

565

SRES

HB

192

(FILE NO.

1)

HB

192

COMMITTEE REPORT

SENATE

**Finance

2/25/77

4/4/77

Date

Mr. President:

The Committee on RESOURCES has had HB 192 supplemental appropriation, Department of Natural Resources for ch. 113, SLA 1976 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 192 and that CS for HB 192 do pass individual recommendations
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ DO NOT PASS

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: do not

_____ recommends: DO PASS

_____ recommends: _____

Chairman

Homer people want
fish, not oil slow growth
not boom, Read under line
statements.
Read page 13, 7, 9, 11, 12 & 14

HOMER AREA SURVEY:

ATTITUDES TOWARD LOCAL GROWTH AND DEVELOPMENT

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Financial support for this project was provided by
a grant from the Alaska Humanities Forum.

Pass House Bill 192
North Pacific Fisheries
Ass.

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INTRODUCTION

The following survey, conducted primarily by several members of the Sociology Department at the University of Alaska, Anchorage with the assistance of a small grant from the Alaska Humanities Forum, was performed to provide an accurate assessment of attitudes toward growth and development in the Homer, Kachemak Bay area. Its primary and sole purpose was to attain a scientific assessment of public opinion on a diverse variety of local issues and concerns over which the community can take action. It is hoped, however, that this information can be used both by community leaders in the development of local decisions and policies for the future enhancement of the community, and by individual residents as they evaluate and influence the changes occurring about them. This report provides an overview of some of the major findings of this survey; it is not intended to be complete in that approximately 300 individual questions were asked of each person on the survey, and few readers would want to subject themselves to a full review of these. For individuals or groups who desire more specific information or detailed questions, we hope that they will contact us directly at the University of Alaska, Anchorage.

PART I: METHODOLOGY OF THE STUDY

The survey of Homer area residents was a coordinated effort undertaken by the City of Homer, several teachers and students at the Homer High School, and several staff at the University of Alaska, Anchorage. With the assistance of the city manager and members of the Planning and Zoning Commission, a questionnaire was written based on policy issues relevant to the Homer community. Members of Bill Johnson's class at the Homer High School designed a map of the city for the purpose of locating all residences, and students in his and Frank Libal's classes performed the vast majority of interviews with residents within the city limits. University staff with backgrounds in social research gave these students training in interviewing and supervised their work. They also conducted a minority of the interviews within the city, all the interviews outside the city limits, and were totally responsible for the tabulation and writing of results.

The region encompassed by the survey included that area of the southern Kenai Peninsula south of Ninilchik, including that community, Seldovia, Port Graham and English Bay. The results contained in this report include just those of the immediate Homer area, namely the City of Homer, residences outside the city limits, Anchor Point (south of Starisky Tower), Nikolaevsk and residents living at the head or across Kachemak Bay. All interviewing in this area was conducted in the spring and summer of 1976. All people interviewed were permanent residents of the area; sum-

- 2 -

mer time residents and/or those living in the area for less than a month were intentionally excluded. All interviews were conducted with the male or female head of household, and a total of 55% males and 45% females were interviewed.

All households were selected for interviewing on a purely random basis, in order to avoid any possibility of bias and to ensure representativeness for the entire community. Inside the city limits 173 interviews were conducted which represented a 50% sample, or the equivalent of every other household. Outside the city limits but in the immediate Homer area and extending beyond the end of East End Road, 61 interviews were conducted from a 25% sample of one household in every four. In the Anchor Point area one household in every eight was interviewed and in Nikolaevsk the equivalent of one in four; whereas in all other areas interviews were performed individually with a separate household head, in Nikolaevsk the interviewing was conducted in a single group meeting of men in one of the elder's homes. Finally interviews were mailed to 23 residents whose residences were inaccessible by road or trail, predominantly at Fox River, Bear Cove and Halibut Cove. Eleven of these were returned, which constituted an approximate 50% sample. The results contained in this report are consequently drawn from a total of 286 interviews, exclusive of those from Ninilchik, Seldovia, English Bay and Port Graham. In addition 13 potential respondents declined to be interviewed, and their cases are obviously excluded from the results. Because

people interviewed were selected on a strictly random basis, the results from the sample can be generalized to the entire community within 4-5 percentage points of accuracy. When we say, for example, that 78% of the 286 interviewed would like to see commercial fish and fish processing receive priority in terms of land use on the Spit, we are 95% sure that between 74% and 82% would have answered this way if every household in the total area had been questioned.

In writing this preliminary report we have attempted to minimize our analysis or interpretation of the results. Instead we have preferred to maintain a format of stating the questions (in summary form) and the percent response to each question. Under each question we have in most cases broken down the responses into three distinct categories: responses from those residents living within the city limits of Homer, responses from all those living outside the city limits, and the total responses from the combined areas. Because different proportions of people were sampled and interviewed outside the city, responses in the last two categories have been weighted to ensure equal representation. This is done by multiplying the responses to the Homer City interviews (a 50% sample) by 2, the Homer environs responses (a 25% sample) by 4, etc.

For purposes of organization we have divided this report into the five sections which follow. In the first we describe the general characteristics of the people interviewed: their ages, edu-

PART II: SURVEY RESULTS

SECTION I: CHARACTERISTICS OF THOSE INTERVIEWED AND THE HOMER COMMUNITY

In terms of general background characteristics, the household heads whom we interviewed in the Homer area were overwhelmingly white (93%), had a median age of 35 years, an average education of one year of college, had resided in the Homer area for five years or longer (53%), and were most predominantly from the Pacific Coast or Rocky Mountain states (47%). More specifically, and by area, they had the following characteristics:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
1. RACE:			
WHITE	97.7%	97.7%	97.7%
ESKIMO	1.7	0.0	0.7
ALEUT	0.6	1.6	1.1
INDIAN	0.0	0.7	0.5
2. AGE:			
18-29 Years	21.1%	28.1%	26.2%
30-45 Years	41.0	33.6	39.5
46-64 Years	26.3	26.5	26.4
65 & Older	9.6	6.8	7.9
3. EDUCATIONAL LEVELS:			
4-11 Grades	17.5%	11.1%	13.6%
12th Grade	31.2	47.6	41.2
1-3 Years of College	24.7	19.9	21.8
Completed College	15.2	13.5	14.1
Post-Graduate	11.4	7.9	9.3
4. LENGTH OF RESIDENCE IN HOMER AREA:			
Up to One Year	15.2%	14.8%	15.0%
1-2 Years	13.5	15.2	14.5
3-4 Years	22.8	13.8	17.2
5-8 Years	15.2	19.6	17.9
9-20 Years	22.2	18.1	19.7
More than 20	11.0	18.5	15.7

5. <u>PLACE OF ORIGIN:</u>	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
Kenai Peninsula	1.2%	0.7%	0.9%
Elsewhere in Alaska	19.0	8.8	12.6
Pacific Coast States	26.2	35.1	31.8
Rocky Mt. States	11.9	17.0	15.1
Central & North Plains States	11.3	12.4	11.9
South & Southern Atlantic States, Texas & Okla.	10.2	5.8	7.4
New England & North Atlantic	9.0	7.2	7.9
Midwest States	8.3	9.4	9.0
Foreign Countries	3.0	3.6	3.4

In spite of the fact that only 14% of the residents were originally from Alaska, half had lived elsewhere in Alaska prior to moving to Homer. Of these, almost one-half had moved to Homer from the Anchorage area while a third had moved from elsewhere on the Peninsula or other rural areas of the state.

In terms of jobs and employers, the male heads of the households held the following characteristics:

6. PRIMARY OCCUPATION (MALE):

Professionals, (doctors, teachers, etc)	17.2%	4.7%	9.3%
Managers & Owners (inc. public & private business)	8.3	5.9	6.7
Technical & Protective Service (ie, police)	13.7	7.1	9.4
Clerical & Sales	2.8	3.9	3.5
Craftsmen	11.0	18.4	15.8
Operators, Truckdrivers	7.6	9.0	8.5
Laborers	4.9	8.2	6.9
Service Workers (ie, cleaning, food service)	4.8	3.1	3.7
Fishing Boat Owner/Operator	9.0	12.8	11.5
Cannery Worker/Fishery Crew	8.3	4.7	6.1
Homesteader, Farmer	0.0	8.6	5.4
No Occupation	1.4	0.0	0.5
Retired	11.0	13.6	12.7

In addition to their primary jobs, one-third of the male heads held secondary or other seasonal jobs; of these 23% were as laborers and 18% involved fishing or fish processing.

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
7. <u>PRIMARY EMPLOYERS (MALE):</u>			
<u>Self Employed</u>	<u>32.6%</u>	<u>42.8%</u>	<u>39.1%</u>
Federal Gov. & Agencies	10.6	1.6	4.9
State Gov. & Agencies	2.8	4.8	4.1
City & Borough Gov., incl. Schools & Hospitals	14.2	4.8	8.2
Local Commercial Business	13.5	5.6	8.4
Construction Companies	5.0	15.2	11.5
Oil Companies	5.0	3.2	3.8
Canneries	3.6	6.8	5.7
Social Groups (ie.Churches)	1.4	0.8	1.0
Retired	10.6	10.8	10.7
<u>Unemployed</u>	<u>0.7</u>	<u>3.6</u>	<u>2.6</u>

Among women and female heads of households, exactly 50% worked; among those who held jobs the major occupational categories were service workers (26%), clerical work (18%), and professionals (17%). The median annual reported family income for the total area was \$13,400; reported family income was considerably higher, however, for residents living within the city (\$17,100) than for those families outside the city (\$11,300):

8. REPORTED ANNUAL FAMILY INCOME:

Less than \$5,000	7.7%	18.9%	14.6%
\$5,000 to 11,999	19.3	28.7	25.0
<u>\$12,000 to 19,999</u>	<u>23.9</u>	<u>21.8</u>	<u>22.6</u>
<u>\$20,000 to 34,999</u>	<u>34.6</u>	<u>23.3</u>	<u>27.6</u>
\$35,000 to 49,999	10.8	4.4	6.9
Over \$50,000	3.8	2.9	3.3

As possible compensation for this difference in income, residents outside the city placed a greater reliance on subsistence activities for obtaining fish and meat. Of probably greater significance is the fact that both groups derived

significant benefits from subsistence activities. Although fishing may be done largely for sport, over 80% of the people in the total area fished in Kachemak Bay. Only in shrimping (47%) and crabbing (45%) were less than a majority active.*

9. PROPORTION OF FAMILY FISH AND MEAT SUPPLY COMING FROM SUBSISTENCE:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
None	25.8%	9.4%	15.6%
Little	35.9	25.3	29.2
Around Half	19.3	27.4	24.3
Most	15.9	28.2	23.4
All	3.0	9.7	7.1

Various other factors might be used to describe characteristics of the population and area.** One which appears particularly relevant is the close tie existent between the rural residents and city of Homer. Among men, 34% were in town on a regular daily basis, the majority working; only 36% went into Homer on less than a two or three times per week basis. Women approximated the same statistics; 20% going to town on a daily basis and only 44% less than three times per week. Shopping, in addition to work, was primary justification for this. Those rural residents living close to Homer differ very little from city residents in many local activities, such as voter registration and percent voting, use of the small boat harbor, attendance at nearings and School Board meetings, and even attendance at City Council meetings.*** A strong degree of identification and involvement

*In commercial fishing, 15% of the families in the area had members active in crabbing; 14% in halibut, 13% in shrimping, and 11% in salmon.

**Many of these were collected in the interviews, such as type of housing, size and type of family, organizational membership, activities, etc., but are not reported here for sake of brevity.

***16% of the rural families had attended at least several Council meetings, during the previous year, as compared to 19% of the residents in the city.

with the Homer community is obvious and by necessity justifies their inclusion in this survey, in spite of their equally strong desires to maintain autonomy from the city in terms of incorporation and utility districts, etc.

Finally, basic values of the community are seen by examining reasons given for moving to the Homer area and factors they like best about living in the community. In summary form these include:

10. REASONS GIVEN FOR MOVING TO HOMER AREA:

Please Read,

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
Small Town Qualities/Lifestyle	31.0%	52.2%	44.4%
Employment & Job Reasons	36.1	13.9	22.0
Aesthetic Values	17.7	24.1	21.8
Homesteading, Farming	3.2	28.1	19.0
Family & Friendship Reasons	11.4	14.6	13.4
Climate	6.3	3.7	4.6
Retirement	4.4	1.1	2.3
Commercial Fishing	2.5	1.5	1.9
Initiating Business	2.5	1.1	1.6
Other	7.0	5.1	5.8

Please Read,

11. WHAT PEOPLE VALUE MOST ABOUT LIVING IN THE HOMER AREA:

Small Town Qualities/Lifestyle	65.8%	69.2%	69.2%
Aesthetic Values	55.7	48.1	51.2
Farming, Homesteading	0.0	15.4	9.7
Climate	4.4	9.0	7.3
Family & Friendship	3.8	6.8	5.7
Work Reasons, inc. Business & Fishing	2.6	5.4	4.2
Money, Salary Reasons	1.3	3.8	2.8
Other	2.5	6.4	5.0
Nothing Valued	1.3	1.5	1.4

From the above it is obvious how important the small town environment and natural beauty of the region are to residents. These same values are expressed in a variety of other questions. For example, a majority of residents all considered as very important living in a quiet community, having multi-age friends, participating in subsistence activities, and being able to make or fix many of

the things needed by a family, while holding a high paying job was rated as only somewhat important, or unimportant. The importance of these values is indicated by the fact that less than 10% of the area residents planned on moving away from Homer within the next seven years, and majorities in both city and rural areas plan to remain permanently. Another 10% stated that they would remain permanently unless the community underwent significant growth and changes.

Read

Section II: ATTITUDES TOWARD COMMUNITY SIZE, GROWTH AND DEVELOPMENT ACTIVITIES

A variety of questions were asked to determine residents' attitudes toward growth in the Homer area. These ranged from fairly general questions, such as the size in numbers that they would like to see Homer achieve and the types of new people they would like to see living in the community, to more specific questions on different types of economic activities which they would like the city to encourage or discourage. On an even more specific level questions were asked on development preferences and land use priorities for a specific location where land is limited and choices critical, namely the Spit. The range of answers to these questions, both by city and outside city residents are given below.

