my recent letter to Roger Riddell, Director of HUD's Office in Anchorage, in which we clearly state and justify our request for additional funding. Even though we provided detail justification in the amended budget which we submitted to HUD last October, a month ago they asked us again to provide another justification. It is very clear that the original budget of \$30,000 per house imposed on us from Washington, D.C. was never adequate to complete our housing projects funded under this program. This is now admitted by both HUD and the BIA, however HUD is claiming that the BIA, having signed a special Memorandum of Agreement with HUD and PHS, is now responsible for paying any additional costs over \$30,000 per house. The BIA, on the other hand, is arguing that they do not have that responsibility, and that HUD as the funder of the program should pay for additional costs. While these two agencies are arguing, houses lie incomplete and the people of Emmonak have suffered.

Mr. James E. Hart
and the Workers of the AVCP Housing and Citizens of Emmonak
Page 2

We are told that a decision regarding this matter will be made in Washington, D.C., however we were also told that three and four months ago. The attached copy of a letter to Roger Riddell represents only a part of the effort that we have been making to get some action on this serious problem. We very much regret that this problem has happened, and we ask for your support in our efforts to obtain the necessary additional funding, and to complete the houses as quickly as possible so that families can at last enjoy their new homes.

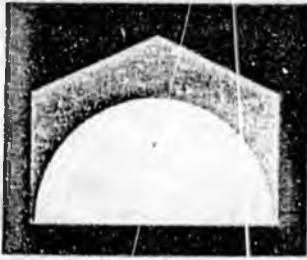
Sincerely,



Michael B. Jones
Executive Director

cc: Governor Jay S. Hammond
Lowell Thomas, Jr., Lieutenant Governor
W.I. Palmer, Executive Assistant
Neil Thomas, Executive Director, Human Rights Commission
Myron Angstman, Public Defender
Edmond K. Orbeck, Department of Labor
William Edward Spear, Department of Labor
E.T. Lee Leland, Department of Labor
Tom Evans, Department of Labor
Sterling Gallagher, Department of Revenue
Phillip Guy, Legislative Rep.
James. H. Huntington, Legislative Rep.
Larry H. Davis, Legislative Rep.
George H. Hohman, Senator
Frank A. Ferguson, Senator
A.V.C.P., Inc., Bethel
H.U.D., Anchorage,
B.I.A., Anchorage

MBJ/msa



The Association of
Village Council Presidents
Housing Authority
Box 767
Bethel, Alaska 99559
(907) 543-2632 or 543-2633

Mr. Roger Riddell,
Director,
Anchorage Area Office,
Department of Housing and Urban Development,
334 West 5th, Avenue,
ANCHORAGE, Alaska, 99501.

March 5th, 1976

Dear Roger:

RE: COST OVER-RUNS ON SPECIAL 500 UNIT HOUSING PROGRAM
FOR EMMONAK, HOOPER BAY AND ST. MARY'S (AK-9-1 (3))

As you know, the AVCP Housing Authority, along with the other Regional Housing Authorities, has experienced cost over-runs in implementing the special 500 unit housing program. Although we submitted an amended budget to your office during SEPTEMBER of 1975, which was forwarded to the HUD Seattle office, OCTOBER 16th of 1975 for review and transmittal to HUD's central office with complete back up by line item for requested budget increases, no action has yet been taken. Pursuant to your request for additional information on the causes of the over-runs, I am providing that explanation below in narrative form, as a line item back-up has already been provided.

Let me say first that the term over-run is a misnomer from the authority's perspective. The original budget of \$30,000 per house was seriously inadequate. It was not a budget that we built, and represented only the BIA's guesstimation as to what they could build the houses for three years ago. In no way did the BIA budget relate to the actual cost of constructing houses in the villages of our region.

The basic reasons for the over-runs for Emmonak, Hooper Bay and St. Mary's are as follows:

(1) TRANSPORTATION

The BIA originally budgeted for an average materials transportation cost of \$5,000 per unit. The actual transportation billings per house were as follows:

VILLAGE	BUDGETED		ACTUAL		DIFFERENCE	
	PER UNIT	TOTAL	PER UNIT	TOTAL	PER UNIT	TOTAL
EMMONAK	5,950	178,500	9,981.07	299,432.10	4,031.07	120,932.10
HOOPER BAY	5,950	178,500	9,981.07	299,432.10	4,031.07	120,932.10
ST. MARY'S	5,950	119,000	9,981.07	199,621.40	4,031.07	80,621.40
TOTALS		476,000		798,485.60		322,485.60

It is apparent that the actual costs of barge transportation were substantially above BIA budget estimates. A major reason for this was an inflation rate in transportation costs in Alaska of 68 per cent between 1973 and 1975. The increased cost of transportation alone accounts for 56 per cent of our cost over-run figure.