1. IDEAL COMMUNITY SIZE: Considering that the City now has a population of about 1500, how big a community would you like Homer to be in 10-15 years?

Read

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
1500 People or less	36.6%	57.1%	43.9%
1501 to 2,000	12.4	4.1	7.4
2,001 to 3,000	16.1	9.5	12.2
3,001 to 5,000	19.3	13.2	15.6
5,001 to 10,000	2.5	3.7	3.2
10,001 to 20,000	2.5	1.7	2.0
20,001 Or More	2.5	0.8	1.5
Doesn't Matter - Undecided:	8.1	9.9	9.2

2. PREFERRED TYPES OF NEW RESIDENTS: Considering new jobs and growth will bring more people to live in Homer, which type of new resident would you like to see living here?

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
a. Permanent population composed of just the present residents:			
<u>Favor:</u>	48.2%	65.5%	59.0%
<u>Opposed:</u>	44.5	29.1	34.9
<u>Undecided:</u>	7.3	5.5	6.1

Yes

b. A growing population of new permanent residents:			
<u>Favor:</u>	72.8%	55.6%	62.1%
<u>Opposed:</u>	20.7	40.1	32.7
<u>Undecided:</u>	6.5	4.3	5.1

c. A growing population of seasonal residents (ie, tourists) who would make Homer their summer home:			
<u>Favor:</u>	33.3%	22.5%	26.9%
<u>Opposed:</u>	59.5	68.7	65.0
<u>Undecided:</u>	7.1	8.8	8.1

IT IS NO

d. A growing population of new residents (ie, oil or construction related) who would probably not make Homer their permanent home:			
<u>Favor:</u>	18.3%	12.0%	14.5%
<u>Opposed:</u>	72.0	77.7	75.4
<u>Undecided:</u>	9.7	10.3	10.1

3. PREFERRED TYPES OF JOB EXPANSION:

a. A large proportion of seasonal employment (as at present) or more permanent forms of year-round employment:			
<u>Favor Seasonal Jobs:</u>	20.1%	43.3%	34.5%
<u>Favor More Permanent Jobs:</u>	76.3	48.7	59.2
<u>Undecided:</u>	3.6	8.0	6.3

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
b. That job opportunities should be expanded rapidly, slowly, or few new jobs opened:			
<u>Favor Rapid Job Expansion:</u>	13.8%	19.9%	17.6%
<u>Favor Slow Job Expansion:</u>	72.5	63.2	66.7
<u>Favor Few or No Job Expansion:</u>	12.0	15.2	14.0
<u>Undecided:</u>	1.7	1.8	1.8
c. That new jobs to be added should be permanent jobs, short term construction jobs, or both:			
<u>Favor Permanent Jobs:</u>	45.2%	35.6%	39.5%
<u>Favor Short-Term Jobs:</u>	3.2	8.0	6.1
<u>Favor Both:</u>	48.4	52.0	50.5
<u>Undecided:</u>	3.2	4.4	3.9

4. TYPES OF ECONOMIC AND DEVELOPMENT ACTIVITIES: Choices for development in most communities are limited: most often they are either thrust upon them by outside interests or restricted by a narrow variety of local resources or potential developments. Homer would appear to be an exception to this case in that a considerable range of resources are available on which growth might be based. Because the kind of economic base will obviously affect the type of community which Homer is to become, people were given a full list of economic activities and asked "which (of those) do you think should be encouraged or discouraged for the future of Homer?" Although the potential for developing policies that would enhance certain of these activities are limited, it is important that decisions be made that are consistent with basic values of people residing in the town. The range of attitudes towards each activity are as follows, with the list ordered from most to least desirable:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
a. Agriculture:			
<u>Should Encourage:</u>	*	92.3%	*
<u>Should Discourage:</u>	*	4.4	*
<u>Undecided:</u>	*	3.3	*

*Agriculture was not listed on questionnaires given within city limits; totals are consequently excluded for both within the city and total area groups.

Fishing is
on top.

oil No

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
b. <u>Commercial fishing & fish processing:</u>			
<u>Should Encourage:</u>	91.8%	86.2%	88.3%
<u>Should Discourage:</u>	4.1	8.0	6.5
<u>Undecided:</u>	4.1	5.9	5.1
c. <u>Light manufacturing, involving small & locally based industries:</u>			
<u>Should Encourage:</u>	77.1%	87.8%	83.7%
<u>Should Discourage:</u>	18.2	10.0	13.2
<u>Undecided:</u>	4.7	2.2	3.1
d. <u>Education & research facilities:</u>			
<u>Should Encourage:</u>	87.7%	80.2%	83.3%
<u>Should Discourage:</u>	5.8	15.0	11.3
<u>Undecided:</u>	6.5	4.8	5.4
e. <u>Transportation & storage facilities:</u>			
<u>Should Encourage:</u>	70.8%	55.3%	61.5%
<u>Should Discourage:</u>	21.1	36.1	30.0
<u>Undecided:</u>	8.1	8.6	8.4
f. <u>Tourism:</u>			
<u>Should Encourage:</u>	61.6%	57.6%	59.2%
<u>Should Discourage:</u>	26.7	33.9	31.0
<u>Undecided:</u>	11.7	8.6	9.8
g. <u>On-shore oil facilities:</u>			
<u>Should Encourage:</u>	36.6%	26.7%	30.7%
<u>Should Discourage:</u>	54.7	68.5	62.9
<u>Undecided:</u>	8.7	4.8	6.4
h. <u>Heavy industry, such as pulp mills, lumber products:</u>			
<u>Should Encourage:</u>	24.4%	26.7%	25.8%
<u>Should Discourage:</u>	70.3	67.8	68.9
<u>Undecided:</u>	5.3	5.5	5.4
i. <u>Petrochemical industries, such as refineries:</u>			
<u>Should Encourage:</u>	23.8%	23.1%	23.4%
<u>Should Discourage:</u>	68.5	68.2	68.3
<u>Undecided:</u>	7.7	8.7	8.3

In addition to rating each activity separately, people were asked which types of developments they would most (and least) like to see occur in Homer. The attitudes are virtually identical to the ordering shown above: an expansion in

fishing and fish processing, followed by light manufacturing and educational and research facilities (and agriculture for those outside the city) were mentioned in that order as the most desirable. Rated as least desirable were petrochemical industries, followed by on-shore oil facilities and heavy industry.

5. ON-SHORE OIL DEVELOPMENT: Because of the importance of decisions related to oil development, more detailed questions were asked concerning the use of Homer as an on-shore facility. Four particular questions were asked: 1) Assuming that oil development does occur in the Lower Cook Inlet, would you like to see Homer used as a supply port for this; 2) which type of facilities (fishing and fish processing, tourism or industrial) would you like to see receive priority in terms of land use on the Homer Spit; 3) would you favor or oppose oil storage and tanking facilities on the Spit; and 4) would you favor or oppose the warehousing and storage of equipment on the Spit for off-shore oil exploration. As seen below, public opinion is opposed to on-shore development in all cases. The single exception is city residents who narrowly favor use of Homer as a general supply port if Lower Cook Inlet development actually occurs; however even they are opposed to utilization which would entail the specific storage of oil or equipment on the

Spit:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
a. Use of Homer as supply port if Cook Inlet oil development occurs:			
<u>Favor Supply Port:</u>	53.2%	28.3%	38.0%
<u>Oppose Supply Port:</u>	42.7	63.6	55.5
<u>Undecided:</u>	4.1	8.1	6.5
b. Preferences for facilities on the Homer Spit:			
<u>Fish & Fish Processing:</u>	73.6%	77.6%	76.3%
<u>Tourism:</u>	13.0	9.1	10.8
<u>Industrial:</u>	9.5	8.3	8.8
<u>Undecided:</u>	3.9	5.0	4.1

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
c. Location of oil storage and tanking facilities on the Spit:			
<u>Favor Oil Storage:</u>	23.8%	13.8%	17.7%
<u>Oppose Oil Storage:</u>	70.9%	82.5	78.1
<u>Undecided:</u>	5.2	3.6	4.3
d. Location of warehouse and equipment storage facilities for oil exploration on Spit:			
<u>Favor Warehousing:</u>	29.7%	18.2%	22.6%
<u>Oppose Warehousing:</u>	64.0	73.1	69.6
<u>Undecided:</u>	6.3	8.7	7.8

In summary, opinions of residents are opposed to on-shore oil development both in situations where they are given an open range of economic activities from which to choose and where it is already assumed that oil development will occur in the area. On-shore facilities that would tend to conflict with other land usages are more strongly opposed. From the above figures it is also obvious that residents living outside the city are consistently more opposed to oil development than those within the city. Other reasons frequently advanced to account for these differences in attitudes toward oil are the ages of individuals, their particular jobs and length of residence in the area. These figures for those groups are given below in terms of whether they feel the city should encourage or discourage on-shore oil facilities.

e. <u>Age of the Population:</u> (Total Area)	<u>Encourage On-shore</u>	<u>Discourage On-shore</u>	<u>Undecided</u>	<u>Total</u>
	<u>Development</u>	<u>Development</u>		
18-29 Years Old:	12.3%	81.1%	6.6%	100.0%
30-44 Years:	21.9	73.1	5.0	100.0
45-64 Years:	49.5	44.9	5.6	100.0
65 or Older:	57.7	26.9	15.4	100.0

f. <u>Length of Residence in Homer:</u> (Total Area)				
Two Years or Less:	16.9%	76.1%	7.0%	100.0
Three-Four Years:	24.7	72.7	2.6	100.0
Five-Eight Years:	25.0	65.8	9.2	100.0
Nine Years-Longer	48.9	44.6	6.5	100.0

g. Occupation of Household Head
(Male, Total Area):

	Encourage On-Shore Development	Discourage On-Shore Development	Undecided	Total
Professional:	10.8%	83.5%	5.4%	100.0
Managers, Owners:	60.0	35.0	4.0	100.0
Technical	38.5	57.7	3.8	100.0
Craftsmen & Laborers:	24.6	69.4	6.0	100.0
Fishermen:	5.0	92.5	2.5	100.0
Cannery Workers & Fishing Crew:	6.3	37.5	6.2	100.0
Farmers, Homesteaders:	36.4	63.6	0.0	100.0
Retired, Unemployed:	56.3	27.1	16.6	100.0

Significant relationships are found in each case, with the older people of longer residence, and particularly those who are retired or with jobs as managers or business owners, most supportive of on-shore facilities. The younger and newer resident, including those with jobs in fishing and professional work, are most consistent in their opposition to local oil development. It should be noted, however, that these latter attitudes of discouraging on-shore facilities are shared by a majority of the "average" Homer residents, namely those adults with a median age of 35 and five years of residence in the area. Finally, certain unanticipated results are seen in the relationship of jobs to attitudes when one considers the potential impacts that would occur from oil development: among those who would discourage oil are the craftsmen and laborers who might anticipate the most direct economic benefits, whereas the favorably inclined retired people are most likely to experience the negative effects from an inflationary local economy. Some changes in the attitudes of these groups might be anticipated if the actual effects of on-shore development were to begin to be realized.

SUMMARY: A majority of residents would like to see Homer undergo minimal or limited growth of a slow and gradual nature, with the addition of permanent jobs as a base for a permanent resident population. That Homer residents would favor an

absolute "no growth" economy is erroneous, in that a majority of development activities are favored by most residents. Those activities which they would most like to see encouraged, however, are either those traditional to the local economy (fishing, farming and to a lesser degree tourism) or those based on the concept of permanent employment (light manufacturing, education and research). Rapid growth and heavy industry, a transient population and oil development in general, are opposed. Although these attitudes are most prevalent amid the younger, more recent and rural residents, they are also held by the average resident of Homer.

SECTION III: ATTITUDES TOWARD CITY SERVICES

Four types of questions were asked about services provided in the city. Included was a ranking or evaluation of the adequacy of individual services, preferences for the expansion of individual services in comparison to other services, the public assessment of needs within particular services, and priorities for local funding of service expansion. The format of presenting the information here is to first provide tabulations on evaluations and service priorities; a very brief description is then provided of each service in terms of publicly expressed needs. Since most of the services pertain only to city residents, calculations are based on the sample from within the city limits. All exceptions to this are specifically noted in the tabulations.

1. EVALUATION RATINGS: (How would you rate the following services in Homer - City residents only)

	<u>Less Than Adequate</u>	<u>Adequate</u>	<u>More Than Adequate</u>	<u>Undecided</u>
Police Protection:	16.2%	53.6%	23.7%	6.5%
Elementary Schools:*	7.1	17.6	36.5	38.8
Hospital-Health Svcs:	24.3	61.8	9.8	4.1
Fire Protection:	26.0	60.1	2.3	11.6
Water Service:	31.4	50.3	2.3	7.0
Sewer Service:	30.8	56.4	1.7	11.1
High School:*	25.0	23.2	17.3	34.5
Recreation Facilities:	55.5	34.1	3.5	6.9
Streets:	68.8	29.5	1.7	0.0

(*Obviously not services for which the city is responsible.)

2. SERVICES EXPANSION: Are you in favor of having the city expand the level of services it now provides, maintain these at their present level, or cut back on the services which it now provides:

Cut Back on Services:	3.0%
Maintain At Current Level:	44.0
Expand Level of Services:	47.6
Undecided:	5.4

In contrast to residents in the city, a strong majority of the rural residents (70%) preferred a maintenance of services at their present level; half as many wanted to cut back on the level of services as actually increase them.

3. PREFERENCES FOR TYPES OF SERVICES: Both city and rural residents were asked to list those three city services which they would most like to see expanded, and also those which they would least like to see expanded. Among those which people would most like to see expanded, listed in order of preference by city residents, were:

<u>Order of Most Preferred:</u>	<u>Order of Least Preference:</u>
(high) 1. Road & Street Improvements**	13. Fire Protection
2. Harbor & Port Facilities	12. Ambulance Service
3. Recreation Facilities	11. Roads & Streets
4. Sewer System	10. Health Facilities
5. Tourist & Camper Facilities	9. Sewer System
6. Water System	8. Harbor & Port Facilities
7. Cultural Facilities	7. Water System
8. Fire Protection	6. Recreation Facilities
9. Local Government Facilities	5. Cultural Facilities
10. Police Department	4. Police Department
11. Health Facilities	3. Local Government Facilities
12. Ambulance Services	2. Garbage Disposal
(low) 13. Garbage Disposal	(high) 1. Tourist & Camper Facilities

**Survey was taken prior to completion of paving of Main Street.

b. Rural Residents (Outside City):

	<u>Order of Most Preferred:</u>		<u>Order of Least Preferred:</u>
(high)	1. Harbor & Port Facilities	(low)	13. Health Facilities
	2. Cultural Facilities		12. Fire Protection
	3. Fire Protection		11. Cultural Facilities
	4. Roads & Streets		10. Roads & Streets
	5. Health Facilities		7. Ambulance Service
	6. Recreation Facilities		8. Harbor and Port Facilities
	7. Tourist & Camper Facilities		7. Recreational Facilities
	8. Police Department		6. Garbage Disposal
	9. Ambulance Service		5. Sewer System
	10. Sewer System		4. Water System
	11. Water System		3. Police Department
	12. Garbage Disposal		2. Local Government Facilities
(low)	13. Local Government Facilities	(high)	1. Tourist Facilities

Among conclusions that could be drawn from the above lists are: 1) the high preference given to road and street improvements, particularly within the city where over one-half listed this as among their top three choices; 2) the high priority given to improved port and harbor facilities by residents both within and outside the city; 3) the relatively high priority given to recreational and cultural facilities by both groups; 4) the low priority given to local government facilities (city hall) and expansion in the police department by both groups; 5) the low priority for water and sewage systems expansion outside the city; and finally 6) disagreement over expansion of tourist and camper facilities. Whereas some residents both within and outside the city consider this a relatively high priority, others consider it the least preferred of all services for potential expansion.

4. INDIVIDUAL CITY SERVICES:

a. Roads and Streets: Over one-half the city residents stated the need for improvement in city streets and roads, a priority rating that was close to double that given any other single service. This priority is consistent with the low evaluative rating given to streets, where 69% of the residents felt them to be less

than adequate. On separate questions, over 85% expressed the opinion that more streets should be paved and gravelled, and over 70% expressed favor for the building of storm drains and sidewalks for walking and bicycling. When residents both within and outside the city were asked to state their top two priorities in terms of street improvements, the following responses were recorded:

Type of Street Improvements:

	<u>Homer City</u>	<u>Outside City</u>
Paving Streets:	49.2%	21.8%
Gravelling Streets:	48.6	29.6
Sidewalks and Bikepaths:	41.7	25.7
Storm Drains:	25.5	9.3
Improved Snow Removal:	9.8	14.0
Street Parking:	9.1	38.9
Street Lights:	8.1	3.1
Other:	6.4	7.8

Finally, by a three-to-one ratio, city residents favored the maintenance of off-street parking, as compared to on-street. Although strong preferences were shown for the paving of Pioneer Avenue and the downtown area, priorities were also stated for West Hill Road and other residential streets in the downtown area.

b. Recreational Facilities: The recreational facilities provided by the city were also assessed by the majority of residents as less than adequate, and in need of improvement. Among the recreational and cultural facilities used by most city families were the museum (75% of all families), the school swimming pool (73%), library (60%), High School gym (54%), small boat harbor (52%, excluding commercial use), and the Fairgrounds (47%). Although usage by families living outside the city was lower, it was still significant and indicates the strong ties to the community by these residents: library (52%), swimming pool (50%), museum (46%), small boat harbor (36%, only recreational), gym (33%) and Fairgrounds (13%). New recreational facilities which residents stated they would most like to see are, in order

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of priority: outdoor general use parks, a community center, tennis courts, teen center, indoor sports facilities such as a covered hockey rink, and an auditorium. Finally, 82% of the total area residents were in favor of reopening the wharf for public fishing and shrimping, and 73% to the maintenance of the Pier I Theater.

c. Sewer and Water Systems: Sixty-five percent of the city residents were using the city water system and 53% stated that they were on the city sewer system. For city residents not on these systems, wells and septic tanks were used by a large majority. Among all city residents, general attitudes were favorable toward expansion of both water and sewer systems (59%); however, only minorities were in favor of either increased taxes to pay for expansion (43%) or increased development to reduce the unit costs of expansion (37%). Surprisingly, the attitudes of residents within the city who are not on water or sewer systems differ little from those who have these services. Although majorities would like to have water and sewer systems expanded (58% and 60%), they are less favorable toward the assessment of taxes as payment for these (47% and 49% respectively), and even less favorable to an increase in local development for the purpose of reducing unit costs (25% and 24%).

Residents outside the city, even excluding those in Anchor Point, Nickolaevsk and across the Bay, were strongly opposed to the expansion of water or sewer systems to incorporate their areas (77% and 82% respectively); even larger proportions opposed both taxation and increased development to offset costs of these potential utility expansions.

d. Fire Protection: Probably due to its high "adequate" rating, no major endorsements were given for changes in fire protection. Two-thirds of the city residents preferred to see the fire department maintained on a volunteer basis

rather than with professional staff. However, 46%, with another 29% undecided, favored the addition of more equipment to the fire department, with the largest proportion of these citing the need for a new or additional truck. Opinions were evenly divided pro and con on the addition of more staff or equipment to the ambulance service, although there was also a large proportion of no opinion answers. Almost two-thirds of the residents in the immediate area outside the city limits considered themselves outside of a fire protection service area, and slightly over half of these would like to be affiliated to such a service area.

e. Hospital and Health Services: No strong concerns were voiced regarding changes in health care, although 32% of those expressing opinions stated the need for additional doctors. The addition of specialists to the hospital staff, more emergency equipment and a community health program were also cited as needs by over 15% of those who responded. A wide variety of responses were generated concerning what should be done with the old hospital. Included among these were: utilizing it for office space for the city and borough (19%); a community health center (16%); nursing home (16%); free clinic (15%); and community center (10%).

f. Police Protection: Probably due to its high adequacy rating, the police department was also ranked low in terms of priorities for expansion. Among city residents, for example, only 16% felt that the number of police on the city force should be increased. In spite of this, a plurality of city residents felt that more police time should be spent on crime prevention and patrolling, particularly in terms of security on the Spit, and over one-third that they should increase time on criminal investigations and the enforcement of civil regulations such as trespassing and drinking by minors. There were no activities, including traffic control, where significant numbers felt that police attention should be reduced.

Felony offenses, particularly theft, and drug related crimes constituted those types of crimes of greatest concern to the city public. In contrast, over 60% of the rural residents would like to see more police serving areas outside the city limits, although there was overwhelming agreement that this should be performed by the state police (90%). In these areas, theft and vandalism were the crimes of greatest concern.

g. Port and Harbor Facilities: Along with roads, harbor and port facilities were those given the highest overall ranking for expansion, particularly by rural residents. Widespread use of the harbor facilities obviously accounts for this: 59% of the city residents use the small boat harbor (27% on a commercial basis), but it is also used by 52% of the rural residents (32% commercially). In addition, a full 70% of the total area residents stated that they anticipated using the harbor within the next five years.

As stated in Section II, strong preferences exist for giving fish and fish processing priority for development on the Spit, followed by tourism and finally non-fishing industry. These attitudes are held even more strongly by actual users of the small boat harbor. In general, development facilities were encouraged as long as they did not compete with this primary utilization of the limited land and port facilities. As such, wharf fishing and the Pier I Theater are strongly favored by harbor users; potentially competitive usages are not, such as private campgrounds (51%), an amusement park (18%), storage facilities for off-shore oil exploration (18%), general shopping mall (16%), oil storage and tanking facilities (16%), and large commercial hotels (13%). Facilities that will contribute to the commercial use and conservation of the small boat harbor are strongly endorsed by users, such as dry dock and boat repair facilities (34%), additional fish proces-

sing facilities (92%), installation of storage and treatment tanks for bilge slops (85%), dry boat storage facilities (83%), stronger enforcement on oil and sewage discharge (79%, also favored by 82% of the commercial users), and warehouse facilities for commercial port usage (60%).

Residents using the harbor on a commercial basis favor these latter items to a slightly stronger degree, while the attitudes of residents who do not use the small boat harbor tend to be generally less supportive, and somewhat more favorable to general industrial and petroleum use. This is particularly true of the development of a new deep water off-shore harbor, favored by 63% of the general public but by only 54% of both the commercial and recreational harbor users. Minimal differences exist in attitudes between city and rural users of the harbor, outside of the fact that 59% (with an additional 20% undecided) of the non-city commercial users favor greater representation from the rural area on the present Port Commission.

h. Education: Although education is not a function provided by the city, its local importance merits inclusion. However, no conclusive changes in policy were noted from the survey, other than a strong desire for more vocational training at the high school level (74% of the city residents expressing an opinion; as compared to "less" or "current" levels of vocational training). Smaller majorities of those responding favored the retention of present class sizes (54%) and an expansion in cultural programs and activities (51%). Only a small minority favored the present level of student planning and choice in curriculum, however present policy apparently represents a good compromise in that equal numbers endorsed less, and more, choice in student planning of their own curriculum. On all questions attitudes of rural residents in the Homer attendance area very closely paralleled

those within the city, although they showed less conclusive support for the construction of new school buildings than city residents (42% and 54% respectively, although with a large proportion of undecided residents). Both groups had also been equally active in the community school program, in which over one-third of the residents had been involved. The only potential area of disagreement was the attitude of 60% of the rural residents that their representation on the Advisory School Board should be increased.

4. TAXES AND FUNDING OF SERVICES: Although residents stated a desire to maintain the current level of many services, definite preferences were expressed for the expansion of certain ones, and the costs of these generally are bound to increase. To assess attitudes toward mechanisms for raising additional revenues, residents were simply asked which method of taxation they most and least preferred. The attitudes, which show a preference for sales taxes and service rate charges, and opposition to increases in personal property taxes, are shown below:

a. Most Preferred Method of Raising Additional City Revenues:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
Real & Personal Property Tax:	6.4%	11.7%	9.5%
Sales Tax:	50.0	38.5	43.3
Service Rate Charges:	26.4	32.5	29.9
Other:	7.4	6.1	6.6
Undecided:	9.8	11.2	10.7

b. Least Preferred Method of Raising Additional Revenues:

Real & Personal Property Tax:	60.4%	63.4%	62.3%
Sales Tax:	13.0	24.6	19.6
Service Rate Charges:	17.1	10.2	13.1
Undecided:	9.5	1.8	5.0

In addition, residents felt strongly that the city should charge for services, particularly to outsiders. For example, although 76% of the total area supported

the maintenance of public camp grounds by the city where a fee is paid, only 19% supported the maintenance of such areas without fees.

SECTION IV: ZONING AND LAND PLANNING

Questions related to land use on the Spit have already been presented and will not be repeated here. However, a variety of other land use policies are important to the community and questions were asked on a number of these. As areas they included: 1) the maintenance of natural park lands in the Homer - Kachanak Bay area; 2) industrial and residential zoning within the city; 3) the location of potential on-shore oil facilities; and 4) several final comments on tourism.

1. PARKLANDS: The natural beauty of the open lands surrounding Homer is obviously great, and 87% of the combined city and rural residents stated that this was very important to them. An identical proportion, equal for both city and rural, felt that state parks or other means should be maintained to protect these lands in their undeveloped state. Attitudes of area residents toward logging and mining on these lands are given below:

a. Attitudes Toward Park Land Use:

	<u>Favor</u>	<u>Oppose</u>	<u>Undecided</u>
Should Be Open to Logging:	33.5%	59.8%	6.7%
Should Permit Clearcutting:	10.6	82.0	7.4
Should be Open to Mining:	42.0*	51.7	8.3

*(Many of the favorable answers were stated conditionally, favoring prospecting and placer mines, and opposing open or strip mining.)

As seen below, a majority felt that these lands should be managed and controlled by the state, although there was considerable support for joint management or input from the city and Kenai Borough levels, in addition to opposition for the autonomy of federal management:

b. Control and Management of Park Lands: Who should perform this?

	<u>Opposed</u>	<u>Favor</u>	<u>Undecided</u>
City (Homer):	68.1%	24.2%	7.7%
Kenai Borough:	69.1	23.3	7.7
State of Alaska:	30.2	62.1	7.7
Federal:	82.5	9.8	7.7

2. ZONING WITHIN THE CITY: As seen below, overall attitudes toward city zoning appear to be favorable, with a majority stating preference for a moderate zoning policy and only a very small number for an absence of zoning:

a. Type of City Zoning Preferred:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
No Zoning:	6.0%	11.9%	9.4%
Very Weak or Limited Zoning:	9.5	9.3	9.4
Moderate Zoning:	54.8	60.2	57.9
Strong Zoning:	26.2	12.7	18.3
Undecided:	3.6	5.9	5.0

These attitudes, however, tend to be specific, favoring zoning for an industrial site and for multiple unit dwellings, but without placing locational controls on businesses and individual residences:

b. Establishment of Industrial Site Area for All New Industry:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
Favor Industrial Site:	79.4%	71.2%	67.3%
Oppose Industrial Site:	14.7	19.5	15.8
Undecided:	5.9	9.3	7.1

c. Residential Zoning for Multiple Unit Dwellings:

Favor Multiple Unit Zoning:	71.2%	71.8%	71.5%
Oppose Multiple Unit Zoning:	24.1	23.9	24.0
Undecided:	4.7	4.3	4.5

d. Zoning to Encourage All New Businesses to Locate Downtown:

Favor Business Centralization:	44.0%	39.5%	41.3%
Permit Businesses to Decide:	48.3	51.3	50.2
Undecided:	7.2	9.2	8.4

e. Encouragement of Locating New Residential Areas in Downtown Area:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
Encourage Downtown Development:	14.3%	20.7%	18.0%
Permit Residences Where People Choose:	80.4	73.3	76.3
Undecided:	5.4	6.0	5.8

f. City Encouragement of Subdivision Development:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Homer Area</u>
Encourage Subdivisions:	56.0%	31.8%	42.2%
Discourage Subdivisions:	31.9	58.2	45.9
Undecided:	12.0	9.9	10.9

Even though the attitudes of rural residents are favorable toward some aspects of zoning within the city, their attitudes are quite different in regard to zoning in rural areas. Here 43% of the rural residents favor no overall zoning restrictions on the part of the Borough, and only 37% favor moderate or strong zoning policies. This should not, however, be interpreted as opposition on the part of rural residents to all forms of Borough regulations, since the question did not address itself to specific areas of industrial zoning.