It should be noted that transportation costs were not uniformly high for all regional authorities. For example, the BIA charged the Bering Straights Housing Authority \$5,000 per house, for transporting materials on its ship the Northstar. This difference is obviously very significant, and was never reflected in the original budget.

(2) NON-BUDGETED COSTS FOR REPLACEMENT AND ADDITIONAL MATERIALS REQUIRED, MATERIALS AND TRANSPORTATION COSTS

There were a number of required materials which either arrived damaged or did not arrive at all. These constituted unavoidable and non-budgeted items in our budget, summarized as follows:

DESCRIPTION	PER UNIT	TOTAL
1. Added cost of transporting air freight containers of stove vent pipes/assemblies to Emmonak and St. Mary's which were deposited in St. Michael's and not loaded on the next barge	50.00	1,500.00

2. Additional 4" x 12" beams for house foundations in Emmonak	690.00	20,700.00
3. Additional materials purchased in Bethel, including: cases of nails additional lumber to cover shortages, space heaters, visqueen and other miscellaneous:		
Emmonak	116.60	3,498.00
Hooper Bay	39.02	1,170.70
St. Mary's	18.89	377.00
4. Our budget for water/sewer hook-up, per house was \$500.00. The per unit charge in St. Mary's was \$750.00 per unit.	250.00	5,000.00
5. Additional electrical supplies for all units. Freight charges:	75.00 41.36	6,000.00 3,308.89
6. PHS requires special 200 gallon holding tanks with special external hook-up for haul-type sewage system in Emmonak (materials, labor, transportation).	655.00	19,650.00
TOTAL ADDITIONAL COSTS		56,204.59
AVERAGE ADDITIONAL COST PER UNIT	702.56	

(3) LABOR

The BIA estimated labor costs at their force account rate of approximately \$6.00 per hour. It happened that during the summer of 1975 a school was under construction in each of our villages of Emmonak, Hooper Bay and St. Mary's, where the contractors were paying \$11.50 per hour for laborers. We were informed that we would be unable to organize a labor force with such wages in view of the competing jobs. We adopted the following wage scale to attract as many workers as we could:

Laborers	\$ 8.00 HR.
Lead Men	\$ 9.00 HR.
Assistant Supervisor	\$ 13.00 HR.
Construction Supervisor	\$ 15.00 HR.

To insure that all houses would be closed in before winter, we authorized our crews to work 60 hour weeks, payable at straight time. Near the end of the summer we received a letter from the State Department of Labor instructing us that time-and-a-half would have to be paid for all over-time work. This factor alone had a large impact on our budget.

Labor budget and over-run figures are summarized below:

	PER UNIT	TOTAL
Original Labor budget	8,000.00	640,000.00
Revised estimate to construct	9,583.00	266,677.00
Difference	1,583.45	126,677.00

It is note-worthy that the projected labor over-run is 22 per cent of the total over-run, while transportation cost increases represent 56 per cent of the total over-run.

(4) SITE PREPARATION

A uniform amount of \$500.00 per unit was budgeted for site preparation in Emmonak, Hooper Bay and St. Mary's. Our actual costs ran higher, as follows:

VILLAGE	ACTUAL COST PER UNIT	OVER- RUN	TOTAL OVER-RUN
EMMONAK Heavy brush had to be cleared by hand.	709.03	209.03	6,270.90
HOOPER BAY Extremely close proximity of existing houses and rough terrain prevented a power auger from being used. Holes for 360 piling were hand dug.	847.43	347.43	10,422.90
ST MARY'S Steeply sloping ground required site grading and gravel fill for seating foundations.	1,170.90	670.00	13,410.00
TOTAL OVER-RUN			30,103.80

This cost information is summarized below:

ORIGINAL BUDGET	40,000.00
ACTUAL TOTAL COST	70,103.80
DIFFERENCE	(30,103.80)

(5) MATERIALS MOVEMENT WITHIN PROJECT AREAS

Our budget did not anticipate difficulties in moving materials about within the project site areas, described below:

VILLAGE

COST

EMMONAK

Sites are scattered about a mile along the Yukon River. Billing for rental of fork-lift with driver from the Ghemn-Mason-Osberg Company for movement of our materials to construction sites