3. POTENTIAL ON-SHORE OIL FACILITIES: Although local public attitudes are opposed to oil facilities in Homer in general, and on the Spit in particular, zoning questions were asked, should on-shore development take place. Responses for both city and rural residents showed preferences for having the oil facilities themselves located outside or away from town, and on land leased to the oil companies by the city or Borough; on the other hand preferences were also stated for oil company workers to actually live in Homer.

a. Preferences for Facility Locations, Should Oil Development Occur Locally:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Area</u>
Located In City Limits:	24.4%	27.7%	26.4%
Located Outside City:	57.6	41.9	48.1
Won't Consider Option:	11.0	13.8	12.7
Undecided:	7.0	16.5	12.7

b. Preferences for Oil Facility Leases on Private or Public Land:

	<u>Homer City</u>	<u>Outside City</u>	<u>Total Area</u>
Private Land, Owned or Leased to Companies:	19.5%	17.3%	18.1%
Publicly Leased Land (City or Borough):	57.9	61.0	59.8
Won't Consider Option:*	6.5	12.8	10.2
Undecided:	16.4	8.8	11.9

c. Preferences for Oil Workers Living in City or Away From City:

Living In Homer:	43.8%	43.5%	43.6%
Living Away from Homer:	22.5	25.2	24.1
Won't Consider Option:*	15.9	20.8	18.8
Undecided:	17.8	10.6	13.5

(* This category composed primarily of individuals strongly opposed to oil development who are against facilities being built either in or outside the city.)

Finally two questions were asked of slightly different samples. The first recognizes the use of Homer as the major service center for the southern Kenai Peninsula and consequently the importance of attitudes of residents outside of the area encompassed by the city and survey-defined rural area. Exclusive of Seldovia, where the question was not asked, the combined residents of Ninilchik, English Bay and Port Graham opposed the location of on-shore facilities in Homer in the following proportions:

d. Preferences for Location of On-Shore Oil Facilities in Homer by Residents of Ninilchik, English Bay and Port Graham:

City Should Encourage Oil Facilities in Homer:	31.8%
City Should Discourage Oil Facilities in Homer:	54.6
Undecided or No Opinion:	13.6

In addition a question was added to the questionnaire following completion of the Homer City interviews, asking all rural residents their preference for the centralization of all Lower Cook Inlet on-shore facilities in a single community such as Kenai, or the dispersal of these facilities into various communities

of the southern peninsula in accordance with individual community choice. The results showed a fairly strong preference for the centralization in Kenai among rural Homer area residents, and also a weaker preference for this among the combined residents of Ninilchik, Seldovia, English Bay and Port Graham. It should be cautioned, however, that these tabulations do not include the city residents of Homer, who if consistent with other attitudes would have been less favorable than the rural residents to on-shore centralization in Kenai:

e. Preference for Location/Centralization of Lower Cook Inlet On-Shore Oil Facilities:

	Homer Rural Area	Non-Homer Rural Area
Centralization in Kenai:	67.9%	53.2%
Dispersal to Various Communities in Accordance With Choice:	28.1	39.9
Undecided:	4.0	6.9

Taken together, the answers to all oil facility questions indicate that public opinion was consistently opposed to on-shore facilities at the time the survey was taken.* This does not of course mean that attitudes cannot change. Changes in the technology or policies of oil companies could conceivably change the perceptions which some residents hold. However one factor appears to be crucially important at present. This is that opposition to oil represents a divisive force within the community and that any immediate action taken to initiate facilities would probably only serve to increase this level of antagonism. Two options appear possible, assuming Lower Cook Inlet exploration and development actually occurs. The first would be to follow majority opinion and oppose the establishment of on-shore facilities in Homer, while encouraging the location of these in a community such as Kenai. The second would be to achieve a greater

*It should be noted that interviewing in Homer was completed just prior to the initial unsuccessful effort to remove the Ferris.

consensus in support of those facilities that might be located in the local area. Essential to this would be public discussion and the elaboration of local regulations that would control the oil industry and thereby provide safeguards to guarantee maintenance of the present quality of life. A fairly strong consensus appears to exist that if oil development should occur in Homer, that it must be closely controlled and regulated. Answers to various questions indicate that the city should play a very active role in determining the specific conditions and locations under which on-shore facilities might be developed.

4. TOURISM: Although tourism ranked relatively low in terms of economic activities that residents felt should be encouraged, a majority of residents favored its development, albeit city residents more so than rural. Attitudes on developments related to tourism, particularly on the Spit, have already been mentioned and need not be repeated. What does appear relevant are the generally favorable attitudes toward land use and facilities that would cater rather specifically to the tourist (such as private and public campgrounds, as long as payment was received for the latter) and their overlapping with other local activities strongly favored by the Homer resident. The mutual participation in outdoor recreational activities are one example of this. Another not mentioned previously is the strong local preference stated for the small owner-operated business over the larger corporate stores, which would also be consistent with tourist use. However, many other issues exist, such as strong local participation and/or preference for outdoor parks, the Pier I Theater, dry boat storage facilities, the Museum and library, public wharf fishing, and sidewalks and bike trails. Sponsorship of these type facilities would not only meet needs expressed by the local public but provide attractions for the visiting and summer tourist, and they might well be given consideration for additional attention and development by the city. On the

other hand, opposition would be expected to the development of a large scale tourist industry that lacked consistency with local recreational life styles and which competed for limited land use.

SECTION V: SUMMARY

In brief form this concludes the information provided by the survey. As stated in the introduction, it is not our intention to pursue an analysis of this and it would be overly precocious for us to make policy recommendations on the basis of it. Our intention has been merely to provide a systematic assessment of attitudes which we hope many will be able to utilize and from which we believe specific policies can be generated. To a very limited degree, this may already have occurred, in that high school students who did much of the interviewing emerged with greater knowledge about their town. It is neither assumed nor anticipated that the attitudes described here will remain constant. It is hoped, however, that they will help promote both knowledge about the community and the discussion or thought that is essential for creative planning to occur. Only in this way can change be self-promoted and meet the common human needs of the community.

The population of Homer is a relatively new and young population with a strong tenacity for individual life styles deeply influenced by the traditional resource base. It would be very erroneous to imply that many of the attitudes expressed in the survey are totally negative, particularly those associated with on-shore oil, or that they merely reflect an idealistic desire to preserve traditional life styles alone. A small minority of individuals may hold these, and they would probably be paired with as many others who would oppose them vehemently on every issue. A more representative element of the public, however, appears

to be one positively oriented toward changes that will selectively enhance those elements of the community that are consistent with basic values. From the survey, many of these values are closely tied to aesthetic appreciation of the land and Bay, its fishing economy and recreational - subsistence use, and close affinity for qualities of small town life. If residents in Homer are to maintain control over the future of their town, potential developments that are endorsed must be consistent with these resources and values.

Testimony given before the Senate Resources
Committee in consideration of Senate Version
of House Bill 192 and Senate Bill 199 regarding
the repurchase of oil leases in Kachemak Bay
on the Kenai Peninsula.

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April 1, 1977

We have prepared the following testimony at the request of Senator Chancy Croft. The information which we are presenting is derived from a survey of attitudes toward growth and development in communities of the Lower Kenai Peninsula.

The survey was conducted during the summer of 1976 under a grant from the Alaska Humanities Forum and administered through the Institute for Social and Economic Research. It was coordinated through the Kenai Peninsula Borough and through local community or city administrations and Planning and Zoning Commissions. Respondents were selected through scientific random sampling methods and were all interviewed in person by university-trained interviewers. In total 395 individual household heads were interviewed from the communities of Ninilchik, Anchor Point, Nikolaevsk, Homer, Seldovia, Pt. Graham, English Bay and various outlying homesteads of the Kachemak Bay area. Although the survey dealt specifically with attitudes toward growth and development, including on-shore facilities from CCS development in the Lower Cook Inlet, and not the Kachemak Bay leases themselves, we feel that responses to questions can be used to reflect local attitudes toward repurchase of the leases. For your information we have included copies of two reports written from this survey pertinent to the communities of Homer and Seldovia.

The results of the survey indicated an overwhelming preference for the preservation and development of fishing resources in Kachemak Bay. Over 95% of the residents interviewed favored local community encouragement of fishing and fish processing, and when asked to prioritize development alternatives (such as tourism, light manufacturing, transport and oil development, etc.), the top priority was again overwhelmingly given to fishing. In contrast, a majority of 61% (with 8% undecided) of the area residents opposed the encouragement of on-

shore supply facilities in the Kachemak Bay area for off-shore oil development; even larger proportions opposed more extensive on-shore facilities such as liquification or refining plants. Similarly, on-shore oil developments were consistently cited by a majority of local residents as the least desirable type of local economic activity. Although the questions were asked in reference to Lower Cook Inlet oil development on potential federal off-shore leases, the results would have in all probability been stronger in relation to state leases in the Bay; various residents who favored on-shore oil development from the off-shore leases stated as asides that they had been opposed to exploration and drilling within Kachemak Bay.

Answers to various other questions on the survey validate those already mentioned. In the Homer area, for example, 76% of the residents stated that preferences should be given on the Homer Spit for fishing and fish processing facilities, as compared to 9% who favored industrial usage such as that related to oil development. Similarly 78% opposed the location of oil storage and tanking facilities on the Spit, and 70% opposed warehousing and equipment storage facilities on the Spit for oil exploration.

We feel confident in saying therefore that a strong majority are opposed to oil development in the Kachemak Bay area. In addition, the results were found to be surprisingly uniform across the various community, population and occupational groups in the area. Naturally, fishermen are strongest in their opposition, but these attitudes were also shared by a majority of natives, professionals, technicians, and even laborers. The only groups showing relatively consistent preference for on-shore development were the older and longer-term residents of the area, and those whose occupations are managers or owners of businesses in the area. Among these particular groups significant support

does exist for off-shore oil development and local on-shore facilities, and in all probability similar attitudes would prevail toward oil development within Kachemak Bay. However, these positive attitudes toward oil development appear to be specific to quite particular groups and are definitely not reflective of the overall public opinion of maintaining the local economy on its present resource base. As a final comment it should be added that whereas the study showed that a minority within the Kachemak Bay area are opposed to any type of economic growth, the vast majority expressed attitudes in support of growth as long as the economic activities were consistent with maintenance of the present resource base.

On the basis of the attitudes determined through the survey, we would obviously conclude that a strong majority of local residents favor maintenance of Kachemak Bay in its present state, and consequently repurchase of the state leases. We hope that the opinions obtained from this research are useful to you and the Senate in the making of decisions concerning Kachemak Bay.

Oral Statement
Nicholas J. Gangl
Senate Resources Committee
Juneau, Alaska
April 1, 1977

MADAME CHAIRMAN, MEMBERS OF THE COMMITTEE:

MY NAME IS NICHOLAS GANGL. I came to Alaska in 1962 from Wyoming. I worked on the White Alice Communications System as a technician. In 1962 I was assigned to the site at Kotzebue where, along with several of my co-workers, we operated a set net site for salmon. During the summers of that time we sold the fish for 12¢ each. Now these same fish are selling for 65¢ a pound.

In 1965, I had the opportunity to transfer to Homer. The company also had openings for me in Anchorage and Madrid, Spain which I declined because I wanted to make Homer my home. I have subsequently acquired and developed real estate property in the area, including cemetery lots for myself and my wife. I expect to be here for some time.

I am a member of the Homer Advisory Planning Commission, a member of the Kenai Peninsula Borough Planning Commission, and a member of the Parks and Recreation Council, Kachemak.

I am sincerely concerned with the economic welfare and the best interests of the whole community, and the highest and best uses of our land and resources for the benefit of all.

The repurchase of the Kachemak Bay Leases would be a tremendous loss due to the following:

1. Loss of the moneys to buy back the leases which come from the General Fund, thus depriving the citizens of the State of Alaska the benefits that could otherwise be derived from that amount of money, such as additional roads and road improvements, harbor and port facilities, fishery improvements, etc. which are so badly needed.

2. If the Kachemak Bay Leases produced the oil and gas that is estimated to be there, it would benefit the local community immeasurably, due to the availability of these energies to generate electricity. It would double the useful efficiency of the fishing industry, providing the economical energy for drying the fish wastes. Thus the wastes could be processed and ground into commercially useable fertilizers. These wastes now present a disposal problem and add to the pollution of our environment and could be a boon to the local agricultural community for the development of heated green houses for year around commercial produce production, which has been demonstrated as being feasible by way of experiments in Soldotna.

3. Loss of royalty income to the State, which would be generated from these leases.

4. Loss of the tax revenue which would accrue to the borough by way of assessed taxes on this oil field equipment.

5. If the buy-back funding is approved the federal land adjacent to the Kachemak Bay Leases are going to be leased anyway. The oil in the state land will be drawn off through production on these federal lands and the state will receive nothing from it. Not to mention, the potential losses of economic benefits to the community as a result.

If HB 192 is approved, there are still some 16 other leases to other companies and individuals that have not been settled.

The oil industry does have the technological ability to properly protect the critical habitat area and drill safely without damaging the environment. The state does have the enforcement capabilities to see to it that it is properly done.