8,932.00

HOOPER BAY

Two village sites are separated by about a mile. A helicopter lift set all materials at a point midway. The only vehicle was a pick-up truck. The owner's price was \$10.00 per load/trip. 650 trips at \$10.00 per trip, plus 1300 man hours loading/unloading (including cost times) at \$8.00 per hour

TRUCK RENTAL \$ 6,650.00

LABOR \$10,640.00

TOTAL \$17,290.00

17,290.00

ST. MARY'S

A network of good roads existed in St. Mary's, as well as readily available equipment. No extraordinary costs were incurred

TOTAL

26,222.00

The cost increases described in this report are summarized in the table below:

<u>CATAGORY</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
Transportation	476,000.00	798,485.00	322,485.60
Materials replacement*		56,204.00	56,204.00
Labor	640,000.00	766,677.00	126,677.00
Site preparation	40,000.00	70,104.00	30,104.00
Materials movement in site area*		26,222.00	26,222.00
TOTALS	1,156,000.00	1,717,692.00	561,692.60

These represent the major items in our amended budgets, previously submitted when cost increases in all line items are considered, the total figures are as follows:

TOTAL INITIAL DEVELOPMENT BUDGET	2,415,061.00
AMENDED BUDGET	2,992,845.00
DIFFERENCE AND REQUEST FOR BUDGET AMENDMENT INCREASE	577,784.00

* These items are not reflected in the original budget as line items, but represent a magnitude of cost unanticipated anywhere in the initial development budgets.

The above explanations and tables summarize the major cost increases and the reasons for them. It is apparent that the initial budgets were inadequate. Had the budgets been built to reflect development costs based on actual circumstances in each village (site problems, true transportation costs, availability of equipment, and etc.), the initial budgets would have been considerably higher and over-runs would not have occurred.

Our authority anticipated over-runs last summer in the early stages of construction. We projected those over-runs in detail last September. Representatives of both HUD and the BIA with whom we spoke admitted that the development budgets were inadequate. We were advised by HUD legal counsel in Seattle to prepare and submit amended budgets. We did so without delay in an effort to avoid any interruption in our construction program. Our goal was to have every family moved in by Christmas, and we were on schedule. A HUD official in Seattle advised us that, with proper documentation, our amended budgets should be approved and funded within a period of six weeks.

As we neared the end of our existing budgets, we met with participant families and employees in each village. We told workers we would have to lay them off, but if any wished to continue working to keep the projects from shutting down entirely, we would keep track of their time and catch their payrolls up when supplemental funding arrived. Most workers agreed to do so. In Hooper Bay we had to push our construction program forward, because a number of families had torn their old houses down and were living in tents and winter had arrived. As weeks went by, we anxiously inquired about the status of our amended budgets, and were expectedly assured that they would be funded - just a matter of two or three weeks.

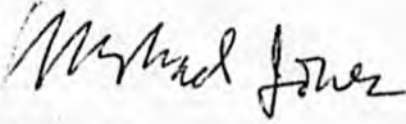
We shut down all construction activity in January. Although our projects are 85 per cent complete, there are a number of dissolutioned families and workers in each village. Back wages are owed in the amount of \$ 164,284.00, and many families have gone into debt to local stores, anticipating pay checks. Some workers are talking of legal recourse.

Our amended budgets, previously submitted, are fully documented. The explanations embodied in this letter further demonstrate that the over-runs are valid and legitimate, and I personally assure you that they are. I urgently request that you recommend to the appropriate officials in the HUD central office, that our amended budgets be approved and funded without delay.

Thank you for your help, and please let me know if there are any points which require clarification.

Best Regards,

THE ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS HOUSING AUTHORITY



MICHAEL B. JONES
Executive Director

CC: Sen. Ted Stevens

Mr. James Young

City Councils of : EMMONAK

HOOPER BAY

ST. MARY'S

MBJ/M

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

RONALD G. NELSON

Professional Civil Engineer

1500 AIRPORT WAY - Box 888

FAIRBANKS, ALASKA 99701

(907) 456-4654

March 17, 1976

The Honorable Frank R. Ferguson
Alaska State Senate
Pouch V, State Capitol Building
Juneau, Alaska 98111

Dear Senator Ferguson:

REF: House Bills 684 & 829

I would like to express very strong opposition to the referenced bills which I believe are unnecessary, unwise and in certain respects unconstitutional.