It is unfortunate that the accident of the Ferris and the excessive over exaggeration of the small amount of oil lost or spilled from the Ferris has resulted in the buy-back action. However the unrecovered

oil lost from the Ferris was less than 200 gallons. It is interesting to note that the amount of two-cycle outboard oil distributed by Standard Oil in Homer for one season is 1300 gallons, which is less than one-fifth of that sold, or used in this area. Some 5,000 gallons of outboard oil is spewed out into the bay each year from the Homer area. This is 25 times more than that lost from the Ferris alone. Not to mention that the fishing boats are now buying large quantities of detergents to flush and clean their bilges, and mix with their waste oils. This holds the waste oil in suspension and is not seen or detected as a sheen when pumped out.

I believe it would be irresponsible to buy back these leases, and a misuse of state funds to do so.

In the best interests of the community, the state, and the nation, I sincerely urge you to reject funding for HB 192.

Thank You,

April 1, 1977

Senator Kay Polland, Chairman
Senate Resources Committee

TESTIMONY ON A.B. 192, SENATE BILL 199

I am against the present policy on regulating and preserving the natural resources in Kachemak Bay for two reasons:

1. The limited entry law was passed, using half truths and false advertising. In no way does this law limit or preserve the fish resources in the Bay. It only limits the number of fishermen.

The only way to preserve the fishery is to see that an adequate number of each specie gets to spawn. After that, it should be up for grabs as to who catches each fish. If the State is going to limit the number of commercial fishermen, it should also limit the number of sport fishermen. In either case, I do not feel the State has the right to tell me I cannot fish, but you can.

2. The oil lease buy-back is justified by innuendo and supposition, not fact. There is no place on the surface of this world where the development of an oil industry, offshore, has depleted a fishery. The North Sea is a much larger and diverse fishery than Kachemak Bay, and yet none of the people who are against the Kachemak Bay development have been able to show where oil development has hurt that fishery. The same is true about the Gulf of Mexico. In fact, the shellfish production is more since the oil platforms have moved in.

A big hullabaloo was made when the Ferris was to be moved out of the Bay. Under the worst possible circumstances, the barge sinking, the legs of the rig having to be blasted off, and oil having to be transferred and hauled ashore, the control was so good that there is more oil spilled by the fishermen in the small boat harbor each day than was lost on the Ferris.

The only leases that the State can stop are those within the area the State controls; hence, the Inlet is going to be developed in spite of the State. It is always more reasonable to encourage and control development than to have someone else control it and shove it down your throat. There is no way Alaska can stop potential oil development in this energy-hungry world.

Last, the worst accident that could happen, as far as Kachemak Bay is concerned, is for a super-tanker to be wrecked in the Lower Inlet. With controlled development in the Inlet, there will be containment equipment available to take care of a spill, and limit the contamination. With no development, this equipment will not be here.

If such a spill did take place, and 75% of all the shrimp, crab and clam fishery in the Inlet was destroyed, with modern hatchery methods and shutting down the season for three or four years would build it back to normal.

It would be far more economical if such a catastrophe did happen to charge the perpetrator for the loss of income than for the State to pick up the tab before anything happens, betting that it will, and charging us taxpayers for the cost.

Thank you for listening.



R. Andy Johnson

SENATE RESOURCES COMMITTEE
TESTIMONY REGARDING REACQUISITION OF LEASES IN KATCHEMAK BAY
SHARRON LOBAUGH

ALASKA CONSERVATION SOCIETY
APRIL 1, 1977

LAST YEAR, I SAT IN ON ALL HEARINGS ON THIS ISSUE WHICH CONSUMED ABOUT A FULL TWO WEEKS OF LEGISLATIVE TIME. I DID NOT TESTIFY PRIMARILY BECAUSE THERE WERE COUNTLESS WITNESSES ON BOTH SIDES AND THE CONSERVATION POSITION WAS WELL KNOWN BY MANY PIECES OF CORRESPONDENCE.

I AM HOPING TODAY, TO TAKE A FEW MINUTES OF YOUR TIME TO RESTATE SOME OF THE TESTIMONY OF LAST YEAR PRIMARILY BECAUSE THE SENATE DID NOT HAVE THE FULL BENEFIT OF THE MATERIAL AS MOST OF THE HEARINGS WERE HELD IN THE HOUSE RESOURCES COMMITTEE.

THE MOST IMPORTANT THING NOW SEEMS TO BE THAT THE LEGISLATURE DID ENACT ENABLING LEGISLATION FOR THE REACQUISITION OF THE LEASES AND THE STATE AND STANDARD OIL THE MAJOR LEASE HOLDER, HAVE NEGOTIATED IN GOOD FAITH AN AGREEMENT THAT SHOULD BE HONORED. THE ACTUAL COST OF THIS AGREEMENT TO THE STATE IS 12 M. AND THE REMAINING 9 M. WILL BE USED FOR TAX CREDITS.

BRIEFLY, THE HISTORY IS ONE OF FLAGRANT ABUSE OF GOVERNMENTAL POWER. THE PEOPLE OF KATCHEMAK BAY HEARD RUMORS IN THE FALL OF 73 THAT THERE WAS A PROPOSED LEASE SALE IN COOK INLET. GOVERNOR EGAN TOLD THE MAYOR AT THAT TIME PAUL JONES THAT THE LEASE SALE WAS NOT GOING TO INCLUDE KATCHEMAK BAY AT THIS TIME. HOWEVER, ONLY 10 DAYS BEFORE THE LEASES WERE SOLD ON DEC. 13 THE RESIDENTS LEARNED THE BIDS HAD BEEN SOLICITED WITHOUT A PUBLIC HEARING. 300 PERSONS PETITIONED FOR A HEARING IMMEDIATELY.

THEIR PETITION WAS IGNORED.

THE ASSEMBLY OF HOMER NOR THE PLANNING COMMISSION HAD EVER BEEN CONTACTED REGARDING THE PLANNED IMPACT.

FISH AND GAME WAS ONLY GIVEN 3 DAYS TO RESPOND TO THE PLANNED SALE **OBVIOUSLY THEIR COMMENTS WOULD BE IGNORED.

AFTER THE SALE THE LEGISLATURE HELD HEARINGS AND WAS TOLD BY THE GOVERNORS OFFICE THAT THERE WAS A "CLOUD OF DOUBT" ABOUT THE APPROPRIATENESS OF THE SALE BUT THE GOVERNOR JUST COULDN'T FIND THE MONEY TO REPURCHASE THE LEASES. WHEN ASKED WHY THE PETITIONERS WERE DENIED A HEARING THE GOVERNORS OFFICE REPLIED: "THEY MADE NO SPECIFIC COMPLAINT IN THE TELEGRAM."

COMMISSIONER HERBERT WHEN ASKED WHY HE WOULD JEOPARDIZE THE FRAGILE BLUFF POINT HABITAT REPLIED THAT HE WAS NOT AWARE OF THE VALUE OF THE FISHERIES OF THE AREA.

THE LEGISLATURE ENACTED CRITICAL HABITAT LEGISLATION FOR KATCHEMAK BAY .

WHILE MOST OF YOU ARE KEENLY AWARE OF THIS HISTORY, MANY OF YOU MAY NOT BE AWARE OF WHAT HAPPENED LAST YEAR WHICH CHANGED THE CIRCUMSTANCES. AS ONE HOUSE MEMBER ASKED "WHAT DO WE KNOW NOW THAT THEY DIDN'T KNOW IN 1973?"

ALOT MORE INFORMATION IS KNOWN TO VERIFY THE CRITICAL HABITAT STATUS OF KATCHEMAK BAY, ALOT MORE IS KNOWN ABOUT THE PRODUCTIVITY AND ALOT MORE IS KNOWN ABOUT THE VALUE TO THE ECONOMY.

COMMERCIAL FISHERMEN ROSILEE MOORE MADE THESE ASSESSMENTS:

IN WHOLESALE VALUE 3.2 MILLION POUNDS OF FISH PRODUCTS WERE CAUGHT LAST YEAR. \$7.3 MILLION DOLLARS OF WHOLESALE VALUE BRINGS \$3.5 MILLION IN REVENUE TO THE STATE FOR THE FISH TAX.

THE CATCH INCLUDED:

70,000 # dungeness (56 vessels)
160,000 # king crab (80 vessels)
1,100,000 # tanner (53 vessels)
7,100,00 # shrimp (40 vessels)
900,000 # salmon (60 vessels)
 halibut (13 vessels)
48,000 # shrimp (11 vessels)

5-10,000 persons are directly employed by the fishing industry.

LIMITED ENTRY PERMITS INCLUDE:

511 gillnetters
251 seiners
100 crabs
800 kelp
100 herring

*Fishing
is*

HER SUMMARY STATEMENT WAS THAT ~~WE ARE~~ JUST AS VALUABLE AN INDUSTRY TO THE STATE IN THE LONG RUN.

THE PRODUCTIVITY OF THE BAY WAS ATTESTED TO BY THE DEPARTMENT OF FISH AND GAME BIOLOGIST LOREN FLAGG. THESE ARE SOME OF HIS COMMENTS:

500 Millicia shrimp LIE OFF THE BLUFF POINT AREA. BIOASSESSMENT STUDIES OF PLANKTON IN APRIL AND MAY SHOW 507 BILLION LARVA ARE ANNUALLY RELEASED IN THIS AREA WHICH MIGRATE OUT INTO THE BAY. BECAUSE LARVAL FORMS ARE NOW SPECIFICALLY IDENTIFIABLE, WE HAVE DETERMINED THAT POST LARVAL NUMBERS AVERAGE 35 MILLION PER SQUARE MILE IN THE BAY. WE HAVE REASON TO BELEIVE THAT THIS PARTICULAR BODY OF WATER MAY BE ONE OF THE MOST PRODUCTIVE ~~IF~~ ~~NOW THE MOST PRODUCTIVE~~ FOR SHELLFISH IN THE WORLD.

NOT ONLY IS THIS AREA SIGNIFICANT FOR THE REARING GROUNDS FOR 3 SPECIES OF CRAB, & SHRIMP BUT IT ALSO SUPPORTS REARING AREAS FOR 5 SALMON SPECIES AS WELL AS HALIBUT AND HERRING. TAGGING HAS ALLOWED US TO SHOW THAT SOME OF THESE FISH ARE CAUGHT OFF BANNER POINT ISLANDS.

HOWEVER, BEDAUSE OF A PARTICULAR TIDAL SITUATION WHICH EXISTS
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DUE TO THE SWIFTESS OF THE COOK INLET EXCHANGE, THE WATER IS ESSENTIALLY THE SAME WITHIN THE BAY AT ALL TIMES. IN OTHER WORDS IT DOES NOT MIX WITH THE COOK INLET WATERS BUT WILL RE*-CIRCULATE WITHIN THE WATER COLUMN OF KATCHEMAK BAY.

2.6% OF THE WATER OF COOK INLET THEREFOR PRODUCES OVER 60% of the FISH.

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MANY TIMES WE HAVE HERRD THAT OIL IS COMPATABLE WITH ENVIRONMENTAL CONCERNS AND SOME HAVE EVEN CLAIM THAT THE BIODEGRADABILITY OF CRUDE OIL ACTUALY ENHANCES THE PRODUCTIVITY.

WE BELIEVE THERE IS SUBSTANTIAL EVIDENCE TO THE CONTRARY. THE MOST CURRENT RESEARCH WITH THE NORTHERN ENVIRONMENTAL CONDIDTIONS IS THE WORK DONE BY RICE OF NATIONAL MARINE FISHERIES THROUGH A GRANT FROM STANDARD, MARATHON, PHILLIPS AND TEXACO AND RELEASED ON APRIL 5 OF LAST YEAR.

DR. RICE TESTIFIED THAT THE VOLUME OF OIL IS NOT AS IMPORTANT A VARIABLE AS THE MIX OF TOXINS IN THE WATER COLUMN. THE RESEARCH INDICATES THAT AMOUNTS OF LESS THAN .1 ppm KILLS LARVAL FORMS OF SHELLFISH. WHILE THERE IS NOT ENOUGH INFORMATION

AT THIS TIME AS TO HOW MUCH OIL CAN BE EXPECTED TO PRODUCE THIS RESPONSE IN THAT PARTICULAR BAY, IT CAN BE ASSUMED FROM THIS STUDY THAT A VERY ~~VERY~~ MINUTE AMOUNT IS HIGHLY TOXIC TO LARVAL FORMS. MANY VARIABLES SUCH AS SEASON OF THE YEAR, TIDE, TEMPERATURE OF THE WATER, WIND, WEATHER ETC WILL AFFECT THE DISPURSEMENT OF OIL.