I'm presently developing and operating a 180 unit mobile home park near Fairbanks and in so doing have acquired a reasonable degree of knowledge concerning the subject addressed by the referenced bills. Had these bills been law when I started development I would not have been able as a private individual, unsubsidized by government, to employ the persons I have, purchase the required goods and create a needed commodity which has added considerably to the Fairbanks North Star Borough tax base.

HB 829 Sec. 2 AS34.03.040 Paragraph C Part 1

I require each tenant in my court to enter into a written lease. This lease is with a particular tenant NOT a mobile home. If a tenant sold his mobile home to a third party who refused to enter into a rental agreement with me this bill would prevent me from requiring that the mobile home be moved resulting in a conveying of my ownership rights in the lot to whoever happens to hold title to the mobile home. Surely this is unconstitutional.

HB 829 Sec. 2 AS 34.03.040 Paragraph C Part 2

I require as a condition of tenancy that each tenant make certain improvements to the lot he leases all of which are associated with landscaping and include such items as planting a lawn, trees and shrubbery, and installation of fences and walks. Since these improvements are fixed to the land and not to the mobile home, I could not as a court owner require that they be done. The result would be in too many cases no effort by the tenant towards maintenance of their lots.

HB 829 Sec. 2 AS34.03.040 Paragraph C Part 4

I currently charge an entry fee for initial placement of each mobile home within my park. This is strictly a result of a superior product, and the law of supply and demand. Legislation which removes the possibility of this form of income for the developer also removes an incentive for further development which is needed if a balance is to be obtained between available housing and a communities need for such housing.

HB 829 Sec. 34.03.225

Wording of this section implies that a mobile home is something other than personal property of an individual and that indeed it can be evicted. Lease or rental agreements are between landlord and tenant NOT landlord and a mobile home.

A fifth part should be added which clearly allows any lease or rental term agreed upon in writing between landlord and tenant. The overall effect of of this section prohibits a normal month to month rental agreement and therefore prohibits a park owner from exercising control over his property. It literally prohibits any owner from terminating a tenancy and thus confers ownership rights to the tenant which is definitely unconstitutional.

Sec. 45.30.070 Part b

This disallows a mobile home dealer from paying a park developer to reserve spaces and would again have the effect of removing an incentive for development of needed mobile home parks and subdivisions. Financial institutions literally REQUIRE before committing funds that a substantial portion of the proposed project have rental commitments. The only practical source of such commitments are the various mobile home dealerships. A condition for financing of my park was such a commitment for reservation and rental of spaces. As an owner I do not believe I should be denied the opportunity of reserving and renting spaces in my park to what is potentially the greatest market.

HB 684 Section 1 AS45.50.471 (b) Part (23)

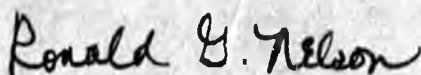
Again this would prevent a park or subdivision owner from entering into an agreement with a mobile home dealer to reserve spaces or lots on which the dealer could set up homes to sell to the public. As a park owner I've made such an agreement. By so doing I was able to obtain the necessary commitment for rental of spaces, a prerequisite to my being able to obtain financing. I believe it is unconstitutional to deny an owner the right to reserve or rent lots to anyone he so choses.

Additionally this bill would prevent a dealer from constructing his own park or subdivision and placing therein only homes his dealership sells. Perhaps you should pass a law to prevent a developer of conventional housing lots from also being the only builder in any particular development.

I would hope that you consider these comments, keeping in mind that the free enterprise system is the greatest system ever, as long as government controls and regulations do not over control or over regulate.

Thank you for your much valued time.

Sincerely,



Ronald G. Nelson

Mauneluk Association
P.O. Box 256
Kotzebue, Alaska 99752

January 12, 1976

Frank:

This is a classical example of how public programs can get out of control. I believe letters like this will remind some individuals of the reality and bring them back to help the people that are so desperately in need.

Thank you for your continuous support in our efforts to serve rural communities such as Buckland.

Sincerely,

MAUNELUK ASSOCIATION

P. O. Box 256
Kotzebue, Alaska 99752

Phone
(907) 442-~~3262~~ 3311
or
(907) 442-~~3164~~ 3312

January 12, 1976

Mr. George Ashby
Bureau of Indian Affairs
Nome, Alaska 99762

Dear Mr. Ashby:

It has been brought to my attention by the City Council of Buckland during my most recent visit that the Bureau of Indian Affairs has yet to complete the construction of three (3) BIA sponsored residential homes. I was informed that all of the building materials are landed in Buckland with the exception of insulation since the summer of 1973. Another words, for at least two summers, BIA has failed to even put up the frame of these three (3) homes in order to protect the lumber from weathering.