OF THE 260 REPORTED SPILLS IN COOK INLET WHICH HAVE BEEN RECORDED BY EPA, 142 WERE CAUSED BY INDUSTRIAL CARELESSNESS. THE 10,000 GAL TRADING BAY SPILL DEMONSTRATED THE DIFFICULTIES OF CLEANUP ACTIVITIES BECAUSE OF ICE, WAVES AND WIND. PARTICULAR RISKS TO ESTUARIAN AREAS ARE EVIDENT AS MOST OIL WINDS UP ON THE BEACH WITHIN 15 MINUTES. THE TORREY CANYON SPILL IN 1967 KILLED A CONSERVATIVE ESTIMATE OF 10,000 BIRDS. HATCHING OF EGGS HAS BEEN SERIOUSLY AFFECTED SINCE THIS DISASTER. FOLLOW UP STUDIES OF THE MARINE LIFE SHOW THAT THE FLESH ^{of fish with oil in it} ABSORBS THE OIL FLAVORS. HOWEVER A VITAL GAP IN KNOWLEDGE EXISTS AS TO ITS LONG RANGE AFFECT ON PHYTOPLANKTON. KELP FOR EXAMPLE IS DESTROYED BECAUSE PHOTOSYNTHESIS IS REDUCED. OIL AT VERY LOW CONCENTRATIONS MAY NOT AFFECT THE ADULT SPECIES BUT GREATLY AFFECT WHOLE ECOSYSTEMS**SENSITIVE SPECIES MAY EVENTUALLY DECLINE WHILE RESISTENT ONES FLOURISH¹

THE SPILL OF THE METULA ON AUG. 9 1974 PROVIDED A SUPERTANKER SPILL WHICH CAN BE USED FOR COMPARISON TO ALASKAS SITUATION BECAUSE IT OCCURRED IN A SPARCILY POPULATED S.AMERICAN BAY WHOSE WATERS RECIRCULATE MUCH THE SAME AS THOSE IN KATCHEMAK BAY. 53,550 TONS OF OIL WERE SPILLED. OIL COMPANY BIOLOGISTS INDICATED THAT THE OIL WAS CARRIED BY CURRENTS OUT TO SEA BUT ^{EPA} OTHER BIOLOGISTS CONFIRMED THAT MOST OF THE OIL WENT DIRECTLY SHORE AND HAS REMAINED THERE. "THIS OIL WILL CONTINUE TO ERODE, LEACH INTO THE WATER OR BE ELUSHED FROM THE ESTUARIES AS A CHRONIC SOURCE OF POLLUTION FOR A LONG TIME TO COME." (Hamm) The METULLA SPILL WAS NEVER CLEANED UP * IT WOULD TAKE 12,000 DUMP TRUCKS TO MOVE THAT MUCH OIL UP OFF THE BEACH. PRESENT BIOLOGICAL WORK DONE BY AMERICAN SCIENTISTS A YEAR LATER FOUND CONTINUAL BIRD KILLS, NO CRUSTACEANS, MUSSELS, LIMPETS ^{were found} EPA ESTIMATES 40,000 ^{Birds} DIED.

A DOW CHEMICAL STUDY OF AN OIL SPILL WHICH OCCURRED IN MAINE IN 1963 (1,870,000 gallons) THAT 200 ppm RESIDED IN CLAMS 10 years LATER.

DR. BLOOMER OF WOODS HOLE SHOWED THAT IN 1973 THE OIL SPILL ELIMINATED BOTTOM DWELLERS FOLLOWING THE DISASTER IN SANTA BARBARA WITH SATURATION OF 1 FT DEPTH. MARGINAL RETURNS HAVE BEEN RECORDED.

BY NOW MOST OF YOU ARE CRYING "ENOUGH" "ENOUGH" AND SOME ARE PROBABLY STILL THINKING THAT THINGS WILL BE DIFFERENT BECAUSE WE HAVE THE BEST TECHNOLOGY FOR ALASKA'S OIL DEVELOPMENT, WE HAVE COMPLETE ASSURANCE BECAUSE WE HAVE LAWS THAT PROTECT THIS TYPE OF OCCURRENCE, OUR OIL COMPANIES ARE "COOPERATING" AND WILL DO THEIR UTMOST.

THIS THEN BRINGS THE ISSUE CLOSER TO THE FORE? HAVE WE REALLY AD THE BEST AVAILABLE TECHNOLOGY? DO THEY REALLY PLAN TO DO THINGS DIFFERENTLY HERE?

THE GEORGE FERRIS STANDS TODAY AS A MONUMENT TO DISBELIEVERS. ON ITS INITIAL VOYAGE INTO THE HARBOR, KEN COORE REPORTED THIS: "I COULDN'T BELIEVE IT, I WAS FISHING LATE TOWARDS EVENING AND I LOOKED DOWN THE CHANNEL AND THERE WAS THIS HUGE PLATFORM HEADING STRAIGHT FOR MY CRAB POTS, I SPED TO THE SCENE BUT TO NO AVAIL, THE FERRIS CAME INTO THE BAY UNLIGHTED UNANNOUNCED AND DESTROYED 85 CRAB POTS." HE FURTHER TRIED TO OBTAIN REIMBURSEMENT SINCE EACH POT WAS WORTH \$2,000 BUT ~~WHEN~~ ~~THE~~ ~~COMPANIES~~ WOULD NOT SUBSIDIZE THE LOSS OF EVEN 1 DAY'S CRAB FISHING BECAUSE IT WOULD ESTABLISH PRECEDENT. "I LOST 7 POTS AND OVER A WEEKS FISHING. EACH YEAR ABOUT 20 POTS ARE LOST OF A TOTAL OF 80. MOST OF THESE ARE DUE TO BIG VESSELS. THE FERRIS DRAWS 35' AND THE POTS ARE IN THE MIDDLE OF THE BAY WHICH IS NATURALLY WHERE THE BIG SHIPS WANT TO GO. 3000 POTS WERE FISHED IN THIS BAY LAST YEAR. MOST

Fisherman

LOOSE \$30,000 A YEAR JUST TO CRAB POT LOSSES AND SOME NEVER RECOVER THIS LOSS. A FULL STRING OF GEAR RUNS ABOUT \$40,000. THIS DOES NOT INCLUDE LOSS OF CATCH. THE SEASON IS FROM AUG TO JAN AND THEN BETWEEN JAN AND MARCH FISHERMEN FISH FOR DIFFERENT SPECIES * DUNGENESS FROM JULY TO DEC.

became stuck +

FINALLY, WHEN THE FERRIS, SPILLED OVER LAST MAY AND DEMONSTRATED THAT IT DID NOT EVEN HAVE ACCESS TO OIL POLLUTION EQUIPMENT SINCE ITS HYDROLIC RELEASE WAS SUBMERGED, IT FULLY DEMONSTRATED THE OVERCONFIDENCE SOME PERSONS PLACE ON TECHNOLOGY. NOTHING FURTHER NEEDS TO BE SAID REGARDING THE POINT.

IN SUMMARY, THE LEGISLATURE WAS VERY BRAVE TO, FOR THE FIRST TIME IN HISTORY, REVERSE A VERY OBVIOUS MISTAKE IN BEHALF OF THE ENVIRONMENT. YOU AS OUR LEADERS HAVE AS MUCH RESPONSIBILITY TO PROTECT THIS GREAT LAND FOR THE FUTURE AS YOU DO TO PROVIDE JOBS FOR THE PRESENT. WE URGE YOU TO AGAIN REAFFIRM YOUR EARLIER ACTION AND PASS HB 192.

*Sharon
Savage*

ORAL STATEMENT OF

BARBARA C. MANLEY
Homer, Alaska

on

SUPPORT OF SB 199 TO
REPEAL HCS CSSB 720, 1976

and

OPPOSE HB 192, AN APPROPRIATION
OF \$12,000,000.00 FOR PAYMENT
TO CHEVRON, U.S.A.
FOR KACHEMAK BAY LEASES

presented at

HEARING

before the

SENATE RESOURCE COMMITTEE
STATE OF ALASKA
JUNEAU, ALASKA
APRIL 1, 1977.

I am Barbara Manley. I have lived in Homer for eleven years, and Alaska has been my state of residency for fourteen years. My husband is retired from the Air Force. In our thirty-two years of marriage, Homer was our first opportunity to choose for ourselves where "home" would be.

As an Air Force wife, I accumulated 2800 hours of volunteer service with the Air Force Dependents Assistance and Family Service Program and 3600 volunteer hours with the American Red Cross. I have been a girl scout leader and cub scout den mother; had years of PTA and serving as "room mother". I have not been a career business woman, but perhaps a career volunteer.

Since I have been in Homer, I have served on the Advisory School Committee and the City Planning Commission. I am currently vice-chairman of the City Board of Health and Safety and Secretary of the Board of Directors of the South Central Health Planning and Development, Inc., Central Alaska Health Systems Agency.

As a volunteer I believe a person has an opportunity to see and recognize many of the social disparities that are created by the selfishness of a few.

I believe the 1976 legislators passing HCS CSSB 720 is a prime example of a selfish few plying emotions with exaggerations of impending disasters and half-truths to achieve their own personal goals. If this bill is not repealed, the expenditures of these millions of dollars, not only for Chevron, but all of the millions of dollars for the remaining leases, will certainly create great inequities for many, many Alaskans, far more than the number who will reap benefits from the buy-back of the Kachemak Bay leases.

There are those who perpetuate the cry: We must preserve our "Quality of Life." and "We must preserve our Life Style." But WHOSE quality of life? WHOSE life style? Quality is a degree of excellence. Life is animate existence, time between birth and death. Style is a manner of doing.

My husband and I have our health, a long, lasting marriage, our children, grandchildren, our home and the necessities of life. I believe that I have a good "Quality of Life".

As for life style, I have seen people who were testifying at public hearings who lived in make-shift visquine tents anchored to driftwood along the beach of the Homer Spit. They performed body functions along the side of a public highway, and if and when they had a desire for a bath they could patronize the local public showers. All of their worldly possessions they carried in their backpacks. They are entitled to their life style. However, for myself, I prefer a permanent structure with a roof over my head; a closet for my clothes and a bathroom in the privacy of my own home. I believe that I too am entitled to my life style.

I also believe that all of the people in the Kachemak Bay communities are equally entitled to the right to earn their livings.

In the Homer Small Boat Harbor, there are 26 crab boats, 72 crab and shrimp boats, 45 seine and drift boats, and 65 halibut boats, a total 208 commercial fishing vessels who have reserved boat stalls. There are 117 daily transit boats (who pay rental fees on a daily basis), 51 6-months transit boats (who pay rental fees only six months) and 64 12-months transit boats (who pay

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rental fees the full year). I might explain that the transit rentals are paid for use of any stall that happens to be empty as permanent stalls are not available. (There are 465 boat owners on the waiting list for stalls) Since the 232 transit boats are "commercial vessels", it is assumed that they are fishing boats.

For an hypothesis, assume that each of the 440 commercial fishing boats has three people engaged in fishing. This represents 1320 people. It is reported that the Homer Conservation Society has a membership of 25. (I am using these two groups because it is the North Pacific Fisheries Association, representing the fishermen, and the Homer Conservation Society who are plaintiffs in the lawsuit against the Department of Interior in opposing the Lower Cook Inlet lease sale. It is the same segment of people in our community who opposed the Kachemak Bay leases.)

This represents a total of 1345 people. By far, not all of the fishermen nor Conservation Society members are opposed to development of the Bay leases. Also, the total number of fishing boats includes the fishermen from Anchor Point and many others who do not fish the Cook Inlet Region.

The population of only the Homer area is approximately 4200 people. The other 2855 citizens need homes, food and clothing and some means whereby they can earn them. They can't be fishermen. There are not enough fish to support them all, nor does the limited entry law allow them to try.

I submit that Senate Bill 199 should be passed to repeal HCS CSSB 720 for these reasons:

1. There should not have been any legislation dealing with

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Kachemak Bay leases. The case of these leases was before the Alaska Supreme Court. The legislature should have waited for the Court's decision, and thereafter, abided by that decision.

2. The majority opinion of the Supreme Court remanded this case to Superior Court for determination on the legal area in question. There should be an expedient hearing in Superior Court, and the judgement of that Court should prevail.

3. From the onset of the Kachemak Bay issue, the invalidation of the leases has been promulgated by a select few.

4. Volumes of evidence was presented to the ninth legislature from the residence of Kachemak Bay communities. The preponderance of this was against the invalidation of the leases by any action other than the court's decision declaring the December 13, 1975 28th Competitive Oil and Gas Lease Sale illegal.

5. To establish the precedent of one administration to resending the decision of the prior administration, without judicial justification, can lead to a vacillating government totally without continuity or stability.

I further submit that House Bill 192 should be defeated for these reasons:

1. The money to be used is tax dollars. It matters not whether it is cash payment or tax credit toward future liabilities, it is money from the state treasury. This deficit will have to be made up with dollars from every taxpayer in the entire State of Alaska, not just one segment of the people nor one area of the state.

2. The people of Alaska have been misinformed by the admin-

istration and many legislators in their statements that the buy back of Kachemak Bay lease is "merely a refund" of the money paid to the state for the leases in 1973. The price to be paid to reacquire leases from Chevron, U.S.A. is \$21.1 million and the contract to purchase Texaco's leases is \$3.5 million. This is \$24.6 million and subtracted from the approximately \$25 million the state received from the TOTAL sale, including the leases near Beluga, leaves \$400 thousand to buy back the remaining leases owned by four other major oil companies and a number of individuals. This is ridiculous! I highly suspect that IF negotiations should occur with the remaining oil companies, the cost will be equal to, if not more than, the combined amounts negotiated with Chevron and Texaco. This is not a "refund"; it's a rip-off of the taxpayers! Not only is the buy back of the leases a needless expenditure of money, it also deprives the state of future revenues in royalties and future taxes.

3. In view of the close proximity of the Kachemak leases to federal waters, it seems ironic that the state will deny itself the revenue and closer control over exploring and development to have the same body of water exposed to virtually the same hazards but without jurisdiction to implement any control.

4. The money proposed to be spent to reacquire these leases should be spent to benefit the majority of the taxpayers. There are many medically underprivileged areas throughout the state. (The City of Anchorage applied for federal funds as a medically underprivileged area in February this year.) The entire state needs roads and road improvements. With projects that have

federal matching funds, how many projects this money, as the state's share, could accomplish! For example, with a project qualifying for 90% federal funds on highways, how many miles could be built with \$211 million? Or, on dock projects that may qualify for only 50%, how much dock improvement or construction could be done with \$42.2 million? You are as aware as I of the medical needs, the lack of dock facilities, airstrips, court facilities, schools and many things in the Interior, on the Chain, in Central Alaska and in Southeastern , throughout the state, where these millions of dollars are badly needed, and should be spent.

I ask each of you to please pass Senate Bill 199, and to defeat House Bill 192. Truly help to make Alaska a better place for all Alaskans.

Thank you.

HOMER S. THOMPSON

IN TESTIMONY BEFORE THE
SENATE RESOURCES COMMITTEE
OF THE
ALASKA STATE LEGISLATURE

APRIL 1, 1977

30, March 1977
Box 116
Homer, Alaska 99603

Senator Kay Poland, Chairman
and members of the
Senate Resources Committee
Alaska State Legislature
Juneau, Alaska

Dear Senator Poland and members of the Senate Resources Committee:

I wish to testify as a resident of Homer, Alaska, in opposition to the House Bill No. 192, for the funding and the purchase of the oil leases in the Kachemak Bay area.

My name is Homer S. Thompson, I am 57 year of age, married over 35 years, and my wife and I have resided in Alaska since 1946 and at Homer, Alaska since 1953. We have four children all of whom have reached majority but only one, resides temporarily in Alaska.

After almost 12 years of military service, I resigned to move to Alaska and landed in Homer, Alaska, upon the advice of a former banker in Anchorage, Bob Baker. I am pleased that I heeded his advice to go to Homer and see whether I liked it or not. Upon arrival I liked what I saw and have been in Homer ever since, primarily, because I felt that Homer, Alaska had a great future, that was reachable within my lifetime.

I was unable to find any kind of employment for six months and then was fortunate to be employed as manager for the then local government, the Kenai Peninsula Public Utility District. In such position, I was also the tax assessor, tax collector, and a whole raft of other titles including disposer of dead animals. I was able to work successfully for a few things for the community, i.e. the funding for the Homer Small Boat Harbor, improvements to the Homer Airport, paving of the Sterling Highway, port improvements, and for the authorization of the Bradley Lake hydro-electric project, 23 miles northeast of Homer. I wrote the first resolution for this project, passed by the Alaska State Legislature, which has been repeated several times to obtain appropriations by the Congress of the United States.

Subsequent to employment as PUD manager, I have been employed

as a real estate broker, and continue in this field, along with operating a small business, a second hand store.

In the 23-plus years we have lived in Homer, it has been my observance that fishing has been the mainstay of the economy, backed up by government employment and a few months of tourists each year. I have also observed that the fishermen obtain a very small return from their investment in boats and gear, with few exceptions.

Recently, I was informed by our city manager that the current unemployment rate is between 19 and 20% of the employable force, not counting those who aren't looking for work. Over the years this has been singularly true, and Homer has so been classified by various government agencies, as an area of High unemployment and underemployment.

In recent years the population growth in Homer has come from the younger age group with entirely different ideas about life styles and programs than the age group I am a part of. There is this big kick about conserving everything in sight. I strongly suspect that if the radical proponents of environmental controls would have their way, there would be a crew of them employed installing refrigeration equipment in the nearby Harding ice field or perhaps the Malaspina and Taku Glaciers ... So that future generations might have the opportunity to view a glacier before they all melted away.....

I believe in conservation and in preservation too. In fact I was the leading proponent for setting aside the Yukon Island landmark property, when the Bureau of Land Management wished to let it all be homesteaded. While the preservation of this site may not mean much to most people sitting here today, it is recognized by leading anthropologists as one of the oldest continuing sources of artifacts of native people dating back some 3000 years, in Alaska, according to Frederica de Laguna, who wrote the Anthropology of Cook Inlet.

The concept that oil and fish can't live together is one without a factual basis, as evidenced throughout the world. That both must be disciplined is now well recognized. So... why all the hysteria? Someone once said, "Man is moved by the noblest of all human emotions greed."

The oil and gas companies drill to obtain oil to sell to show a profit, and the fisherman fishes to obtain the fish to sell for a profit. Why can't we have both??? at the same time??? in the same area??? We need both, though we do have alternative sources of food, there are few alternatives for oil that are currently available. Seventeen years have passed since the Bradley Lake Hydro project was authorized by Congress, yet no appropriations have been forthcoming, and as you all know the good Lord hasn't changed the rates for rain in a thousand years!

It is my fervent belief that the United States of America needs the oil that can be produced in Alaska, if America is to continue our various life styles as we know and experience them now.... America also needs other resources that Alaska holds in the ground and under the water.

The legislators of the State of Alaska made a precedent setting mistake last session, I believe, when they provided the enabling legislation for buying back the leases purchased by various oil companies. The loss in revenues to the State must be tremendous by whatever calculation. The revenue loss to the Kenai Peninsula Borough and the community of Homer corresponds and the non-availability of the oil and gas will be reckoned with in the future.

Maybe some of you are stamp collectors? And perhaps some remember the dark blue Statehood stamp that received its first day of issue right here in Juneau? I was the one who proposed this innovation, since there had never been a United States stamp ever issued when a Territory became a State. Like the coupling of Alaska and Hawaii to obtain Statehood, the same pattern followed and Hawaii

was the second State to be honored with a stamp in the name of Statehood. This one-day event brought \$40,000 to Juneau. I like to think that I am part of a group that causes things to happen, rather than with the larger groups who don't know what's happening or worse, don't care.

Most of us who live in Homer, Alaska, believe we have one of the most beautiful locations in the world. There is also an old saying in Homer that I heard when I arrived, and experienced, "The scenery is beautiful, but you can't eat the view."

According to the most recent survey of communities on the Kenai Peninsula, Homer, Alaska has the lowest standard of living, primarily due to lack of employment.

An examination of the pictures of the graduating classes of the local high school reveals the fact that our young people have to go elsewhere to find work, because as one examines the pictures you find the majority of those former students are no longer resident in our community. By failing to mine the oil in our area, we are in effect failing to utilize a resource that will provide employment for our youth. By this failing we are wasting the talents and local experience of our young people and their leadership in the future.

Please deliberate to deny the funds for buying back the Kachemak Bay leases, and reaffirm the leases to companies who paid their money in good faith. The need for employment is great! The time is now!

Sincerely,

Homer S. Thompson

Burt Vahlbusch
Box 458
Homer, Alaska 99603

April 1, 1977

Senator Kay Poland, Chairman
and members of the
Senate Resources Committee
Alaska State Legislature
Juenau, Alaska

I landed in Anchorage in May of 1942 as an employee of the Army Engineers. Was signed up for a one-year hitch but decided I liked the country and stayed.

I was hired as an electrician, but spent most of my time operating tug boats in and around the Port of Anchorage. Later I ran MST tug boats in all Alaskan waters, mostly the Aleutian Chain.

The years of '48 to '50, I operated a truck freight line from Anchorage to all points in the Alaska Highway System and over the Alcan Highway. I also pulled several cat trains through the interior.

The year 1950 through 1951, I operated a pumice stone mine on Augustine Island. Since that time (with the exception of a short time when I drove a bus for Anchorage City Transit and Matanuska Valley Lines) I have sailed boats over all Alaskan waters, hauling freight, contractors equipment and supplies, and tendering oil rigs, etc.

I have been very closely associated with oil exploration and production in Cook Inlet, Bristol Bay and the Bering Sea.

In the early part of 1951, I moved to Cordova in the employ of Captain Bob Logans, Kodiak Aleutian Salvage Co. Worked for this company as a salvage boat operator and port engineer until the company went out of business in 1957, after which I opened my own marine repair shop until 1961.

I then went to work for Ira (Rocky) Rothwell, owner of Rothwell Tug and Barge. Mr. Rothwell moved me to Homer in January of 1963 to take care of and operate his vessels which were operating in Cook Inlet, servicing oil rigs and doing exploratory work. My official title was "Port Engineer"... But I spent most of my time at sea as an operator and mechanic. After Mr. Rothwell passed away and his company was sold piecemeal, I went to work for the Krystal Corporation in much the same capacity and doing the same work.

I terminated with the Krystal Corporation in January of 1976 and purchased the Inlet Taxi Company of Homer. In September, 1976 my wife and I took over the Inlet Hotel in Homer. Last month, we purchased a restaurant and set it up at the hotel to stimulate business.

To do all of this we have had to use all our savings and beg, borrow and steal. We did not worry until it began to look as though the expected impact from the Kachemak and Lower Cook Inlet oil activity was not going to come about because of the closing of Kachemak Bay and the oil leases were to be broken.

We are definitely against the buy-back of these leases, especially with our money. No matter what is said, this money will come out of the taxpayers pocket. These leases were let by the State in as legal manner as any lease that was ever written and were paid for in good faith by the oil companies. Therefore, it would behoove the State to stand by the agreement and let the oil companies perform.

It has been my observation that oil activity increases (if anything) the fish activity.

As in the year, 1963 when the fishermen were not doing much in the trade of their choice, we would have a small section of web astern while tied to a drill rig and catch more fish in 30 minutes than we could handle.

We have a million more arguments in favor of the oil companies, but rather than to use up the time, I will use the space to answer some very insipid letters received from some of our so called intelligent Senators in reply to the telegrams sent by us a few weeks ago.

Mr. Croft states that he has concern over the inconsistent and unfortunate way the Hammond administration has handled the entire situation, but he thinks that to defeat the funding would continue and magnify the confusion.

Let me say this, the only way to combat such high-handed and dictatorial tactics is to vote them down. There should be no problem, make the state stand on the original lease agreement and let the oil companies go to work.

Mr. Tillion states something about the liability of the George Ferris. I have no idea what this could be, a party of four of us flew over the George Ferris and most of Kachemak Bay taking pictures of the whole operation during the days of their leg problem and could not see an oil slick in the area. However, there was a large slick coming from the Seldovia Boat Harbor, but it was not the Ferris,

As to the pay-back to Standard Oil, I don't consider 21.1 million dollars a small fee, especially when the taxpayer is the one who will suffer for it. Also I would like to see a popular vote on the issue of whether or not to drill in Kachemak Bay. So let's just knock-off House Bill 192.

Mr. Rodey seems to be on the fence (I don't know why), as there is only one answer and that is to let the oil companies go ahead. I have yet to see where a drill rig has done as much harm to the fishing industry as the fisherman himself.

Chairman Poland, if you should have the opportunity or had the opportunity to look in any of the Alaska's boat harbors, you will find more oil on the water there than around any drill rig. The slick in the harbors is from the bilges of the fishing boats.

I know that the George Ferris alone contributed more than eight million dollars to the Homer economy in one year and did not do five thousand dollars in damages to our environment or the local fishermen. I do not know what the fish industry contributes, but from what I can gather it will average less than half.

I could go on forever on this subject, but I know you are terribly busy and I will not take any more of your time, except that I have one more point that I would like to make and that is, who is going to give us and a lot of other people in this town the money back that we have invested in preparation and anticipation of the oil activity.

Thank you for your patience and time.

Oral Statement
Gus Weber
Senate Resource Committee
Juneau, Alaska
April 1, 1977

MADAME CHAIRMAN, MEMBERS OF THE COMMITTEE:

MY NAME IS GUS WEBER. I came to Homer with my wife and two little girls on June 6, 1959 from Switzerland. That was my first trip on a big airplane and my first trip to the United states.

I had been a civil engineer for 24 years in Switzerland and decided it was time for a change. I had a position as manager with a firm in Canada when I decided to leave Switzerland, but at the last minute the company changed their policy about paying the transportation of families and their household goods. I decided to heck with it, if I had to pay for my own expenses, I would just move to the United States. I had seen some movies made by another Swiss who had homesteaded in Homer, so I decided that's where I would come.

For the first 10 months we were here, we lived in a small cabin that I built on the property of my Swiss acquaintance. He did not charge me rent, and he agreed to pay me \$80.00 a month for working on his homestead for him. I built a basement under his house, took care of his horses and cows, pitched hay, picked coal on the beach, worked his garden and any other chores or flunky jobs he had for me. I never did get paid all of the money, in fact, not much of it, that he was supposed to pay me. I had been lucky to have savings from my homeland that I used to buy the material to build the house for my family and to support them while I was learning about some of the people I could not trust to keep their word.

In 1960 I went fishing. I fished four years with three different old-time commercial fishermen. They had all fished in the Cook Inlet Region for over 30 years. We drift-fished for salmon and fished king crab.

I made \$800.00 that year. The next year I made \$1200.00. I made a living for my family the same way that all of the fishermen survived. I worked as a longshoreman, did some construction work and any odd jobs that I could get between fishing seasons.

One thing we looked forward to was the seismic boats working in the Cook Inlet. The company would charter four or five fishing boats to carry the Fish and Game employees. This paid the boat owner \$350.00 a day and we were happy to be guaranteed work for a month or two while they were blasting. In those days the seismic crews dropped charges into the water with a balloon floating on top. After the blast, the balloon would sink and our boat would follow the path of the blast wake and the Fish and Game man would count the number of dead fish floating on top of the water. Sometimes there would not be any fish and most of the fish we found were little herring and one or two inch cod. If the balloon did not sink it meant the charge did not go off. We would shoot the balloon with a .22 rifle and sink it, then the seismic boat would circle around and come back to set another charge.

Nowadays, the seismic boats do not use any blasting. They do all of their exploration with electronics by laying out a line of cable and the information is recorded on seismic tape in the boat. This is an example of the improvement in exploration technology to protect the environment. And the oil companies have improved their technology as much, and probably more, in drilling to protect the environment.

Homer was not a City in those days, it was the old PUD. We had the Alaskan Steam ships that brought in everybody's supplies. Everybody was glad to have the dock work. Standard Oil Company sure helped when they started coming in with the drilling pipe and equipment for the

oil development in the Cook Inlet. In those days the dock supported the community; now the community has to support the dock.

In 1965 I decided I could not make a living in the fishing business so I quit and became self-employed. I contracted building houses and specialized in cement work. I am an artist, and I taught art classes one year for more income. I also began working with the other volunteers in the community to build the Homer Ski Tow just below Ohlson Mountain. In Switzerland I had taught mountain climbing and was a ski instructor, so I volunteered to work with the school ski program. I am very proud of two of my ski students who graduated from the Homer High School and received four-year scholarships on their skiing ability. One, Larry Martin, is a member of the U.S. Olympic Ski Team.

In the almost 18 years I have lived in Homer I have been able to support my family by doing every kind of job there was in Homer. Since 1973 I have been a licensed Masonry Contractor, the only one in Homer. But people have to have jobs to make money to build. I still take any job I can get to make a living, but there are a lot more people in Homer now and there are not so many jobs, and more people keep moving to Homer. Even in the summertime, there is not construction like after the earthquake. The only fishermen who can make a living at just fishing are the ones who can get a cannery to finance their boats and gear so they can do all kinds of fishing the year 'round, or the ones who can get state or federal loans to fishermen to do the same thing. Most of the fishermen are still competing for the odd jobs between fishing seasons.