Furthermore, you have personally prohibited their construction due to the one missing item as mentioned earlier. It is unfortunate that your shortsightedness has not only irritated the patience of the people of Buckland but as a result, caused much of the lumber to warped or altered substantially in their structure as to render it useless when needed for the "eventual" building.

In addition, Mr. Warren Thomas, former Mayor of Buckland has repeatedly requested your office and you directly to authorize the construction of these houses with the understanding that insulation will be added when provided by BIA. In short, for two (2) full calendar years and entering the third year, Nome's BIA office has remained deaf-eared to Buckland's plea.

Again, the building materials in question have obvious manifestation of deterioration, and it is doubtful that a structurally safe house can be built without first replacing the damaged materials. Essentially, we recommend a full inspection of the building supplies and inform us as to what action you might undertake to resolve this horrible mess, or will it remain as relics?



MEMBER VILLAGES

Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, Shungnak

page 2

Please bear in mind that as a consequence of your non-action, three (3) families in Buckland are living below the Federal Housing standards. We shall await anxiously for your reply.

Sincerely,

MAUNELUK ASSOCIATION

Dennis J. Tiepelman, President



Bernard Souphanavong
Economic Planner

cc: City Council of Buckland
Mr. Warren Thomas, President, Nunachiak Corporation
Mr. Clarence Antiquia, Area Director, BIA/Juneau
Mr. Frank Ferguson, U.S. Senator, Kotzebue ✓
Mr. Robert Schaeffer, Director NANA Housing Authority
Mr. Sam Kito, President, AFN

BS:dkn

Alaska STATE HOUSING AUTHORITY

January 8, 1976

Mr. Don Perkins
Executive Director
Bering Straits Regional Housing Authority
P.O. Box 995
Nome, Alaska 99762

FILE

Dear Mr. Perkins:

Thank you for your letter of December 23, 1975, relating to the possible transfer of the turnkey III project in Nome from the Alaska State Housing Authority to the Bering Straits Regional Housing Authority. I am happy to hear the Bering Straits Regional Housing Authority is interested in the possible transfer of the project in Nome.

I have several questions and comments concerning your letter:

1. You state that you are prepared to assume the responsibilities of a permanent management and interim ownership. I am sorry, but I don't understand the term "interim ownership." Being new to this position, I assume it is ignorance on my part. Hopefully, you will be able to give me an idea of what you mean. ASHA's position is one that centers on rapid and complete turnover of the project to you.
2. As with other projects that are being proposed for transfer to a local housing authority, the operating reserves would remain with the project as you wish.
3. The Target Proposal Project (TPP) grant allocation is somewhat out of our hands. We support TPP funds for the Nome project, regardless of the ultimate ownership of the project. Should HUD concur in the transfer, and should we work out equitable arrangements, ASHA has no objection whatsoever to the TPP grant going to the Bering Straits Regional Housing Authority. Should you wish to assume ownership, we will actively support this position. However, prior to assumption of ownership, ASHA will retain the final direction as to the use of TPP funds. In either case, your advice is solicited.
4. As in our other negotiations and as mentioned above, ASHA feels that operating reserves and future grant monies should remain with the project, regardless of ownership. However, upon transfer of

Alaska STATE HOUSING AUTHORITY

Mr. Don Perkins

-2-

January 8, 1976

the project all liabilities would pass to the new owner. ASHA feels quite strongly that if it transfers the assets of a particular project, all liabilities should also be transferred.

5. Since the pickup truck, used in the Beringvue Project, is considered an asset of the project, it seems, as you request, it, too, would be transferred to the Bering Straits Regional Housing Authority.

Hopefully, this letter has answered some of your questions and given you a more concrete idea of ASHA's policy on this matter.

I would appreciate your comments as soon as possible.

Sincerely yours,

ALASKA STATE HOUSING AUTHORITY

Bill Miles
Executive Director

MM:RXTG

cc: Mr. Roger A. Riddell, HUD
Mr. Robert Prescott, HUD
Mayor Robert Renshaw, Nome

bcc: Senator Frank R. Ferguson

FILE

Alaska STATE HOUSING AUTHORITY

February 18, 1976

Dear Legislator:

Please find attached seven chapters of proposed regulations that the Alaska State Housing Authority (ASHA) intends to adopt. Notice of public hearing is being published in the newspapers; please find attached a copy of that notice. Hopefully, you will take the opportunity to carefully review these regulations and propose to us those changes or modifications that you believe would make the regulations more useable. We would like your written comments by the close of business on March 22, 1976.