Some people keep talking about the oil companies damaging the fishing industry. I think the fishermen do more damage to their own industry than the oil companies would. When we fish crab, the pots are dropped into

the water of different depths, but the lines on them are always long enough for the deepest water. When they are dropped in shallow water, the pots are going to drag over the sea floor when the pots are winched into the boat. I know we had crab pots with mud, rocks and all kinds of shells in them when we pulled in pots. I don't know how many little fish and larva are killed from pulling in just one pot. Fish and Game keeps talking about just the least bit of oil that could be spilled from a drilling platform would kill all of the shrimp and crab. When I was fishing in the Cook Inlet we would fish around the oil platforms. Sometimes we could see a little oil slick around the platform, but we would look behind the fishing fleet and there was an oil slick behind almost every boat. All of the fishermen would change the oil in their engines and dump the old oil in the water. If just a tiny bit of oil was going to kill all of the fish, there wouldn't be any fish left now.

All of the talk about how many king crab are caught in Kachemak Bay; they don't all come just from Kachemak Bay. Boats bring in their crab from Kamashak Bay, even as far as Cape Douglas and off the southern tip of South Kodiak Island. Big crab tender boats bring in crab from the Bering Sea area to sell in Homer. It looks like a lot, but it really isn't.

I think the legislature should take another look at the buy-back of the oil and gas leases in Kachemak Bay. In the first place, there are not enough fish for everybody to make a living at even year 'round fishing. Not everybody can fish because the state has a limited entry law. The rest of us have to live too, and there is even more of us trying to find a job than there are fishermen. I think it is the American system that the government is supposed to represent the majority of the people, not only a few. It is not good for the people to have just a little bit of seasonal work and be able to pay off bills, then have to start going in

debt again and worry about earning enough money the next season, whether it is fishing or construction, to get out of debt again.

Homer and the surrounding area needs some kind of regular work for all of the people. I think the law from last year should be repealed and the money you want to spend to pay for the leases should be spent to build some roads and schools, some docks and airports that all of us need. We need these things and building them would give some people work too. Let the oil companies drill in Kachemak Bay. Those leases would have been drilled a long time ago if it had not been for the fight between the state and federal government over who owned Lower Cook Inlet. Ten years ago nobody worried about having drilling in Kachemak Bay. There is not as much danger to the Bay now as there was then. We just have a lot more newcomers who moved to Homer and want to cause trouble now.

I ask you to repeal the law from last year and let the court decide if the whole sale was legal or not. If it was legal, then let the oil companies go to work. Save our money for some useful things we need in Alaska.

Thank you.

Barbara C. Manley
PO Box 955
Homer, Alaska 99603

February 28, 1977

The Honorable Kay Poland
Chairman
Senate Resource Committee
Pouch V
Juneau, Alaska 99801

*Kachemak
Bay*

Dear Senator Poland:

In our telephone conversation Thursday you asked if there will be anyone from this area to attend the hearing on House Bill 192 when it comes before your committee.

We will have representation at the hearing. We will appreciate your letting us know the date of the hearing so that we can make arrangements for the flight and hotel reservations.

Also, since the buy-back of all of the Kachemak Bay leases will involve a great many millions of tax dollars, over and above the original bonus money, and Anchorage is the largest tax base and most populated, is it possible that a public hearing might be held in Anchorage?

There has been so little public information on HB192. Most people are unaware of what is going on. (This may be advantageous for the proponents of the buy-back, i.e., Clem Tillion!)

Again, thank you for your cooperation and your concern for our communities.

Sincerely,

Barbara Manley

Manley Terminals, Inc.

COMPLETE FREIGHT SERVICE

MOVING & STORAGE

OCEAN DRIVE & FAA SPUR ROAD

BOX 955 HOMER. ALASKA 99603

JAMES C. MANLEY
PRESIDENT

February 28, 1977

(907) 235-8535
(907) 235-8536

The Honorable John Rader
President
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Rader:

We would like to compliment you on your wise decision to appoint a committee to fight the high rate of unemployment in our state. Senator Summers and his committee, Senators Sackett, Ziegler, Poland and Ferguson, have a hard road ahead, but it is a great step forward. We hope there will be many beneficial and positive results.

We, as well as others, are deeply concerned over the extremely high rate of unemployment in the Homer area. More people are coming to Homer looking for employment adding to the number of unemployed, long-time residents. The unemployment lines and food stamp lines are out in the street, and there is no immediate hope in sight for employment.

The fish processing plants are shut down for lack of raw products, or closed seasons. One plant is buying some Tanner crab, which has helped a few boats. The area has been so overfished that few fishermen can make a full-time living from fishing. The Limited Entry Law precludes newcomers from entering the salmon fishing business, and it is only a matter of time before all fish come under the Limited Entry program, thus restricting any other people from working in the fishing industry.

Except for a few government, power company, fish processing, and school teaching jobs there is no other sizeable pay roll. In essence the employment situation in this area is "sick".

We own and operate a transportation company that handles 90% of all freight coming in or going out of Homer. The amount of cargo processed through our terminal has been the lowest in years. If you catch fish or have a job, you have money to buy things from lumber to groceries. The cargo movement at this time indicates a horribly depressed economic condition. This cargo index is an excellent indicator at this time. Our company has more unpaid accounts receivable and we have received more bad checks than ever before. We are also holding more undeliverable freight collect and C.O.D. shipments than in the past.

The Honorable John Rader
Page 2 of 3 pages

A day doesn't pass that people come to our office seeking employment. Our work force is down 50%. This is the first time since we started in business that we have had to lay off employees.

Last year was a good employment year, based mainly on work generated by the drilling barge Ferris, which spent over \$14,000,000 on employment and purchasing of supplies in Alaska. Everyone benefited from this activity. Many of those employed were fishermen who fortunately made enough to help carry them through part of this bad winter.

Your passage of SB 720 to reacquire the Kachemak Bay Leases, killed one big employment possibility for this town. As you certainly must recall, this bill was pushed through based on half truths and emotionalism; plus inaccurate press releases: "The Ferris Has Sunk in Kachemak Bay" and "Worst Oil Spill in Alaska's History". The fact being that the Coast Guard environmental protection office issued a final official statement that less than 300 gallons of fuel were spilled overboard. Most of this was actually grease and oil from the equipment.

The best way for your committee to increase employment in Homer is to oppose HB 192. Save this 21.1 million dollars and use it for public projects. Homer alone needs docks, sewers, water lines, roads, and school buildings. Certainly this same situation exists throughout Alaska. This money, the 21.1 million dollars plus all of the additional buy-back millions, should be used for the benefit of all of the people of Alaska, not just a few local commercial fishermen and conservationists.

It has never been proven by the state that oil development in the area would hurt the fishing industry. The same few individuals and organizations that sued the state over the Kachemak Bay Leases have now sued the Federal Government over the Lower Cook Inlet Lease Sale. However, now the Alaska Conservation Society has openly become a plaintiff in the suit where previously they, and the Sierra Club, had donated funds to the Kachemak Bay Defense Fund.

You must keep in mind, HB 192 to buy back Chevron's leases is only the first, piece-meal step by the administration. Then comes Texaco, for about four million, then the others if they can be forced to sell. Think what you could do with 40 or 50 million dollars worth of public projects which would benefit all of us, not just a select few.

We are sure you have received many wires and letters opposing HB 192. You also must recognize that many of us in Homer are going to fight the administration's attempt to put us on a food stamp economy. We want to work for a living and maintain our dignity, which can only be done by increasing the local employment and giving people jobs.

In addition to opposing HB 192, the best thing you and your committee can do is to submit a Senate Bill to repeal CSESSB 220 in it's entirety. This is the most unjust legislation ever forced upon a segment of the Alaskan Society--the working man.

The Honorable John Rader

Page 3 of 3 pages

We would like to recommend that you take time to call any, or all of the following cross section of individuals from Homer to find out first hand the factors about the economic conditions in Homer and their opposition to HB 192:

Mr. Dave Derry, President of Homer Chamber of Commerce, member of Hillas Real Estate Appraisal Company, and former Manager of National Bank of Alaska, Homer Branch 235-8545

Mr. W. C. Rhodes, Manager of Homer Electric Association 235-8552

Mr. Chuck Hendrix, Manager of Seward Fisheries Homer Processing Plant 235-8527 or 235-8578

Mr. Jim Saling, Fisherman, tender boat and barge owner 235-8775

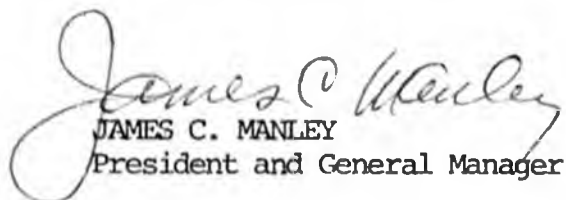
Mr. Larry Farnen, City Manager 235-8767

Mr. John Pate, City Councilman 235-8575

We appreciate the opportunity to present this information and sincerely hope that you oppose HB 192 and give favorable consideration to submitting a bill to repeal CSCSSB 220.

Respectfully,

MANLEY TERMINALS, INC.


JAMES C. MANLEY
President and General Manager

JCM:sf

cc: Hon. Bill Sumner
Hon. John Sackett
Hon. Robert Ziegler
Hon. Kay Poland
Hon. Frank Ferguson

Barbara C. Marley
P.O. Box 955
Homer, Alaska 99603

February 28, 1977

The Honorable Kay Poland
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Poland:

Reference HB 192

I respectfully ask that you will vote to oppose the appropriation of 12 million dollars, the cash portion of the total 21.1 million dollars to be paid to buy back the Chevron, USA oil leases in Kachemak Bay, for these reasons:

1. The legislative authority for the buy-back of these leases, HOUSE CS FOR CS FOR SENATE BILL NO 720, was passed under emotional duress. No legislation based on emotionalism (i.e. misinformation and half-truths reported on the GEORGE F. FERRIS, drilling rig, incident in Kachemak Bay May-June, 1976) can be good legislation; nor can it be in the best interest of the state nor the people whom you represent.

2. The close proximity of the Kachemak Bay leases to federal lease jurisdiction. The Kachemak Bay area will be exposed to virtually the same calculated risks from federal lease exploration, but without producing revenue to the State of Alaska.

3. The 1973 sale was slightly under 25 million dollars in lease bonus for 64 tracts, 32 of which are located in Kachemak Bay. The purchase price to buy back the Chevron, USA leases (15 tracts) is 21.1 million dollars. Presumably, Texaco will agree to the sale price of 3.5 million dollars. This is 24.6 million dollars to buy back leases from two companies.

Shell Oil Company paid 5.3 million dollars for their tracts. They will have this amount due them, plus unknown millions of dollars in interest, exploration expense and a drilling rig contract. Also, leases are owned by Union Oil Company, Texas International Petroleum, Simasko Production Company and a number of private individuals.

These millions of dollars are not "refunds" from the original approximately 25 million dollars bonus money as the administration and many legislators would have the taxpayers be dupes enough to believe.

These are millions of tax dollars to be taken from the general fund; they are dollars that will become a deficit for the taxpayers to pay. These are tax dollars to be spent for the benefit of a few privileged elitists and selfish, special interest groups. It is money that should be spent to benefit Alaskans of all classes and all interests.

4. It is millions of tax dollars that could:

(a) Provide docks and airports on the Alaska Peninsula,

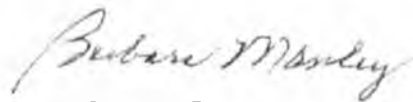
The Honorable Kay Poland
page 2

the Aleutian Islands, to handle fish products, the groceries and general supplies needed for sheer survival for the residents in those outlying communities.

- (b) Provide judicial facilities in our remote areas.
- (c) Provide facilities to offer a little comfort for our senior citizens; permit them a little pride and dignity in their few remaining years.
- (d) Provide means for a better quality education for our children.
- (e) Provide means to meet health needs of many of our Alaskan residents.
- (f) Provide means to help re-new our renewable resources, especially the salmon fisheries.
- (g) Deny spending these tax dollars and help provide a divers viable economy in the Kachemak Bay communities so that many can be employed. Help them to maintain pride and self reliance.

Thank you for your consideration. Please oppose HB 192 and use these millions of dollars to truly make Alaska a better place to live for many Alaskans.

Sincerely,



BARBARA C. MANLEY

P.S. It has been recommended by many people in this area that HCS CSSB 720 should be repealed.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 1, 1977

The Honorable Kay Poland
Chairman
Senate Resources Committee
Alaska State Legislature
Juneau, Alaska 99811

Re: HB 192
Supplemental Appropriation
for Kachemak Bay

Dear Senator Poland:

On February 8, 1977, I transmitted a bill to the House of Representatives for an appropriation of \$12,000,000 to fulfill obligations of the State of Alaska under a contract to repurchase leases held by Chevron, U.S.A. in Kachemak Bay. The agreement was negotiated, and executed by the Commissioner of Natural Resources and myself, pursuant to ch. 113 SLA 1976. The bill passed the House and is presently before the Senate Resources Committee.

On February 25, 1977, I executed a second agreement with Texaco, Inc., and respectfully request the Senate Resources Committee to amend HB 192 to include an additional sum of \$2,500,000 to cover the Texaco agreement. This would make the total appropriation under this bill \$14,500,000. A copy of the Texaco agreement is enclosed, together with an attachment showing the breakdown of items which are included in the total purchase price. That purchase price is in the approximate amount of \$3,400,000, nearly all of which is composed of money previously paid by Texaco to the State, together with interest on those amounts.

Ch. 113 SLA 1976 specifically authorized the Commissioner of Natural Resources to utilize credits for taxes and royalties owed by Texaco to the State as part of the purchase price and the agreement of repurchase includes such a provision. During the next two years, we anticipate that approximately \$900,000 will be credited from payments due the State, leaving a balance of \$2,500,000, the amount of the requested additional appropriation.