We are not particularly happy about incorporating, by reference, HUD regulations. However, in those areas where we are forced to incorporate by reference, we did so because HUD regulations and procedures are mandatory. Moreover, in each one of those areas where we had to incorporate by reference, the HUD procedures or regulations consist of a document that is over an inch and one-half thick. Therefore, it would have been useless for us to attempt to crib the language of the HUD regulations. Hence, what we have attempted to do is simply fill-in those areas where the HUD regulations permit us to do so. We believe that we have covered all of those gaps that are not covered by HUD.

It is anticipated within six weeks time, ASHA, in conjunction with HUD, will promulgate another chapter of regulations concerning Federally-assisted public housing. However, since that area is so heavily regulated by HUD, the regulations that ASHA drafts must be carefully reviewed and checked with the HUD people to insure that there does not exist conflicts or ambiguity.

Again, we would appreciate your attention and review of these proposed regulations.

Sincerely,

ALASKA STATE HOUSING AUTHORITY



Bill Miles
Executive Director

BM:def

Enclosures



tingit & haida regional housing authority



COURTESY COPY
TLINGIT & HAIDA
REGIONAL HOUSING AUTHORITY

ROBERT W. LOESCHER
Executive Director

March 3, 1976

Mr. Roger Riddell
Area Director
U.S. Department of Housing &
Urban Development
334 West 5th Avenue
Anchorage, Alaska 99501

Re: 400 Indian Housing Allocation and
Future Allocations.

Attention: Patricia Stevens
Jack Smodey
Loren Cole

Dear Mr. Riddell:

Thank you very much for the invitation to attend the HUD meeting at Anchorage, Alaska, February 11, 1976 related to the four hundred (400) unit allocation of low income Indian housing under program authority by the HUD Anchorage Area office, scheduled for dispersment to applicant housing authorities/communities across the State of Alaska. As I began to go over my notes and evaluate the positions I represented on behalf of the communities in our region of Alaska, I felt that in retrospect of other housing meetings and significant moments in Alaska housing history that it would be best to record the events of the Anchorage meeting in a letter to HUD.

The Meeting

The Tlingit-Haida Regional Housing Authority and other Alaska Native housing authorities met and received the presentations by the HUD Anchorage Area Office staff with regard to a four hundred (400) unit allocation of low income Indian housing under program authority by the HUD Area Office scheduled for dispersment to applicant housing authorities/communities throughout the State of Alaska. It was noted that 200 of the units were being reprogrammed from the earlier AFN 1200 unit program. Of these units, (127) were scheduled back to the North Slope area, (43) to the Kotzebue region and the remaining (30) were not designated. An additional 200 units have come from HUD Central Office to be distributed.

FRANK SEE — Chairman, Hoonah
CYRIL GEORGE — 1st Vice Chairman, Angoon
SAM DEMMERT — Yakutat

ROBERT SANDERSON — Treasurer, Hydaburg
BERTHA CAVANAUGH — Member at Large, Kake

Mr. Roger Riddell
Re: 400 Indian Housing Allocation
3/3/76 - Page 2

The regional authorities received copies of a Memorandum from HUD Undersecretary, David S. Cook to James Young, HUD Region X, Administrator, dated February 6, 1976 regarding the aforementioned 400 housing units. Highlights of the Memorandum (attached) are as follows:

1.) HUD encouraged the application of the BIA/HUD 500 unit program method as a condition of the development process of the 400 unit allocation. This includes the design, construction method, BIA participation, special processing procedures, etc.

2.) If the Alaska native housing authorities found the extension of the Special 500 unit program provisions unacceptable, HUD agreed that "...a program should be offered which is administratively simpler than the regular Mutual Help Program and which would give the RNHA's more flexibility and control than the special program does, but which would set an absolute ceiling on the amount of subsidy HUD will provide and bind the Regional Corporations to provide the funding for any cost over runs. If this course of action is taken, Central office will design the program and transmit it to Region X for review and concurrence."

3.) By the Memorandum authority was transmitted by HUD Central office to Region Office to acquire interest in property to put the 400 units upon using an "after acquired title" method to document future interest until lands are conveyed by US DOI - BLM to the village corporations and municipalities.

4.) The use of the "Force Account" method of construction is approved subject to the utilization of Davis-Bacon wage rates as determined by the Secretary of Labor.

5.) HUD - Central office requested HUD Region X to confirm that cost over runs on the previous BIA-HUD 500 units are valid - the total development cost per unit limit was set at thirty thousand dollars (\$30,000). Additionally, HUD - Central Office requested the following:

a.) a statement whether the terms and conditions of the Memorandum of Understanding relating to the BIA responsibility for mechanical management of construction were honored in these cases and if not, why not?

b.) evidence that the expenditures are inevitable increases which were unforeseeable and are not the result of inadequate or extravagant management.

6.) and lastly, HUD said: "Finally, in order to implement successfully these new initiatives, it will be necessary to maintain constant contact among HUD and

Mr. Roger Riddell
Re: 400 Indian Housing Allocation
3/3/76 - Page 3

BIA staff in Washington, Seattle and Alaska. The common goal is the provision of adequate housing to low-income Alaska natives. With a positive attitude and cooperation there is no reason that the issues cannot be resolved and the necessary houses built. We pledge the full support and cooperation of this office and look forward to working with you in this area."

An ambiguity was presented to the effect that the HUD new Indian Housing Regulations and HUD 741⁰ processing regulations would simultaneously apply; however, the BIA/HUD program is an approvable method and is recommended. Further, related by HUD Area staff, was the fact that a forty thousand dollar (\$40,000) per unit total development cost figure was approved to limit the development costs for the new four hundred units. Additionally, it was HUD Area Office intent to disperse the units to regional housing authorities which did not have a great number of units in their region under administrative control in order that these authorities could become financially viable in their housing management programs and provide a base for housing development staff capability. And lastly, as a result of HUD Secretary - Carla Hills and Region X Director James Young, positive approach and desire to move housing into contract and production, HUD Area Staff related that it was their intent to allocate the units where the homes could be built and if it comes to pass that progress is not being achieved where allocated than the units will be pulled back and re-allocated to areas where the homes can be produced. The total effect being that if Alaska HUD can show production on these units, than the Area Office would be in a better position to work to secure more housing units for Alaska.

General Housing Authority Response

After a period of expressions of general anguish, anxiety, anger, frustration... and in no case, elation over the HUD presentation, the housing authorities generally evolved the following positions:

1.) the housing authorities would accept this time round, the 400 unit allocation of housing following the BIA-HUD guidelines with some modifications as to the design and delivery system; except, the Tlingit-Haida Regional Housing Authority stated with regard to 400 units and the conditions attached thereto, that it wished the other native housing authorities to have priority on this round of allocations; however, in the event other housing authorities experience difficulty in getting the housing units under production, the Tlingit-Haida Regional Housing Authority is prepared to receive and put under Annual Contributions Contract (meeting all the requirements of approvable sites, design requirements, construction and management, construction and management plans) within 30-45 days any and all housing program reservations not able to move into production by the other housing authorities.

Mr. Roger Riddell
Re: 400 Indian Housing Allocation
3/3/76 - Page 4

2.) Generally, all the housing authorities are not in favor of continuing in the future with the BIA/HUD Special Program. The authorities present requested the HUD Area Director to advise the Regional Administrator James Young and HUD Secretary Carla Hills, that the Alaska Native Housing Authorities request HUD to provide for an Alaska Native Housing Program which follows the new Indian Housing Program regulations or current low-income housing regulations in its program requirements and processing. To say it another way, the housing authorities wish to be dealt with like all other Indian housing authorities across the nation and do not see any special benefit at this time in having a special housing program for Alaska Natives. Difficulties have been experienced all along the way with the design, construction, transportation, administrative procedures, etc. related to the BIA-HUD program, much of which has been out of the control of the housing authorities and managed by federal representatives. Across the board, all the housing authorities oppose the generation of any new housing program for Alaska by Washington, D.C. officials which are developed, as has been the case in the recent past, without any input from Alaska Natives.

3.) The recommended forty thousand dollars (\$40,000) (TDC) Total Development Cost limitation figure advanced by HUD has been discussed and meets with much controversy. All housing authorities, except for two - Bering Straits and Bristol Bay - are of the opinion that a \$40,000 limit is restrictive and an unreasonable approach realizing the unique problems of Alaskan environmental conditions, vast geographical areas creating higher logistics problems and costs than in the continental United States, limited materials and labor to build houses and higher costs by Alaskan housing authorities just to administer the construction and management of housing under their control. For the most part, it is unrealistic to say that houses for Alaskan Natives or anyone in rural Alaska can be built for \$40,000 TDC and meet the following technical requirements and social - economic conditions:

- a.) HUD - MPS - Minimum Property Standards for design of housing; and
- b.) Davis-Bacon Act - wage rates established by the Department of Labor which are generally comparable to levels established by labor unions.
- c.) Miller Act - requirement to advertise and bid jobs and bonding.
- d.) Provision for proper coordinated work along with the housing development of water/sewerage extensions and treatment, adequate roads and sidewalks, electrical line extensions and if necessary, a contribution to improvements in capacity of electrical generation and in some villages of Alaska - their fuel storage supply.

Mr. Roger Riddell
Re: 400 Indian Housing Allocation
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e.) Provision for proper (PLC) Preliminary planning funds to identify and solve problems in ordinary planning relating to approvable sites, securing of surveys and soils tests, family interviews and eligibility processing, title searches, deed preparation, utility coordination problems, municipal code platting requirements, etc.

f.) Transportation of housing supplies, materials, construction equipment and qualified men to meet a variance in project transportation costs of \$2,000 per unit to as high as \$15,000 per unit some locations of Alaska

g.) The limited construction season in Northern Alaska, where in only the summer months, an effective efficient construction program can be waged. It should be noted that these are the months when rural Alaska Natives handle their subsistence food gathering and hunting. Force account or mutual help contributions to the housing developments are effected by this seasonal occurrence.

h.) To build homes that are adequate and modest which are safe and sanitary, easily and economically heated and are complimentary to the natural environmental conditions where the home is physically located. Additionally, to build homes that vary in size and bedroom count so as to adequately serve the family needs and to provide for the future housing stock of the community.

It should be pointed out that all of the above requirements and conditions have been ignored or implemented in a much less stringent manner than required by law or what the situation actually demands in the present BIA/HUD 500 unit program. Except for the requirements to meet Davis Bacon wage rates, and, if any changes to the BIA - 3 bedroom house plans are to be initiated - each should be an effort toward meeting HUD-MPS, the new 400 units of housing are to follow the same BIA/ HUD agreed upon program guidelines. It should be further pointed out that the BIA/ HUD units were sold on the concept that each could be built within \$30,000 TDC. At this time all the authorities participating in the program are requesting budget amendments to the tune of TDC \$40,000 or more for the non-compliant housing units. As earlier stated, a bit of irony and ambiguity is recognized in the promotion of the BIA/ HUD program requirements and the request to also use simultaneously, the new HUD Indian Housing regulations and existing low income processing requirements.

The BIA/ HUD program guidelines and the HUD regulations are contrary to one another. HUD should consider either one or the other set of processing procedures.

4.) The Housing Authorities were concerned that the acceptance of the 400 unit

Mr. Roger Riddell
Re: 400 Indian Housing Association
3/3/76 - Page 6

program not be considered precedence as an element of HUD policy in advancement of future housing allocations to Alaska.

5.) The regional housing authorities, by State statute are the offspring of the regional Alaska native non-profit associations. For the most part, the regional housing authorities do not share the attention of the for profit regional or village corporations established pursuant to the Alaska Native Claims Settlement Act. HUD Undersecretary, David S. Cook, in his Memorandum, February 6, 1976, stated the following:

"If extension of the Special Program to cover the additional 400 units is unacceptable to the RNHAs, we agree with you that a program should be offered which is administratively simpler than the regular Mutual-Help Program and which would give RNHs more flexibility and control than the Special Program does, but which would set an absolute ceiling on the amount of subsidy HUD will provide and bind the Regional Corporations to provide the funding for any cost overruns. If this course of action is taken, Central Office will design the program and transmit it to Region X for review and concurrence."

HUD infers that as a program condition, that the Native Regional Corporations must supply funds for housing development that the government is unwilling or unable to provide. Not only is the whole approach objectionable to the housing authorities, but the program requirement being advanced by HUD is contrary to federal law. I cite the following:

Alaska Native Claims Settlement Act December 18, 1971 (85 Stat. 688) Section 2(c):

(c) no provision of this Act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States or of the State of Alaska to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska; the Secretary is authorized and directed, together with other appropriate agencies of the United States Government, to make a study of all Federal programs primarily designed to benefit Native people and to report back to the Congress with his recommendations for the future management and operation of these programs within three years of the date of enactment of this Act;

This whole matter was further elaborated in the Omnibus Bill passed by Congress and signed by the President December, 1975, as follows: