

ALASKA STATE DEPARTMENT OF CORRECTIONS

1896 SB 8 - SB 36
25/1

349-6069
6212 Old Seward Hwy.
Anchorage, AK. 99502

BROWN'S

ELECTRICAL SUPPLY CO.

279-2450
3001 Mt. View Dr.
Anchorage, AK. 99504

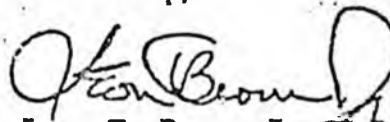
February 14, 1980

Bill Sumner
Alaska State Senator
Pouch V
Juneau, AK. 98111

Dear Mr. Sumner,

I appreciate you keeping me informed on the happenings of Alaska's future, but as I won't be able to attend meeting I would like to say concerning SB 294. The only thing I can say is that it is about time we looked into using Hydro Power, a source of energy that will replenish itself.

Sincerely,



Leon T. Brown Jr. V.P.
Brown's Electric Supply Co., Inc.



BILL SUMNER
Alaska State Senator

DISTRICT 7-E

February 8, 1980

COMMITTEES:
RESOURCES
CHAIRMAN
FINANCE
RULES
COMMITTEE ON COMMITTEES
JOINT INTERIM COMMITTEE
ON GAS PIPELINE FINANCING

DURING SESSIONS:
BOUCH V
UNEAU, ALASKA 99611
907) 465-3781

OUT OF SESSIONS:
215 WEST 6TH AVENUE
SUITE 418
ANCHORAGE, ALASKA 99501
907) 372-4541

James F. Palin
Copper Valley Electric
Association, Inc.
Post Office Box 45
Glennallen, Alaska 99583

Dear Mr. Palin:

The Senate Resources Committee will be focusing on two issues vital to the growth of Alaska's economy at hearings next week in Anchorage.

On Friday, February 15th, the committee invites public testimony of SCR 41 which establishes guidelines for a state policy of economic development. On Saturday, the 16th, comments will be taken on SB 294, directing the Alaska Power Authority to begin work on the Susitna hydroelectric project.

Both hearings will begin at 10 a.m. in the Court Building, 303 K Street, room 422 and your input will be most welcome. If you're unable to join us and want to comment, written testimony will be included in each hearing's record.

I hope to see you then.

Sincerely,

Bill

BILL SUMNER
Chairman

SENATOR -
I'M UNABLE TO
ATTEND - BUT LET'S
GET GOING WITH
THE SUSITNA PROJECT.

BS/cf

THANK YOU
RECEIVED FEB 11 1980

Bill
1/100



THE ALASKA CHAPTER

ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.



SKILL
RESPONSIBILITY
INTEGRITY

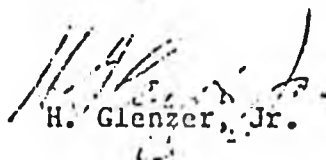
BOX 4-2500 • ANCHORAGE, ALASKA 99509
TELEPHONE (907) 276-5354

3201 SPENARD ROAD
ANCHORAGE
H. GLENZER, JR.
MANAGER

TO: Senate Resources Committee

The A.G.C. urges that construction begin on the Susitna hydroelectric project as soon as possible. Existing energy demands, the proposed Anchorage - Fairbanks power transmission interconnect project, and the Alaska economy mandate the immediate commencement of construction.

The A.G.C. also encourages utilization of the Alaska labor force and construction industry to the greatest extent possible


H. Glenzer, Jr.



GOLDEN VALLEY ELECTRIC ASSOCIATION INC. Box 1249, Fairbanks, Alaska 99707, Phone 907-452-1151

February 14, 1980

State Senate Resource Committee
ATTN: Senator Bill Sumner, Chairman
Pouch V
Juneau, AK 99811

Gentlemen:

Expeditious development of our vast hydroelectric resources is vital to Alaska's energy future. Construction of the Upper Susitna project would be a major step in securing a viable future for three-quarters of the State's population. The long term benefits to be derived from this project will far outweigh those realized from the Alyeska Pipeline and the yet to come Gasline in combination. Continued reliance on non-renewable resource fuels is a blueprint to disaster.

S.B. 294 is worthy of support from all Alaskans. The author, Senator Kertulla, is to be commended.

Sincerely,

R. L. Hufman
General Manager

FAIRBANKS OFFICE

Edward A. Merdes
Graco Berg Schaible
Howard Staley
Dennis E. Cook
Barbara L. Schuhmann
Robert B. Groseclose
Charles D. Silvey, Jr.
Michael C. Geraghty

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February 13, 1980

The Honorable William Sumner
Senator, State of Alaska
Pouch V
Juneau, Alaska 99811

The Honorable Jalmar M. Kerttula
Senator, State of Alaska
Pouch V
Juneau, Alaska 99811

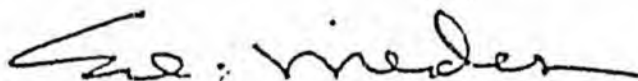
Re: Support of Senate Bill 294
Susitna Dam Project

Dear Senators Sumner and Kerttula:

The undersigned along with a broad cross section of other like-minded Alaskans over the past 20 or so years has vigorously supported hydro projects such as Taiya, Rampart, Woodchopper and Bradley Lake, and now vigorously support the Susitna project.

The Susitna project with its de minimus environmental harm would provide a source of inflation proof low cost power and is desperately needed in the railbelt area. From both an Alaskan family and business viewpoint it is imperative the project be undertaken as soon as the necessary environmental and engineering studies are completed. Frankly, I see the project as one of the few positive economic benefits to the largest group of Alaskan citizens for the longest period of time. Since it would be funded by the State, construction could commence many years earlier than if federally financed and built by the Corp. With the incredibly rapidly accelerating cost of fossil fuels and highest unemployment in the nation, it appears to be not only prudent but compelling that construction commence at the earliest possible time.

Respectfully submitted,



Edward A. Merdes

FEBRUARY 16, 1980

The Honorable WILLIAM SUMNER
SENATOR, STATE OF ALASKA

THE HONORABLE JALMAR M. KERTTULA
SENATOR, STATE OF ALASKA

RE: SENATE BILL #294 *§ 385*

SENATORS SUMNER AND SENATOR KERTTULA, I THANK YOU FOR THIS OPPORTUNITY TO TESTIFY IN FAVOR OF THE SUSITNA POWER PROJECT. I AM AUSTIN G. WARD, A 28 YEAR RESIDENT OF THE STATE OF ALASKA, ALSO THE PRESIDENT OF ALASKA ENERGY FOR AMERICA, INC., AND A MEMBER OF THE EXECUTIVE BOARD OF THE SUSITNA POWER NOW GROUP. BOTH OF THESE ORGANIZATIONS ARE BROAD BASED IN MEMBERSHIP SCOPE, BOTH WANT TO FURTHER VIABLE ENERGY PROJECTS, AND THE MEMBERSHIP INCLUDES WORKING MEN AND WOMEN, LABOR LEADERS, BUSINESS AND PROFESSIONAL PERSONS, AND IN FACT INCLUDE ALL FACETS OF THE ALASKAN COMMUNITY. TO THINK THAT SUSITNA DAM WOULD NOT BE BUILT IS AND WOULD BE CONSIDERED GROSS NEGLIGENCE ON THE PART OF THE STATE OF ALASKA. IF THERE EVER HAS BEEN A NEED FOR A RENEWABLE ENERGY SOURCE, THAT TIME IS NOW. OUR NATION, OUR STATE, AND OUR CITIES ARE PAYING FAR TOO MUCH IN DOLLARS FOR A NON RENEWABLE ENERGY SOURCE THAT IN THE NEAR FUTURE WILL DRY UP. THIS USE OF FOSSIL FUELS, WHEN YOU HAVE AT HAND RENEWABLE ENERGY SEEMS CRIMINAL. FOSSIL FUELS SHOULD BE PUT ^{TO} USE ONLY WHERE THERE IS NO ALTERNATIVE. SUSITNA POWER PROJECT IS A PLUS IN THAT ONCE COMPLETED IT WOULD BE VIRTUALLY INFLATION PROOF. ALSO, ENVIRONMENTALLY SOUND, WITH LITTLE DAMAGE TO THE AREA, BUT GREAT POTENTIAL IN THE RETURNS TO THE PEOPLE OF ALASKA IN THE SAVINGS OF FOSSIL FUELS. IT WOULD ALSO SAVE THE RAILBELT AREA MILLIONS IN NON EQUIPMENT PURCHASES FOR ENERGY, SINCE WITH THE SUSITNA POWER, THERE WOULD BE NO NEED TO PURCHASE ENERGY EQUIPMENT TO TAKE CARE OF THE GROWTH IN POPULATION. AS A FAMILY MAN, AS PRESIDENT OF ALASKA ENERGY FOR AMERICA, AND AS A MEMBER OF SUSITNA POWER NOW, WE ALL OFFER OUR FULL SUPPORT TO THE SUSITNA POWER PROJECT. THANK YOU.

RESPECTFULLY SUBMITTED,

Austin G. Ward



tingit & haida regional electrical authority

811 West 12th Street • Juneau, Alaska • (907) 586-6966



February 13, 1980

The Honorable Bill Sumner
Chairman, Senate Resources Committee
The State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sumner:

Thank you for your invitation to testify on SB 294. I regret I cannot be present for the hearing but I would like a few comments to be entered in the record.

First, while I feel very strongly that the Susitna Project is desirable and necessary project for the State of Alaska, I do not feel that SB 294, and the appropriation bill SB 295, are necessarily the right and proper means to accomplish that project.

It is my understanding that preliminary studies are presently underway and that one of the items to be considered are various options for financing the project with advantages and disadvantages of the various options. I feel it will be premature to commit such a large amount of general funds when there may be better options available.

If the studies indicate that general funds are the best means to finance the project, and adequate general funds are available in the future, I would be happy to lend my full support. Until then I must express my opposition to passage of SB 294 and 295.

Sincerely,

Robert Martin, Jr., P.E.
General Manager

RM:cmg

ELLER FOWELL



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811 W. 8th Avenue
Anchorage,
Alaska 99501
Phone: 279-1515

February 11, 1980



Senator Bill Summer
Chairman
Senate Resource Committee
Alaska State Legislature
Pouch "V"
State Capitol
Juneau, Alaska 99811

Dear Senator Summer:

Thank you very much for your letter of February 7th. Unfortunately, I am unable to testify on either February 15th or 16th. Therefore, I would like to have this letter submitted on SB 294 to begin work on the Susitna hydroelectric project.

I feel that the Susitna hydroelectric project is one which is overdue for the State of Alaska. Having been raised in the Northwest where the production of power was one of the prime interests of our state and federal government, it was possible to have electricity at a very low cost which attracted not only industry, but also individuals to live in the Northwest. With Alaskan costs as high as they are, I think one of the prime things we can do to help keep people in Alaska is to reduce the cost of electricity by using hydroelectric power. Since inflation is continuing to rise, I think the importance of this project and the need to have it done immediately, cannot be over stressed.

Sincerely,

Dick Norman
General Manager

DN:ind



SENATOR SUMNER,

I JUST RECEIVED YOUR INVITATION TO TESTIFY BEFORE THE COMMITTEES GOVERNING BOTH SCB 41 & SB 294. I'M SORRY THE INVITATION DID NOT ARRIVE IN TIME FOR ME TO AT LEAST GIVE WRITTEN TESTIMONY IN THOSE AREAS. I GUESS IT JUST SHOWS OUR POSTAL SERVICE & OR AIRWAYS ARE NOT VERY PREDICTABLE DURING AT LEAST WINTER MONTHS.

I CERTAINLY HOPE THERE WAS RESPONSE TO BOTH AREAS SINCE BOTH ARE VITAL TO ALASKAS DEVELOPMENT IN A MANNER THAT IS GROSSLY ADVANTAGEOUS TO ALASKANS.

I WOULD HAVE TO BORROW TO THE KNOWLEDGE OF THE SENATE & HOUSE OF THIS STATE ON THE BEST MOVEMENT FOR ECONOMIC DEVELOPMENT SINCE MY VIEWS WOULD BE VERY LIMITED IN SCOPE.

ON SB 294; AS IN OUR PAST DISCUSSIONS ON HYDROELECTRIC POWER - I AM A DEDICATED PROPONANT OF THIS TYPE OF ELECTRICAL PROPONANT & ENCOURAGE YOU & ALL LEGISLATORS TO DO THE UTMOST TO SEE THAT HYDRO POWER IS THE BASIS FOR ELECTRICITY THROUGHOUT THE STATE.

IF I CAN BE OF ANY HELP TO YOU IN THIS CAPACITY PLEASE DO NOT HESITATE TO GET IN TOUCH WITH ME.

SINCERELY

TED SMITH

Theodore H. Smith

AK Fuel Services

TESTIMONY PRESENTED BY
MAYOR JOHN A. CARLSON
FAIRBANKS NORTH STAR BOROUGH
FOR SENATE BILL 294
(SUSITNA PROJECT BASIC AUTHORIZATION)
FEBRUARY 16, 1980

MR. CHAIRMAN:

MY NAME IS JOHN A. CARLSON AND I AM MAYOR OF THE FAIRBANKS NORTH STAR BOROUGH.

I APPRECIATE THE OPPORTUNITY TO TESTIFY BEFORE YOU ON SENATE BILL 294, SINCE THE AVAILABILITY AND COST OF ELECTRIC POWER TO RESIDENTS OF INTERIOR ALASKA HAVE BECOME A CRITICAL, IF NOT LIMITING, FACTOR IN THE AREA'S SOCIAL WELL-BEING AND ECONOMIC DEVELOPMENT.

THE COST OF ELECTRIC POWER HAS TRADITIONALLY BEEN HIGH, BOTH IN THE INTERIOR AND IN ALASKA AS A WHOLE. HOWEVER, ELECTRIC POWER RATES IN FAIRBANKS RUN TWO TO THREE TIMES HIGHER THAN IN ANCHORAGE AND AS MUCH AS TEN TIMES HIGHER THAN IN SEATTLE. AS I MENTIONED EARLIER, THE COST OF ELECTRIC POWER TO INTERIOR ALASKA RESIDENTS HAS NOW BECOME PROBABLY THE SINGLE MOST CRITICAL FACTOR LIMITING THEIR ABILITY TO DEVELOP A HIGHER STANDARD OF LIVING AND CREATING A MORE DIVERSIFIED ECONOMY FOR THEMSELVES.

I THINK WHAT THE FEDERAL GOVERNMENT WAS ABLE TO ACCOMPLISH IN THE PACIFIC NORTHWEST FOR HYDROELECTRIC DEVELOPMENT DURING THE 1930'S AND 1940'S SHOULD BE AN EXAMPLE TO ALASKA.

AS A RESULT OF EXTENSIVE DAM CONSTRUCTION FOR THE GENERATION OF HYDROELECTRIC POWER ALONG THE COLUMBIA RIVER, A MAJOR REGION OF THE UNITED STATES NOW ENJOYS INEXPENSIVE AND ABUNDANT ELECTRIC POWER.

I WILL GIVE YOU ONE BRIEF EXAMPLE OF THIS. BETWEEN 1973 AND 1979, ELECTRIC POWER RATES IN THE FAIRBANKS MUNICIPAL UTILITIES SYSTEM INCREASED 67%. IN THE SAME PERIOD GOLDEN VALLEY ELECTRIC ASSOCIATION RATES INCREASED 72%, WHEREAS THE RATE INCREASES FOR URBAN AND SUBURBAN ANCHORAGE WERE 40% AND 49% RESPECTIVELY. IN A PERIOD OF RAPIDLY INCREASED COSTS FOR FOSSIL FUELS, WE UNDERSTAND THE REASON AND PAINFUL NECESSITY FOR THESE RATE INCREASES. HOWEVER, IN THE SAME SIX-YEAR PERIOD, USING WATER-GENERATED POWER, SEATTLE CITY LIGHT ELECTRIC RATES INCREASED ONLY 1%.

GENTLEMEN, I THINK THIS EXAMPLE SPEAKS FOR ITSELF. ONCE THE INITIAL, AND ADMITTEDLY THE VERY MAJOR CAPITAL COSTS ASSOCIATED WITH HYDROELECTRIC DAM CONSTRUCTION HAVE BEEN MADE, HYDROELECTRIC POWER IS BASICALLY AN INFLATION FREE SOURCE OF ENERGY IN AN ERA OF DOUBLE DIGIT INFLATION AND DIMINISHING FOSSIL FUEL SUPPLIES.

IN ADDITION TO SUSITNA SUPPLYING A MAJOR PORTION OF INTERIOR AND SOUTHCENTRAL ALASKA'S ENERGY REQUIREMENTS, THE CONSTRUCTION OF THIS PROJECT WOULD PROVIDE A MAJOR ECONOMIC BOOST TO ALASKA'S RESIDENTS AT A TIME IN WHICH UNEMPLOYMENT IS HIGH AND THE ECONOMY IS STAGNATING.

UP UNTIL NOW, ONE OF THE MAJOR DRAWBACKS FACING ALASKA'S DESIRE TO DEVELOP ITS VAST HYDROELECTRIC RESOURCES HAS BEEN THE LACK OF CAPITAL TO MAKE THE INITIAL LARGE SCALE INVESTMENT IN DAM CONSTRUCTION AND SITE DEVELOPMENT. NOW THAT ALASKA IS BENEFITING FROM SKYROCKETING OIL REVENUES, WE PRESENTLY HAVE THE MONEY ON HAND TO CREATE OUR OWN HYDROELECTRIC POWER SYSTEM, INDEPENDENT OF FEDERAL GOVERNMENT CONTROL. THE LEAD TIME IS SO GREAT AND OUR OWN POWER NEEDS ARE SO URGENT THAT WE MUST MOVE NOW, AND WE MUST MOVE AS QUICKLY AS POSSIBLE. I STRONGLY URGE THAT THE LEGISLATURE SUPPORT SENATE BILL 294 AS THE BASIC VEHICLE NECESSARY TO DEVELOP OUR HYDROELECTRIC POTENTIAL. IT CANNOT COME A MOMENT TOO SOON, AND IT WILL PROVIDE A BENEFIT BEYOND OUR LIFETIMES TO GENERATIONS OF NEW ALASKANS.

CITY OF PALMER, ALASKA

RESOLUTION NO. 34

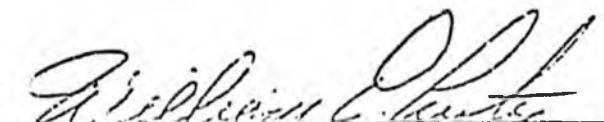
A RESOLUTION SUPPORTING SUSITNA POWER NOW.

The City of Palmer Resolves:

The City of Palmer supports the program of Susitna Power Now and Senate Bill 294, and Councilmen Willard Johnson and James Ekstedt are authorized to represent the City's position hereon.

Passed and Approved by the City of Palmer, Alaska this 12th day of February, 1980.


JACK E. MAZY, MAYOR


WILLIAM E. CURTIS, CITY CLERK



CITY OF KENAI
"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

February 5, 1980

Honorable Jay Hammond
Governor, State of Alaska
Pouch A
Juneau, AK 99811

Dear Governor:

First how enjoyable the dinner Thursday at which we all relaxed. In view of the heavy burdens you carry, it was encouraging to see the fortitude, wisdom and confidence you are bringing to bear on matters.

Please do keep in your budget considerations, the 10% of income tax provision for the municipal assistance fund under Sec. 43.20.016. The 10% flow through, State to municipalities, has an equal validity with the relationship of the petroleum industry and the State tax structure. The funds flowing in full would offer real property tax relief, would fill many municipal needs and would meet many of the criteria you are trying to establish for fair distribution of tax revenues.

If I may, Governor, may I offer some thoughts for your consideration concerning the money situation facing the State.

We should perhaps set this in proper perspective. What we are talking about is economics and finance, not civil rights, education goals, about public safety, etc.

Within the perspective of economics and finance, for the moneys flowing to the State above operating expenses, we should set as an objective the preservation for present and future inhabitants of the potency and flexibility of capitol. With this objective, we can select a path to get there. Most of the Western world nations are caught in an inflation cycle, certainly the United States economy is so caught. This leads to a course of action somewhat brutal in its implementation but necessary if we are to preserve potency and flexibility of capitol over a ten to fifteen year period.

We should expend the moneys, above expenses, only when they can be invested in an equity position. Investments should be made in hydroelectric projects, capital improvement projects, and direct return to citizens such as energy

1-5-80
Record

TO: Honorable Jay Hammond

February 5, 1980

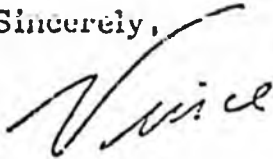
If we have to be involved in loans programs, we should borrow money to provide such funds. The inflation caused dollars depreciation makes issued debt an advantage to us, as the future dollars we use for repayment will be cheaper as they come from an inflation influenced economy.

Hopefully the above gives us the following criteria for determining how revenues available above operating expenses should be allocated.

1. Invest this equity money in equity positions, i.e.: hydropower situations, natural gas line, capital improvement programs, energy credits, etc.
2. Do not loan it as we then subject it to inflation erosion open payback. If we have to loan it, borrow from external source to reloan.
3. Income tax sources, to some degree, should stay in effect as this gives us a foothold to tax the inflation dollar stream.

Governor, excuse the length but I do wish and know you share the wish that we act in accordance with prudent criteria and a plan of wisdom.

Sincerely,



Vincent O'Reilly
Mayor

CITY OF KENAI
VOR:jw

Saturday, Feb. 16

TESTIMONY, Senate Bill 294, Susitna River Hydroelectric

Willard H. Johnson
P.O. Box 84
Palmer, Alaska 99645

Registered Professional Engineer
Retired, General Manager of Matanuska Electric Association (20 years Service)
Representing, as Mayor Pro Tem, the City of Palmer

First, I want to present the City of Palmer Resolution No. 434, which was adopted by the Palmer City Council on Feb. 12, 1980. It expresses support for the Upper Susitna Hydroelectric Development and Senate Bill 294.

Palmer believes that the Upper Susitna Project should be developed with all deliberate speed. Palmer also believes that the State of Alaska should, through the Alaska Power Authority, finance and direct the project's construction. For the long range benefit of Alaskans, we can think of no better way to invest Royalty Oil Income. Money from a non-renewable resource invested in a renewable resource such as hydroelectric energy, that will provide so many benefits continuing long after many of Alaska's oil deposits are depleted, makes awfully good sense.

An area may have developable land, water, a transportation system, investment capital and other resources, but it is not going to thrive and prosper without an adequate and reliable supply of electric power. Alaska has this potential and in the Railbelt area we are blessed with the Upper Susitna.

I doubt if many of us fully realize the kind and magnitude of the benefits that will flow to the railbelt people when Susitna power goes on the line. Spinoff benefits will go to all of Alaska's people and to the Lower 48.

I remember as a boy in Eastern Washington State, the vast stretches of sagebrush, blowing sand and the desolate land. There were little villages with dirt streets, unpainted houses and little work for men to do. Later, as a young engineer, after the great Columbia River projects came on the line, I remember the vast productive fields of corn, sugar beets and alfalfa where before there was only desert. Attractive and comfortable homes replaced the old shacks, and towns were modernized. Commercial activities thrived. People had jobs.

Most of the early Columbia River Hydro projects were federally planned, financed and constructed. It took 20 years and a lot of effort by western people to move Congress to approve the great Coulee Dam. We think the State of Alaska deserves something better than that. So we urge that SB 294 be passed, and that the Susitna project be completed and operated by the State.

THANK YOU



Steam Generation has switched
from coal to Natural Gas and
now is supposed to switch back
to coal ^{at Great cost} Let's use hydro
once and for all Time

Other industry has been adversely
affected by high power costs —
at one time we had a small
lumber operation in the ~~the~~ Mat Sen
area — This utilized birch that
now has gone by its prime as
useable lumber — This was due to
Too high cost of power —

I am in favor of both Bills
S.B. # 294, # 385 and any other bills
that will get this project on the way
to completion. Tax relief in the form
of interest deductions

International Union of Operating Engineers

AFFILIATED WITH AFL-CIO

LOCAL 302 AND BRANCHES A, B, C AND D

FRANK T. POLSAK, *Business Manager*

JACK J. WILSON, *President*

ROD J. FRASER, *Financial Secretary*

Branch Offices:

WENATCHEE, WASHINGTON
YAKIMA, WASHINGTON
ANCHORAGE, ALASKA
FAIRBANKS, ALASKA
JUNEAU, ALASKA



WESTERN AVE. AND CLAY ST.
SEATTLE, WASHINGTON 98121
TELEPHONE: 622-6180

February 29, 1980

Senator Sumner
Capitol Building Rm. 125
Pouch V
Juneau, Alaska 99811

RE: Susitna Power Project
SB 294

Sir:

The International Union of Operating Engineers, Local 302 (Alaska), which presently is composed of over 4000 members, has determined that the Susitna Power Project would be in the best interests of all of the people within our State. We would like the Legislature to not only know that we support the project but we also wish all practical speed in efforts to get it under construction.

Sincerely,

Roderick J. Fraser
Financial Secretary
I.U.O.E., Local 302

RJF/jch
cc: Susitna Power Now, Inc.

TELEGRAM

ALASKA
FEDERAL 800-443
WEST 218 86302

1980 MAR 4 PM 1 15

12037 NL FAIRBANKS ALASKA 50 03-04 1007A AST

PMS SENATOR BILL SUMNER 465-4791

SENATE RESOURCES COMMITTEE
264

JUN

MAYOR AND CITY COUNCIL OF THE CITY OF FAIRBANKS SUPPORT AND
RECOMMEND PASSAGE OF SENATE BILL 294. DEVELOPMENT OF
SUSITNA POWER PROJECT WILL BE OF GREAT BENEFIT TO INTERIOR
ALASKA

C DROZ CITY MANAGER

S

B

25

COMMITTEE REPORT

SENATE

FURTHER: Finance

1/29/81

Date: _____

Mr. President:

The Committee on RESOURCES has had SSSB 25 establishing a power project revolving loan fund in the Alaska Power Authority

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Mulcahy
Alan Hansen
McGowan
Errol Bradley
V. T. ...

Betty ...
 CHAIRMAN

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

The Honorable Bettye Fahrenkamp
Chairperson
Senate Resources Committee
Room 113 - Capitol Building
Juneau, Alaska


Re: Sponsor Substitute for Senate Bill No. 25

Dear Senator Fahrenkamp:

Sponsor Substitute for Senate Bill No. 25, an Act establishing a power project revolving loan fund in the Alaska Power Authority, amending the Alaska Power Authority Act, and requiring the Department of Revenue to invest the surplus power project revolving loan fund balance, was introduced in the Senate on January 29, 1981 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm C. Staack, Treasury Comptroller of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm C. Staack
Treasury Comptroller
Department of Revenue

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SPONSOR SUBSTITUTE FOR SENATE BILL No. 25

Title "An Act establishing a power project revolving loan fund in the Alaska Power Auth."

Requested by Senate Resources Committee Date 1/29/81

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Fund Unrestricted Revenues

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

<u>FUNDING</u>	MILLIONS (Thousands of Dollars)	INTEREST EARNINGS REDUCTION TO GENERAL FUND UNRESTRICTED					
GENERAL FUND	MILLIONS	-0-	91.2	91.2	91.2	-0-	--0-
FEDERAL FUNDS							
OTHER (Specify Fund Source)							

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Bill allocates interest earnings on appropriated but temporary unused monies to the Alaska Power Authority. Calculations based on companion appropriations bill SB 26.

Above assumes a 12% interest rate on temporary invested funds. Monies used evenly throughout the year. \$760 million average balance. Even if Authority did not draw all funds as they became available the bill requires that interest earned on available balances be used by the Authority for allotment to other projects.

IV. DATE February 2, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Name)

BILL ANALYSIS

Sponsor Substitute for Senate Bill No. 25 (1/29/81)

Program Effects:

1. Defines "economically feasible" project, i.e., if the Alaska Power Authority (Authority) determines that the total costs of a power project is cheaper over the estimated life v. other alternatives.
2. Standard factors used to determine feasibility to include:
 - a. A 7% inflation factor for construction and operating costs.
 - b. A 10% interest rate on money borrowed for the project.
 - c. An 11% annual cost escalation factor for alternative power sources from oil, gas or coal.
3. Establishes a Power Project Revolving Loan Fund (Fund) in the Authority. The money in the Fund includes:
 - a. Appropriations to it by the legislature.
 - b. Principal and interest repayments on loans.
 - c. Interest earned on Fund invested balances.
4. The Fund may be used by the Authority for:
 - a. Loans for reconnaissance, feasibility studies and project financing plans.
 - b. The cost of a power project including licenses, design and construction of the project.
 - c. Grants for power production assistance.
5. The Authority shall make loans for:
 - a. Power projects designated by the legislature in the amount the legislature designates.

BILL ANALYSIS, SSSB 25, Cont'd

- b. Power projects not designated by the legislature if the Authority owns the project.
 - c. Power projects not designated by the legislature if the Authority finds it economically feasible, and:
 - (1) will operate on renewable resources, or,
 - (2) Operates on coal, peat or wood where that source fuel is abundant and renewable energy resources are not available or cheaper.
6. The Department of Revenue is to invest and manage the balance of the fund which exceeds loan and grant requirements for the current fiscal year. Investments allowed in accordance with general fund investment statutes.
7. The Authority to maintain a record of all loans made.
8. Investment income on money appropriated to the Fund shall be allotted each fiscal year:
- a. To each power project specifically legislatively designated in proportion to the amount appropriated to the project as a percent of the total appropriation.
 - b. To all other unspecified power projects in proportion to their amounts v. the total amount appropriated for unspecified projects.
9. Loan terms and conditions include:
- a. Term no longer than the estimated actual life as constructed or 100 years whichever is less.
 - b. Interest rate not to exceed 3% on the outstanding balance. Until the balance appropriated to the Fund equals or exceeds \$4.5 billion, the interest rate is 7% a year.

BILL ANALYSIS, SSSB 25, Cont'd

- c. Repayments of principal and interest to begin when the borrower certifies that the project is producing power.
10. The total loan amount is:
 - a. The amount of money specifically appropriated by the legislature and the amount of any allotments.
 - b. For power projects not specifically designated by the legislature the loan may not exceed the amount appropriated for undesignated projects plus any allotments.
 11. The Fund balance (monies available) can be reallocated as follows:
 - a. Loan repayments may be reallocated to other projects.
 - b. If a project legislatively designated is not built the money may be reallocated only for economically feasible projects within the same market area of the designated but not constructed project.
 - c. If appropriations for a legislatively designated project exceeds the amount necessary then the excess can be reallocated to other projects.
 12. Effective July 1, 1981.

Comments:

1. The bill allows the Department of Revenue to invest and manage only the Fund balance which exceeds requirements for the current fiscal year. The bill places no restrictions on draw downs and their timing.

Appropriate language might be included that the Authority only draws upon the Fund when loan funds are actually necessary to accomplish construction and not when a commitment to a loan is made or instituted.

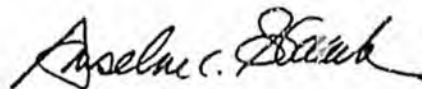
BILL ANALYSIS, SSSB 25, Cont'd

Without these restrictions the Authority could simply make the loan and draw the entire sum when the loan is committed to without having a valid need for all the money. The restrictions proposed are no different than how any appropriation is handled, i.e., it is not drawn down (paid out) until a valid expenditure exists. Revenues are received somewhat evenly throughout the year and cash is available when received. With the current language the Treasury could be literally unable to cash fund other drawdowns when requested until sufficient cash inflow allows.

2. The Power Project Revolving Loan Fund is entitled to its interest earnings on all amounts appropriated. The amount of interest lost to the general fund from amounts appropriated until their actual use can be quite substantial. For instance, if 1.52 billion is appropriated (see Companion Bill SB 26) and the money is used evenly throughout the year, at a 12% earning rate, the general fund unrestricted interest earnings reduction is \$91.2 million over the year.

Although these funds are to be reallocated to other projects they are unavailable for legislative prioritization in future periods.

Perhaps it might be satisfactory to allow the general fund to have the interest earnings on appropriated but undrawn amounts until they are drawn to cover actual expenditures on the various loans. This would not harm any designated projects, provide further control on "allotted" funds (which could be appropriated by the legislature if it desires the next year), and would forward continuing legislative review of project expenditures.



Anselm C. Staack, Treasury Comptroller
Department of Revenue/Treasury
465-2351



Alaska State Legislature

Senate

JULY 1959, ALASKA

PRELIMINARY BILL SUMMARY

BILL NUMBER: SB 25

SPONSOR(S): Kerttula, Ziegler,
Ferguson, Bradley and Eliason

OTHER COMMITTEE
REFERRALS: Finance

*all
Sponsor
substitute*

TITLE: "An Act establishing a power project revolving loan fund in
the Alaska Power Authority;

and providing for an effective date"

FISCAL IMPACT (if known): The power project revolving loan fund will
include 1) dollars appropriated ; 2) amounts paid as principal
and interest; and 3) interest earned by investment of fund dollars

BRIEF SUMMARY OR HIGHLIGHTS:

Loans can be made for 1) feasibility studies for projects; 2) cost of
project; 3) power production cost assistance.

Loans shall be made for 1) power projects designated by the legislature;
and 2) power projects not designated by the legislature but meet
certain criteria (economic feasibility and operates on renewable
energy or coal, peat, wood)

The bill states criteria for "economic feasibility" -- total costs are
cheaper for estimated life than other alternatives.

Sec. 44.84.430

Mandates that the Authority maintain financial records

The bill gives the loan terms and conditions, namely, the period
of the loan may be for 100 years of the life of the project, whichever
is less.

The interest rate may not exceed 3%.

Payment begins once the project is producing power.

The bill sets various loan limitations.

The Authority may reallocate funds which have been repaid to other power projects.

Until the fund equals \$4.5 billion, the interest rate on loans will be 7%.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

cc to Jim +
Committee
Staff
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


MEMORANDUM

January 29, 1981

SUBJECT: Sponsor substitute for SB 25 (power project revolving loan fund) and SB 26 (companion appropriation) (Work Order No. 12-0521)

TO: ✓ Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: John B. Chenoweth
Legislative Counsel



This pair of bills authorizes and appropriates for a revolving loan fund in the Alaska Power Authority by which the Authority may make loans for construction of power projects, earn a return on the loans made, and (with legislative approval) use the principal and interest for subsequent power projects.

*

SB 25, the authorization, operates generally in the manner of other state revolving loan programs. The difference between this legislation and programs already in place is one of project dimension and loan repayment period. Both are significantly larger than comparable loan program components. The major operative provisions of the legislation are set out in * Sec. 2 [page 2, line 1 and following] as materials amending AS 44.83, the Alaska Power Authority Act.

Sec. 44.83.400 establishes the power project revolving fund.

Sec. 44.83.410 indicates the principal permissible uses of the fund balance to be (1) the making of loans in order to complete reconnaissance and feasibility studies and power project finance plans required by law, and (2) the making of loans to meet the costs of power projects.

Sec. 44.83.420 establishes limitations on the loans which the authority may make from the fund. Generally, the authority is held to making loans for (1) power projects designated by the legislature by law (where required by AS 44.83.185), (2) power projects which the authority itself owns or will own, and (3) power projects which the legislature need not designate by law because of the exemptions provided in AS 44.83.187 but which the authority determines will be "economically feasible" [the term is defined in context on page 1, at lines 16 - 29] and which will be operated using one of the resources and within the limitations listed in AS 44.83.420(a)(3)(A) or (B).

Sec. 44.83.430 essentially requires the authority, pending the making a loan from the revolving fund, to maintain records of temporary investments on a per project basis. It describes, in subsection (b), the manner of allocating income earned on this invested income back to specific projects which have been identified by the legislature, and to unspecified projects generally.

Sec. 44.83.440 sets out terms and conditions applicable to loans, specifying a maximum repayment period, a rate of interest, and a date when repayment is to commence.

Sec. 44.83.450 describes loan limitations in terms of the maximum amounts which may be loaned for particular power projects. Where the legislature has appropriated and allocated to a power project, the loan may not exceed the allocation and a pro rated share of investment income earned under AS 44.83.430. Where the legislature has not designated, appropriated and allocated to a power project, the authority has discretion, within the total amount available to it for undesignated projects and the pro rated share of investment income earned, to determine the amount which may be allotted to each project.

Sec. 44.83.460 addresses the situation opposite to AS 44.-83.450 by describing how the authority shall account for and handle repayments of principal and interest on loans for power projects (subsection (a) says that the authority may reallocate to other power projects). The section also extends to the authority the responsibility for deciding what to do with amounts appropriated by the legislature to power projects which are not constructed, and to power

projects for which the amount appropriated exceeds actual costs (in both instances, by subsections (b) and (c)) the authority may reallocate these amounts to other power projects.

Sec. 44.83.470 adds a definition of the term "fund".

By * Sec. 3 of the bill [page 5, lines 20 - 22], sums appropriated by the legislature (such as proposed in SB 26) are to be temporarily handled and invested by the Department of Revenue as the surplus general fund balance may be invested, with the proceeds of the appropriation and earnings transferable to the authority for projects as needed.

The major portion of amounts appropriated by the legislature should go to build projects specified by the legislature by law in accordance with the 1980 amendments to the Alaska Power Authority Act. A relatively small amount of money will be available for undesignated power projects, which may be selected by the authority but only after completion of a feasibility study to determine whether a proposed power project not specified by the legislature is "economically feasible". The requirement that a power project be economically feasible, and the very general standards for determining economic feasibility are set out in * Sec. 1 of the bill, and cross-references to the requirement may be found at AS 44.83.420(a)(3) (for proposed projects which do not need legislative review and approval) and at AS 44.-83.460(b) (disposition of "revolved" principal and interest payments on amounts previously loaned).

For loans made, a three percent interest rate on amounts borrowed is specified [AS 44.83.440(b)]. By * Sec. 4 of the bill, the three percent interest rate is set aside and a higher interest rate, seven percent per year, applies for projects for which loans are made until the legislature appropriates at least \$4,500,000,000 to the power project revolving loan fund. (I understand that this suggested requirement was to assure that supporters of projects for which appropriations are made in the earlier years are less inclined to "bail out" of support of the full range of projects immediately after seeing their projects named in legislation making appropriations.)

Senator Bettye Fahrenkamp

Page 4

January 29, 1981

Apart from the provisions for making loans for power projects, this bill also provides that a portion of the balance of the fund may be used to make grants for the power production assistance program as authorized in current law (AS 44.83.162 - 44.83.164). This provision in the bill is AS 44.83.410(2).

*

SB 26, the companion appropriation, provides appropriations from the general fund during each of the next three full fiscal years (FY 82, FY 83, FY 84) to at least the minimum amount specified in SB 25 that would escape levy of the higher seven percent interest rate. As a technical matter, a Committee Substitute should be considered for this bill to pick up, at page 3, following line 4, the following entry omitted in typing:

(8) Susitna	\$1,100,000,000
-------------	-----------------

This does not change the total for the FY 84 appropriation or for the full bill.

JBC:ljb

cc: Senator Jalmar M. Kerttula

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

February 4, 1981
1:30 p.m.

Butro Room
207 - Capitol

MEMBERS PRESENT

SENATOR FAHRENKAMP
SENATOR FISCHER
SENATOR BRADLEY
SENATOR ELIASON
SENATOR GILMAN
SENATOR MULCAHY
SENATOR STURGULEWSKI

-
- Hearing: SB 8 Making a special appropriation to the Alaska Power Authority for construction of the Susitna River Hydroelectric project.
- SSSB 25 Establishing a power project revolving loan fund in the Alaska Power Authority.
- SB 26 Making special appropriations to the power project revolving loan fund of the Alaska Power Authority.

The hearing was teleconferenced to Anchorage, Fairbanks and Mat-Su.

Terry Reikhart, Fairbanks, representing himself, testified on SB 8 stating that the feasibility study is proceeding smoothly. Since Susitna is a major project it is necessary to have as much information as possible before making a decision to proceed.

Patricia Anderson, Fairbanks, a biologist, stated that the Department of Fish and Games needs 5 years to conduct fish and wildlife studies and when completed they will provide good base line data.

Fred Dure, Anchorage, representing himself, stated that he was opposed to SB 8 and that consideration should be given to wildlife.

Chuck Smith, Mat-Su, representing himself, stated that Susitna has been studied for over 40 years that it is time to move on with the project because the area is approaching a power shortage. He indicated that the Alaska Power Authority brochure on Susitna answered all the questions previously raised by the environmentalists.

Kevin Herrin, Fairbanks, representing himself, stated that the feasibility study is needed to determine if the size of the project is appropriate. He indicated that adequate power is needed at a reasonable rate but producing more power was not the solution. He saw the solution as energy conservation.

Vivian Cartwright, Fairbanks, representing herself, stated that the social consequences, of building Susitna, may be high and may disrupt the rural life style of the area. She indicated that the positive points of building the dam are: 1. it would produce cheaper energy for urban areas; and, 2. it would produce short term employment.

Thomas Star, Anchorage, Municipal Light and Power, stated that he was infavor of all three bills. He indicated that it was wise to use non-renewable resource revenues to build useful long term hydro structures. These bills will provide funding for our future energy needs.

Dorothy Jones, representing the MatSu Borough, stated she strongly supported Susitna and all other hydro projects in the State because they are environmentally clean and also a good use of a renewable resource.

Jeff Wilson, Fairbanks, representing himself, stated that it is important to know the potential impacts of Susitna since the river provides fish for the Cook Inlet fisheries. He felt that the feasibility study needs to be completed before a decision was made.

Bob Huffman, Fairbanks, representing himself, stated that he was infavor of all three bills because they will assure that Alaska will have a viable energy future. Hydro is a renewable resource and once the projects are completed they will be virtually inflation free.

David Singlesign, Anchorage, representing himself, stated that the Sierra Club has not taken a position on the Susitna project because they are waiting for the completion of the feasibility study. He further stated that it is logical to study a project of this size in depth.

Bob Lohr, Anchorage, Energy Director RuralCap, stated that he supports the assistant program portion of SSSB 25 and SB 26 because without them the bush communities would be paying

close to 50¢ per KWH.

Jim Booska, Fairbanks, representing himself, stated that the present systems are overloaded and therefore, Susitna is needed as soon as possible. He said that he thought that Snettisham was completed, so what is the appropriation for Snettisham Phase II? (Answered later by Mr. Holdsworth).

Elexis Dvorson, Fairbanks, representing herself, stated that she would like to see the feasibility study completed and was particularly concerned about any potential impact on the Cook Inlet fisheries. She indicated that there were other energy options such as solar energy, and conservation.

Eric Meyers, Anchorage, representing the Alaska Public Interest Research Group, stated that by surpressing the cost of electricity it encourages consumption. He suggested that undue emphasis was placed on electricity when there are other energy needs. He suggested that \$20 million be put into the audit and retro-fitting program.

Nancy Lee, Anchorage, representing herself, stated that the amount of money under consideration may not be needed and suggested that the feasibility study be completed first.

David Lacey, Fairbanks, representing himself, stated he was opposed to SB 8 because it creates a big Golden Vailey Electric Authority and big government.

Roxie Palser, Fairbanks, stated she supported hydro electric projects because there have been changes in Alaska which have increased the need for hydro.

Jeff Bowman, Fairbanks, representing himself, stated he did not believe that the alternatives that are being studied are being given the same consideration as Susitna. He indicated that he thought that smaller projects may be more appropriate.

Doug McIntyre, Fairbanks, representing himself, stated he was opposed to SB 8 because the per capita cost was \$10,000.

3:05 p.m. End of Teleconference.

Phil Holdsworth, Juneau, representing South Eastern Conference, stated that their policy statement #3 on hydro-electric fits SB 25. In reference to the previously asked question regarding Snettisham Phase II, he stated that the funds were to connect Lake Dorothy to the existing plant. The existing plant was built to take an extra turbine and flow from the lake and this comparatively small amount of money will increase the capacity.

Roland Shanks, Juneau, Alaska Environmental Lobby, stated that it is premature to appropriate money to start construction of the Susitna River Hydroelectric Project. That the decision to expend money for the Susitna Project should await the outcome of the studies. He indicated that it may be in the economic best interest of the State to foster an in-state economy based on energy conservation, retro-fitting and smaller more localized hydroelectric projects.

Dave Hutchens, Juneau, Executive Director, Alaska Rural Electric Cooperative Association, stated that there had been some misunderstanding about SB 8 because the Federal Energy and Regulatory Commission requires the feasibility studies to be completed prior to their issuance of a license. But, it is wise while the money is available from non-renewable income to put aside some of it so it can be used if and when Susitna is determined to be feasible. He stated that SB 25 and SB 26 use the revenue from non-renewable resources to finance permanent energy facilities at low interest rates so people across the state can benefit. He indicated that when these projects are completed 7/8 of the people in the state will be on hydro power. He further indicated that it will be years before Susitna is built but it can be funded at today's cost with today's dollars. If it is proven infeasible the money becomes available for other projects in that area. He stated that the reason for such a large project like Susitna is it is economically more efficient.

Senator Jalmar Kerttula, President of the Alaska State Senate, stated that these bills represent a 8 year program. The basic philosophy behind the bills is: that the oil revenues are here today which can be used to build a sound economic base for the future. These projects represent a long term investment in the State's economic future. He stated that now is our chance to put the money aside because if for some reason there is a shortage of funds in the future even the money in the permanent fund will be spent.

Senator Mulcahy put forth the motion to move the bills, with individual recommendations, with an amendment to SB 26 correcting the typographical error on page three, and with a letter of intent with SB 8.

The Committee adjourned at 4:10 p.m.

S

B

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SENATE AMENDMENT

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SB 26

To: _____ HOUSE BILL No. _____

PAGE: 3

LINE: 5

ADD NEW LINE 5

(8) Susitna

\$1,100,000,000

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY


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January 29, 1981

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JBC:ljb

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Alaska State Legislature

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VIC FISCHER, VICE-CHAIRMAN
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DICK ELIASON
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BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

February 4, 1981
1:30 p.m.

Butro Room
207 - Capitol

MEMBERS PRESENT

SENATOR FAHRENKAMP
SENATOR FISCHER
SENATOR BRADLEY
SENATOR ELIASON
SENATOR GILMAN
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Eric Meyers, Anchorage, representing the Alaska Public Interest Research Group, stated that by suppressing the cost of electricity it encourages consumption. He suggested that undue emphasis was placed on electricity when there are other energy needs. He suggested that \$20 million be put into the audit and retro-fitting program.

Nancy Lee, Anchorage, representing herself, stated that the amount of money under consideration may not be needed and suggested that the feasibility study be completed first.

David Lacey, Fairbanks, representing himself, stated he was opposed to SB 2 because it creates a big Golden Valley Electric Authority and big government.

Roxie Palmer, Fairbanks, stated she supported hydro electric projects because there have been changes in Alaska which have increased the need for hydro.

Jeff Bowman, Fairbanks, representing himself, stated he did not believe that the alternatives that are being studied are being given the same consideration as Susitna. He indicated that he thought that smaller projects may be more appropriate.

Doug McIntyre, Fairbanks, representing himself, stated he was opposed to SB 8 because the per capita cost was \$10,000.

3:05 p.m. End of Teleconference.

Phil Holdsworth, Juneau, representing South Eastern Conference, stated that their policy statement #3 on hydro-electric fits SB 25. In reference to the previously asked question regarding Snettisham Phase II, he stated that the funds were to connect Lake Dorothy to the existing plant. The existing plant was built to take an extra turbine and flow from the lake and this comparatively small amount of money will increase the capacity.

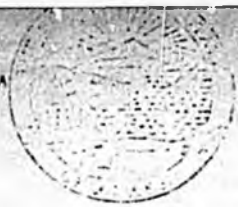
Roland Shanks, Juneau, Alaska Environmental Lobby, stated that it is premature to appropriate money to start construction of the Susitna River Hydroelectric Project. That the decision to expend money for the Susitna Project should await the outcome of the studies. He indicated that it may be in the economic best interest of the State to foster an in-state economy based on energy conservation, retro-fitting and smaller more localized hydroelectric projects.

Dave Hutchens, Juneau, Executive Director, Alaska Rural Electric Cooperative Association, stated that there had been some misunderstanding about SB 8 because the Federal Energy and Regulatory Commission requires the feasibility studies to be completed prior to their issuance of a license. But, it is wise while the money is available from non-renewable income to put aside some of it so it can be used if and when Susitna is determined to be feasible. He stated that SB 25 and SB 26 use the revenue from non-renewable resources to finance permanent energy facilities at low interest rates so people across the state can benefit. He indicated that when these projects are completed 7/8 of the people in the state will be on hydro power. He further indicated that it will be years before Susitna is built but it can be funded at today's cost with today's dollars. If it is proven infeasible the money becomes available for other projects in that area. He stated that the reason for such a large project like Susitna is it is economically more efficient.

Senator Jalmar Kerttula, President of the Alaska State Senate, stated that these bills represent a 8 year program. The basic philosophy behind the bills is: that the oil revenues are here today which can be used to build a sound economic base for the future. These projects represent a long term investment in the State's economic future. He stated that now is our chance to put the money aside because if for some reason there is a shortage of funds in the future even the money in the permanent fund will be spent.

Senator Mulcahy put forth the motion to move the bills, with individual recommendations, with an amendment to SB 26 correcting the typographical error on page three, and with a letter of intent with SB 8.

The Committee adjourned at 4:10 p.m.



Alaska State Legislature

Senate

JANUARY 1983

PRELIMINARY BILL SUMMARY

BILL NUMBER: SB 26

SPONSOR(S): Kerttula, Ziegler
Ferguson, Kelly, Bradley, Eliason
Fahrenkamp

OTHER COMMITTEE

REFERRALS: Finance

TITLE: "An Act making special appropriations to the power project revolving loan fund of the Alaska Power Authority;

and providing for an effective date"

FISCAL IMPACT (if known): Total funding of \$4,560,000,000.

BRIEF SUMMARY OR HIGHLIGHTS:	1981	1982	1983
Black Bear Lake	5 M	5 M	5 M
Bradley Lake	70 M	70 M	70 M
Lake Elva	5 M	5 M	5 M
Green Lake	17 M	17 M	17 M
Power Creek	10 M	10 M	10 M
Snettisham Phase II	13 M	13 M	13 M
Solomon Gulch	21 M	21 M	21 M
Susitna	1,100 M	1,100 M	(?) -0-
Swan Lake	43 M	24 M	30 M
Tazimina Lake	24 M	24 M	24 M
Terror Lake	34 M	57 M	32 M

SB 26 (cont. pg. 2)

Tyee Lake	25 M	25 M	20 M
Other projects	133 M	129 M	153 M
General Fund for power production assistance program	20 M	20 M	20 M

Note: Believe Susitna was inadvertantly left out of 1983
funding.

See SB 25 for authorization.

S

B

2

9

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
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POUCH V
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UNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

TO: Kay Shelton
Legislative Library

DATE: 11/10/82

FROM: Resa King *R.K.*
Administrative Assistant

RE: Committee Files

Attached is an itemization of Committee files being transmitted to the library.

Since some files are still in use, we are not sending the following:

SB 29	Hazardous Waste
SB 582	Forestry
SB 732	Production License - 6(i)
SB 843	Coal Reclamation
SB 872	Seafood Quality
SB 875	University of Alaska Trust Lands
HB 2	University of Alaska Lands/Seismic Information

If you should receive inquiries regarding the above files, please have the person contact us and we will be happy to share the information.

Attachment

S

B

3

6

SENATE AMENDMENT

By SENATOR FAHRENKAMP

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 2

LINE: 6

*Section I AS 41.37.030 is amended to read by adding a new subsection (b):

(b) The Governor shall attempt to appoint members to the Commission who are not state employees.

Letter of Intent ~~_____~~

COMMITTEE REPORT
SENATE

FURTHER: Finance

2/16/81

Date: _____

Mr. President:

The Committee on RESOURCES has had SSSB 36 establishing the Citizens' Advisory Commission on Federal Management Areas in Alaska

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Mulcahy

Ron Simon

Wesley Stangor

W. Finley

Bob Bradley

W. Lester

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Mulcahy
CHAIRMAN

SENATE AMENDMENT #1

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 22

*Section I AS 41.37.020.(a) is amended to read by adding:

(a) The commission is composed of 16 members appointed in accordance with this section. The members of the commission shall ~~be~~ represent each judicial district in the state.

OK

12

SENATE AMENDMENT #2

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 2 LINE: 3

*Section I AS 41.37.030. is amended to read by adding:

Sec. 41.37.030. QUALIFICATIONS OF MEMBERS. The members of the commission appointed by the governor under AS 41.37.020(b) and members appointed under AS 41.37.020(c) and (d) who are not members of the legislature shall be [BROADLY] representative of the diversity of users and uses of federal LAND [LAND USERS] in the state.

SENATE AMENDMENT #3

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 2 LINE: 27

*Section I AS 41.37.060. is amended to read:

Sec. 41,37.060. COMPENSATION, EXPENSES AND PER DIEM (a) [A MEMBER OF THE COMMISSION IS ENTITLED TO COMPENSATION AT THE RATE OF \$50 A DAY FOR TIME SPENT ON ACTIVITIES OF THE COMMISSION.] A member of the commission who is a legislator or a full-time employee of the state or of a municipality of the state [MAY NOT RECEIVE COMPENSATION UNDER THIS SUBSECTION BUT] shall suffer no loss of compensation from the state or municipality of the state as a result of service to the commission. (b) A member of the commission is entitled to [TRAVEL EXPENSES] expenses, travel and per diem prescribed for state boards and commissions.

SENATE AMENDMENT #4

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 3 LINE: 11

*Section 1 AS 41.37.080. is amended to read:

Sec. 41.37.080. DUTIES OF THE COMMISSION. (a) The commission shall consider, research and hold hearings on [THE PUBLIC POLICY CONCERNS OF THE STATE, OF A MUNICIPALITY OF THE STATE, AND OF THE PEOPLE OF THE STATE RELATING TO OR RESULTING FROM] the management, operation, planning, development and [PROPOSALS FOR THE ESTABLISHMENT OR THE MANAGEMENT OF OR] additions to federal land in the state as [THE COMMISSION CONSIDERS APPROPRIATE] to their consistency with federal law and congressional intent. (b) The commission shall specifically consider, research and hold hearings on the impact of federal regulations and management decisions on the people of the state. (c) The commission may after consideration of public policy concerns under (a) and (b) of this section make recommendations to agencies of the United States which manage federal land in Alaska and to agencies of the state.

RENUMBER ALL SUBSEQUENT SECTIONS ACCORDINGLY

SENATE AMENDMENT #5

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 4

LINE: 5

*Section I AS 41.37.090. is amended to read by adding:

(d) In addition to advisory groups of the commission, the commission is directed to consider the views, research and reports of other individuals and advisory groups established in the state to fulfill its duties under 41.37.080.

SENATE AMENDMENT # 6

By SENATE RESOURCES COMMITTEE

To: _____ SENATE BILL No. SSSB 36

To: _____ HOUSE BILL No. _____

PAGE: 4

LINE: 9

*Section I AS 41.37 is amended to read by adding a new section:

Sec. 41.37.110. AGENCY COOPERATION. (a) Each department, agency, board and other commission of the state is authorized and directed to cooperate fully with the commission in the fulfillment of its duties under 41.37.080. (b) The commission is authorized and directed to cooperate with each department, agency, board and other commission of the state in fulfillment of their duties as appropriate.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLIFE STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3034
(907) 465-3035

Senate

Committee on Resources

February 17, 1981
8:30 a.m.

Beltz Room
211 - Capitol Building

MEMBERS PRESENT

SENATOR FAHRENKAMP
SENATOR BRADLEY
SENATOR FISCHER
SENATOR STURGULEWSKI

The Committee had a mark-up session on SB 36: "An Act establishing the Citizen's Advisory Commission on Federal Management Areas in Alaska".

Technical comments were offered by staff and debated. Senator Fischer set forth the motion to move the bill, with individual recommendations, with the suggested amendments.

The Committee adjourned at 9:15 a.m.

LETTER OF INTENT

SENATE RESOURCES COMMITTEE

In passing out of committee SSSB 36, "An Act creating a citizen's advisory commission on federal management areas in Alaska," the Senate Resources Committee wishes to make its intent known on Section 41.37.020.

THE INTENT OF THE
IT IS ^ The Committee ~~believes~~ that the commissioners should be Alaskans directly affected and impacted by the establishment, operation and management of federal land in Alaska. To achieve this objective and since many state commissioners will serve on the Alaska Land Council as established by PL 96-487, the Committee believes that the commissioners of the Citizen's Advisory Committee should not be state officials such as the commissioners of the various state departments or the department's top staff.

It is the intent of the Committee that the Governor, Speaker of the House, and President of the Senate appoint non-governmental related persons to the maximum extent possible.

Alaska State Legislature

DETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
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BOB MULCAHY
ARLISS STURGULEWSKI



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The Committee adjourned at 9:15 a.m.

COMMENTS OFFERED TO THE STATE SENATE RESOURCES COMMITTEE ON SB-36
PROPOSED CITIZENS COMMITTEE TO REVIEW FEDERAL REGULATIONS
FAIRBANKS, ALASKA 16 FEB 1981

DOUG BUCHANAN, REPRESENTING THE ALASKAN ALPINE CLUB, 3641 SANDVIK, FAIRBANKS 99701
A STATEWIDE CLUB OF MOUNTAIN CLIMBERS, KAYAKERS AND OTHER OUTDOOR ADVENTURERS.

After Mr. Bob Cunningham, superintendent of Denali National Park, told me that he was too busy to come to Fairbanks to talk to mountain climbers, both he and Mr. John Cook, Alaska Area Director for the National Park Service, came to Fairbanks and privately met with local environmentalist groups. Mountain climbing regulations were discussed at this closed meeting with no mountain organization representative present. One of the environmentalists, a Mr. John Keller, representing a local hiking club, did not object to the Park Service's mandatory registration of mountain climbers, something the mountain climbers shall never accept.

Subsequently, after a great deal of effort on our part, Mr. Cunningham finally came to Fairbanks to meet with the climbers. Mr. Cook is still stating that he is too busy to meet with us, and would not even send an Area Office representative, as we stated would be agreeable. The many questions we have long advanced that relate to all the new Parks, not just Denali, yet remain unanswered by Cook.

When he met with us, we asked Mr. Cunningham if we had violated any regulation by posting a protest sign on top of Mt. Drum. On the table in front of him were all existing and proposed Park Service regulations covering the entire nation and Alaska. Mr. Cunningham previously stated his extensive experience in mountainous parks. His position is indicative of his complete knowledge of those regulations. Mr. Cunningham could not or would not cite any regulation we might have violated. Yet he would not state that we did not violate any regulations. And he further offered strong opinionated objection to our thus protesting Federal actions.

Last year the Alaskan Alpine Club had its University of Alaska recognition rescinded because the National Park Service formally claimed that we violated a law by thus peacefully and harmlessly protesting U.S. Government actions. Without any foundation, the Park Service made this claim and the University rescinded our recognition. We could not afford to sue. We notified our Fairbanks delegation of Legislators and did not even get a response.

It has been over a year now and we still cannot get a pertinent reference cited for the law we are accused by the Park Service of having violated. Yet we have suffered from this accusation. In fact we have violated no law. Furthermore, documents show that the Park Service refused all offers of cooperation both prior and subsequent to the action.



The grossly abused authority of the National Park Service encompasses not just its land holdings, but extends into the Alaskan society, the communities, the University of Alaska, and has proven to even stop Legislators from protecting the rights of their constituents.

During this time, a local environmentalist group implying the representation of climbers and supporting the Park Service has admitted its long standing violations of major, documented Federal laws. Yet that group continues to enjoy the benefits of University recognition. The University has taken no action. Something is wrong.

Those without money or political power have lost their rights.

Just briefly on another issue, Mr. Cunningham still could not or would not explain why no more than six guides could operate in Denali National Park. He cited a Park Service statistical study that showed that 5.6 guides could serve the statistical market of climbers requesting guides. This study is ludicrous to the climbers who know what is happening in the mountains. Most importantly, this study included absolutely no human factors. I would like to stress that: ABSOLUTELY NO HUMAN FACTORS. Mr. Cunningham has no place on millions of acres of public land in Alaska for a person who wants to hire a friend to guide him on a hiking or climbing adventure. Adventurers are humans. Park Service regulations are consistently violated with absolute contempt for dictators such as Cunningham.

*** After meeting with him, several people present at that meeting agreed that Mr. Cunningham is incapable of accounting for human beings in his land management philosophy. He cannot understand the concept of a non-government regimented human activity, no matter how benign it might be. Like so many other Park Service abuses of authority, an investigation of the guide scandal, that illegally produces revenues for the Park Service, is imperative.

*** For publicity purposes, Mr. Cunningham professed a desire to cooperate with us, yet he still flatly refuses to provide the decision criteria he used for those selected and refused as mountain guiding concessionaires. He even refuses to provide a list of those who bid for these public service concessions; public information that he cannot legally withhold. So far, of the 13 newly limited Park Service adventure guiding concessions granted in Alaska, 10 have gone to outside companies while qualified and over-qualified Alaskans have been denied the requested right to operate on Alaskan land.

The need for a well funded citizens committee with the ready authority to sue the Federal government is obvious. The mentioned examples are among many.

This committee will be dealing with the rights of all Alaskan citizens. It is imperative that the committee not be lopsided, supporting any one faction. There is therefore a deep concern. The Alaska lands bill, tacitly supported by Governor Hammond just gave the Native corporations first preference on lucrative Park Service concession monopolies such as mountain guides etc. This is racially based and obviously unconstitutional. But, as with the University of Alaska case, those with money and political power support it. Those without cannot fight it and therefore have lost their rights. Furthermore, few realists would deny that the environmentalists disproportionately influence the Governor.

✓ We have a unique situation. On many issues the environmentalists and Native corporations are openly trying to bureaucratically deny the constitutional rights of various segments of the public. If any committee appointments are made by the Governor, the Legislature must retain the right of confirmation. This issue is too basic to the rights of the citizens to allow a single official, with known conflicts on the core issues, to select oversight officials.

In our support for SB-36, we urge your consideration of this vital concern.

We support SB-36

Alaska State Legislature

SR 25

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
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JUNEAU, ALASKA 99811
(907) 465-3034
(907) 465-3033

Senate

Committee on Resources

February 16, 1981
2:30 p.m.

Senate Finance
5th Floor - Capitol

SENATE MEMBERS PRESENT

SENATOR FAHRENKAMP
SENATOR FISCHER
SENATOR STURGULEWSKI
SENATOR GILMAN
SENATOR MULCAHY
SENATOR ELIASON

HOUSE MEMBERS PRESENT

REPRESENTATIVE ZHAROFF
REPRESENTATIVE GARDINER
REPRESENTATIVE SMITH
REPRESENTATIVE CHUCKWUK
REPRESENTATIVE GRUSSENDORF
REPRESENTATIVE BETTISWORTH
REPRESENTATIVE HALFORD
REPRESENTATIVE SUTCLIFF
REPRESENTATIVE VASKA
REPRESENTATIVE BARNES
REPRESENTATIVE MOSS
REPRESENTATIVE FANNING
REPRESENTATIVE MARTIN

The Joint Senate and House Resources Committee hearing on SB 36 and SB 162 was teleconferenced to all sites.

SB 36 An Act establishing the Citizens Advisory Commission on federal management areas in Alaska.

Ric Davidge, National Inholders Association, stated that the Alaska Lands Legislation contains some general guidelines for management of lands in Alaska. He indicated that the civil and constitutional rights, and also the lifestyles of the citizens need to be protected since federal managers of the lands are trained only in resource management. He said he supports SB 36 because it establishes an independent state commission to help insure that citizen's rights are protected.

Don Parmeter, Executive Director Citizen's Advisory Commission Voyagers National Park, Minnesota, stated that the Voyagers National Park was established in 1971. When the Park Service started implementing the management plan, it became apparent that tension, hatred and mistrust would be the result of this implementation. In 1975 the Minnesota Legislature established and funded an Independent Advisory Commission to investigate all aspects of management in the Park. The Advisory Commission has been able to first, hold the Park Service accountable for their activities, and second, insure effective participation

In the management of the Park by those whose day-to-day lives are effected. He indicated that the Advisory Commission has been able to turn around a bad situation in Voyager National Park. If it had been established when the Park was created they could have avoided the extreme tensions that developed between the citizens and the Park Service.

Paul Barelka, Fairbanks, stated that he supported SB 36 except he did not like the number or people the Governor could appoint to the Commission.

Donald Stein, Fairbanks, Alaska Miners Association, stated that his only problem with SB 36 is the number of appointments by the Governor. He suggested that the Committee find a way to balance the Commission so that industry and environmentalists have an equal voice.

Ray Craig, Anchorage, stated that he was in favor of the concept of SB 36 because it would hold the Park Service accountable and it is an effective way to help the individual inholder.

Skip Elliott, Skagway, City Manager, stated that in 1977 the Klondike National Park was created with the City's full support. As soon as the Park was established communications between the citizens and the Park Service virtually stopped. He indicated there is fear and anger toward the Park Service by the citizens. He stated that the Park Service has used its funding to build employee housing which they rent for \$20.00 per month. He indicated that they are still willing to cooperate with the Park Service but they want it to be on a mutual basis.

Ric Davidge suggested that the Advisory Commission should not be limited to the 31 areas established in the Alaska Lands Bill, but should have authority to help in other areas like Skagway.

Russell Bartoo, Juneau, stated that since there already exists the fish and game advisory committee, the Citizens Advisory Commission could be a duplication.

Donald Logan, Fairbanks Alaskan Alpine Club, stated that he supports SB 36 but the Governor should not be able to appoint eight members to the Commission because it would give him too much power to set policy.

Doug Buchanan, Fairbanks, Alaskan Alpine Club, stated that he supports SB 36 but thought the Governor should not be able to appoint so many people to the Commission. He also said he would forward to the Committee detailed testimony (see attached).

Phil Holdsworth, Juneau, stated that when he served on the Land Use Planning Commission they encountered the similar problem of Federal agencies going beyond the law. He suggested that the Commission could be strengthened by having the authority to have the Attorney General file suit on their behalf.

Roger Allington, Juneau, stated that the Advisory Commission is needed because the Alaska Land Policy Council established by the Alaska Lands legislation is bureaucratically controlled. He further stated that there should be some sort of qualifications placed upon the eight appointees by the Governor to insure that they are representative of the state.

David Finkelstein, Anchorage, Sierra Club, stated that he was in favor of the concept of SB 36, because he has seen the Park Service violate legislative intent and he wants to see the intent of the Alaska Lands Bill carried out.

Ronald Brooks, Fairbanks, stated that the Governor should not be able to appoint more than seven members to the Commission. He also stated he would like to see the Commission have the authority to sue the government.

Ted Dixon, Fairbanks, Tanana Valley Sportsmen, stated that he supports the concept of SB 36. He said he would like to see the Governor limited to appointing only 4 members of the Commission. He said he endorsed the idea of the Attorney General suing at the direction of the Commission and encouraged the Committee to increase the authority of the Commission.

Chip Toma, Juneau, stated that he supported the Citizen Advisory Commission.

SB 162 An act making special appropriations to the Alaska Agricultural Action Council for a small grain marketing system.

Representative Pappy Moss, District 19, stated that the Delta agricultural development project is presently approaching its second year of production. In 1981, with the project on schedule, in-state use of barley will account for approximately 6,000 tons. The state must be prepared to sell 15,000 tons of grain this year on the export market. A tidewater facility for loading grains onto ships, railroad cars to transport the grain to tidewater and a transfer facility in North Pole are necessary. This system is integral to this year's agricultural effort. He stated that he strongly encouraged the Committee to approve SB 162.

Bob Palmer, Governor's Office, Special Projects Coordinator, stated that the funds are needed for the grain exchange. He said the objective has been to create a stable supply of grain for the developing red meat industry. He indicated that the grain products will probably develop more rapidly than the meat industry therefore, the State needs to look to the exporting of grain. He stated that the facilities in SB 162 need to be in operation this season.

In response to the question, does the Governor support SB 162? Mr. Palmer stated yes, and if necessary he could obtain a letter from the Governor to that effect.

In response to the question, should the location of the terminal be written into the bill? Mr. Palmer stated, no, because he would prefer to wait on the judgement of experts on the issue.

Robert Pollock, Fairbanks, Executive Director Agricultural Action Council, stated that passage of SB 162 is necessary for the development of agriculture in the state. He indicated that there would be an 11,000 ton surplus of grain this year making the export terminal necessary.

Greg England, Delta Junction, Alaska Grain Exchange, stated that he was in favor of SB 162 because it is a necessary step to establish a successful agricultural industry. He indicated that the bill needs to pass in a timely fashion for construction to start and for the farmers to make planting decisions.

Doug McClaine, Delta Junction, S and K Farms, stated that he thought that it was the responsibility of the government to take revenues from non-renewable resources and invest into renewable resources. He indicated that agriculture is viable in the state but "agr-business" has not been proven. The next logical step in the process is this facility. He indicated that outside the state's Delta project there are another 100 farms which have had a potential for years but since there was no market they did not go into production. But, now the interest has been sparked and those 100 farms are going into production. He stated that there is a virtual explosion of possibilities in the area; red meat, fish by-products, dairy farming and fish meal - but these are being held up because of the lack of these facilities.

In response to the question, what are the alternatives if the facility is not built? Mr. Palmer stated that there would be chaos. These elevator and port facilities have been part of the whole agricultural program from day one.

Representative Gardiner stated that an alternative is to go back to the way we did it in the past and give land to large multi-national companies and they will build the facilities. If the government steps in, then it needs to follow through to completion of the project. If development is wanted in state by Alaskans, the state will have to come up with the front end money or turn the land over to large companies. The state has to realize agriculture is a long term project and the state is creating a whole new industry.

Bob Palmer stated that the state did receive offers from large companies to purchase 60-70,000 acres of agricultural land, but when the state held hearings the testimony by Alaskans was that agriculture should be developed in state by individual Alaskan farmers.

The Joint Committee hearing adjourned at 5:45 p.m.

Skagway historic spirit soured by Park Service

RDN 2/17 p.5

JUNEAU (AP) — Four years ago the townspeople of Skagway supported creation of a national historical park to commemorate their town's role in the turn-of-the-century stampede to the Klondike gold fields.

But "broken promises" and the "heavy hand of the federal government" in the form of the National Park Service have soured local people on the project, says Skagway City Manager Skip Elliott.

"They (the Park Service) have reneged on all sorts of promises they made. They've stopped what has been a traditional road to an old sawmill that's been used for 25 years. They've been real ambivalent about hunting regulations. They've closed down several picnic areas in Dyea," Elliott said Monday.

Dyea is a tiny community about 10 miles from Skagway, which is located at the head of Lynn Canal north of Juneau and has a population of about 900. Parts of both towns are located inside the Klondike Gold Rush National Historical Park.

"The city council, the local Sierra Club, the people who worked to establish the park — they're all "opposed" to the way the park is being administered, Elliott said. The federal government is attempting to run the park as a wilderness area, resulting in private landowners being forbidden to make even minor changes in the use of private land located inside the park, he said.

"The Park Service gave us assurances of traditional uses, access, beach wood collection, picnic places. They were talking cooperation. They were going to buy 16 downtown buildings and restore them and give cheap leases," Elliott said. But after the park was created in 1977, the federal government's attitude changed, he said.

Elliott was sent to Juneau by the Skagway City Council to appear before a joint hearing of the House and Senate Resources Committees Monday. He testified in favor of a bill (SB36) by Senate Resources Chairwoman Bettye Fahrenkamp, D-Fairbanks, to create a citizen advisory commission to study management of federal land in Alaska.

The commission would be a temporary and independent body that would monitor federal regulations and policies concerning federal land holdings in Alaska. The 16-member panel, which would be appointed by the governor and legislative leaders, would hold hearings and make recommendations to state and federal government agencies.

"I think this is a real good idea," Elliott said. "It's a benefit to small communities and individuals who can't afford to fight the feds." He said Skagway residents have several objections to the Park Service's proposed land acquisition plan, but can do little but write their congressmen and federal officials.

COMMENTS OFFERED TO THE STATE SENATE RESOURCES COMMITTEE ON SB-36
PROPOSED CITIZENS COMMITTEE TO REVIEW FEDERAL REGULATIONS
FAIRBANKS, ALASKA 16 FEB 1981

DOUG BUCHANAN, REPRESENTING THE ALASKAN ALPINE CLUB, 3641 SANDVIK, FAIRBANKS 99701
A STATEWIDE CLUB OF MOUNTAIN CLIMBERS, KAYAKERS AND OTHER OUTDOOR ADVENTURERS.


After Mr. Bob Cunningham, superintendent of Denali National Park, told me that he was too busy to come to Fairbanks to talk to mountain climbers, both he and Mr. John Cook, Alaska Area Director for the National Park Service, came to Fairbanks and privately met with local environmentalist groups. Mountain climbing regulations were discussed at this closed meeting with no mountain organization representative present. One of the environmentalists, a Mr. John Keller, representing a local hiking club, did not object to the Park Service's mandatory registration of mountain climbers, something the mountain climbers shall never accept.

Subsequently, after a great deal of effort on our part, Mr. Cunningham finally came to Fairbanks to meet with the climbers. Mr. Cook is still stating that he is too busy to meet with us, and would not even send an Area Office representative, as we stated would be agreeable. The many questions we have long advanced that relate to all the new Parks, not just Denali, yet remain unanswered by Cook.

When he met with us, we asked Mr. Cunningham if we had violated any regulation by posting a protest sign on top of Mt. Drum. On the table in front of him were all existing and proposed Park Service regulations covering the entire nation and Alaska. Mr. Cunningham previously stated his extensive experience in mountainous parks. His position is indicative of his complete knowledge of those regulations. Mr. Cunningham could not or would not cite any regulation we might have violated. Yet he would not state that we did not violate any regulations. And he further offered strong opinionated objection to our thus protesting Federal actions.

Last year the Alaskan Alpine Club had its University of Alaska recognition rescinded because the National Park Service formally claimed that we violated a law by thus peacefully and harmlessly protesting U.S. Government actions. Without any foundation, the Park Service made this claim and the University rescinded our recognition. We could not afford to sue. We notified our Fairbanks delegation of Legislators and did not even get a response.


It has been over a year now and we still cannot get a pertinent reference cited for the law we are accused by the Park Service of having violated. Yet we have suffered from this accusation. In fact we have violated no law. Furthermore, documents show that the Park Service refused all offers of cooperation both prior and subsequent to the action,


 The grossly abused authority of the National Park Service encompasses not just its land holdings, but extends into the Alaskan society, the communities, the University of Alaska, and has proven to even stop Legislators from protecting the rights of their constituents.

During this time, a local environmentalist group implying the representation of climbers and supporting the Park Service has admitted its long standing violations of major, documented Federal laws. Yet that group continues to enjoy the benefits of University recognition. The University has taken no action. Something is wrong.

Those without money or political power have lost their rights.

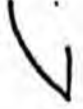
Just briefly on another issue, Mr. Cunningham still could not or would not explain why no more than six guides could operate in Denali National Park. He cited a Park Service statistical study that showed that 5,6 guides could serve the statistical market of climbers requesting guides. This study is ludicrous to the climbers who know what is happening in the mountains. Most importantly, this study included absolutely no human factors. I would like to stress that: ABSOLUTELY NO HUMAN FACTORS. Mr. Cunningham has no place on millions of acres of public land in Alaska for a person who wants to hire a friend to guide him on a hiking or climbing adventure. Adventurers are humans. Park Service regulations are consistently violated with absolute contempt for dictators such as Cunningham.

 After meeting with him, several people present at that meeting agreed that Mr. Cunningham is incapable of accounting for human beings in his land management philosophy. He cannot understand the concept of a non-government regimented human activity, no matter how benign it might be. Like so many other Park Service abuses of authority, an investigation of the guide scandal, that illegally produces revenues for the Park Service, is imperative.

 For publicity purposes Mr. Cunningham professed a desire to cooperate with us, yet he still flatly refuses to provide the decision criteria he used for those selected and refused as mountain guiding concessionaires. He even refuses to provide a list of those who bid for these public service concessions; public information that he cannot legally withhold. So far, of the 13 newly limited Park Service adventure guiding concessions granted in Alaska, 10 have gone to outside companies while qualified and over-qualified Alaskans have been denied the requested right to operate on Alaskan land.

The need for a well funded citizens committee with the ready authority to sue the Federal government is obvious. The mentioned examples are among many.

This committee will be dealing with the rights of all Alaskan citizens. It is imperative that the committee not be lopsided, supporting any one faction. There is therefore a deep concern. The Alaska lands bill, tacitly supported by Governor Hammond just gave the Native corporations first preference on lucrative Park Service concession monopolies such as mountain guides etc. This is racially based and obviously unconstitutional. But, as with the University of Alaska case, those with money and political power support it. Those without cannot fight it and therefore have lost their rights. Furthermore, few realists would deny that the environmentalists disproportionately influence the Governor.

 We have a unique situation. On many issues the environmentalists and Native corporations are openly trying to bureaucratically deny the constitutional rights of various segments of the public. If any committee appointments are made by the Governor, the Legislature must retain the right of confirmation. This issue is too basic to the rights of the citizens to allow a single official, with known conflicts on the core issues, to select oversight officials.

In our support for SB-36, we urge your consideration of this vital concern.

We support SB-36

Windham Bay Independent Company

BOX 915, JUNEAU, ALASKA 99802

TESTIMONY BEFORE THE SENATE RESOURCES COMMITTEE, FEBRUARY 16, 1981.

MADAM CHAIRMAN, MEMBERS OF THE COMMITTEE. MY NAME IS CHIP THOMA. I AM THANKFUL TO THE CHAIR TO BE ABLE TO TESTIFY IN FAVOR OF SB 36, TO SET UP A CITIZEN ADVISORY COMMISSION OF FEDERAL LAND POLICIES, ESPECIALLY AS THEY AFFECT INHOLDERS, THOSE OF US OWNING PROPERTY WITHIN FEDERALLY DESIGNATED AREAS.

I AM A PROPERTY OWNER IN WINDHAM BAY, THE FIRST GOLD DISCOVERY IN ALASKA, 60 MILES SOUTH OF JUNEAU, IN THE TONGASS NATIONAL FOREST. MANY WHO HAVE BEEN TO WINDHAM DESCRIBE IT AS THE MOST PICTURESQUE BAY IN S. E. ALASKA, AND I WILL NOT DENY IT FOR A MOMENT. I WAS FORTUNATE TO SUCCESSFULLY BID ON THIS PROPERTY IN 1973, AT AN OUTCRY BID AUCTION CONDUCTED BY THE STATE. THESE WERE GOLD MINING CLAIMS THAT REVERTED TO THE STATE AFTER 1959; IN FACT MY PROPERTY CONTAINS A 900' TUNNEL, THE MILDRED MINE.

THE OWNERSHIP OF THIS PRIVATE, RURAL PROPERTY IN SUCH AN ESTUARY AS WINDHAM BAY HAS BEEN THE PRINCIPLE JOY IN MY LIFE; ENCOURAGING LENGTHY PIPELINE AND FISHING EMPLOYMENT, NECESSITATING THE PURCHASE OF VESSELS, PLANS, TOOLS, LUMBER, LABOR, FUEL AND SUPPLIES--ALL OF WHICH CONTRIBUTE TO AN ALASKAN LIFESTYLE THAT IS WORTH PRESERVING. IT HAS ALSO CAUSED A CLOSE AND OFTEN ADVERSARIAL RELATIONSHIP WITH THE LAND MANAGER OF THIS REGION, THE U. S. FOREST SERVICE.

IN 10 YEARS, I HAVE ATTENDED OVER 30 FOREST SERVICE PLANNING MEETINGS, VISITED THEIR OFFICES IN JUNEAU, SITKA, KETCHIKAN AND PETERSBURG, SERVED AS A PUBLIC MEMBER ON THE FISHERY TASK FORCE TEAM FOR TLUMP--TONGASS LAND USE MANAGEMENT PLAN--AND I HOLD RECREATION PERMITS FOR ADMIRALTY ISLAND AND THE MAINLAND. AS I PLAN ON LIVING IN S. E. ALASKA FOR ANOTHER 70 YEARS, GOD-WILLING, AND A FEW MORE MEDICAL SCIENCE ADVANCEMENTS FORTHCOMING, I AM VERY CONCERNED ABOUT THE FUTURE OF THIS FOREST.

HOWEVER, MY NEARLY COMPLETED SMALL LODGE IN WINDHAM IS DIRECTLY THREATENED BY FOREST SERVICE PLANS TO LOG THE SURROUNDING AREA, JUST AS THERE ARE PLANS TO LOG ALL ACCESSIBLE TIMBER AREAS IN S. E. WITHIN THE NEXT 15 YEARS, WITH THE EXCEPTION OF ADMIRALTY ISLAND. THESE CUTTING PLANS ARE UNDER A 1974 FOREST SERVICE - SMALL BUSINESS ADMINISTRATION SET ASIDE AGREEMENT THAT GIVES 80 MMBF/YEAR TO "INDEPENDENT OPERATORS", HOWEVER THE PURPOSE IS TO LAY TO REST ANTITRUST VIOLATIONS, WHILE THE IMPACT IS GREAT AND THE BENEFACTORS ARE QUESTIONABLE.

WE HAVE A CRISIS OF MANAGEMENT IN THE TONGASS FOREST AND, I CLAIM, A CRISIS FAR MORE EXTREME THAN ANY AREA OF THE STATE MANAGED BY ANY FEDERAL AGENCY. FOR IN THE MINDS OF F. S. MANAGEMENT AND THE TIMBER INDUSTRY, EVERY BAY IS A LOG STORAGE AREA, RIVERS ARE HIGHWAYS AND STREAMS ARE ARTERIAL ROADS THAT GIVE ACCESS TO THE TIMBER ON HILLSIDES. IN ANOTHER 15 YEARS NEARLY 60 MORE MAJOR BAYS WILL BE LOGGED UNDER FEDERAL DIRECTION AND AT LEAST 30 UNDER PRIVATE OWNERSHIP. THE NEXT FIVE YEARS ALONE WILL SEE THE ENTIRETY OF EAST CHICHAGOF ISLAND, EVERY AVAILABLE BAY ON THE MAINLAND AND THE REMAINDER OF PRINCE OF WALES AND KUIU ISLANDS LOGGED AND SHIPPED TO JAPAN AS CANTS, PULP AND ROUND LOGS.

JUST THIS 1981-86, 5-YEAR PERIOD WILL SEVERELY IMPACT THE TOWNS OF HOONAH, PETERSBURG, JUNEAU, TENNEKEE, KAKE, CRAIG AND KLAUOCK, WHOSE RESIDENTS USE THESE AREAS FOR FISH, WILDLIFE AND TOURISM. I WOULD LIKE TO CONCENTRATE ON A FEW BRIEF THEMES THAT THIS COMMITTEE SHOULD CONSIDER:

(1) THIS REGION KNOWN AS THE TONGASS NATIONAL FOREST SHOULD BE KNOWN AS THE S. E. ALASKA FISHERY RESERVE, AS THIS REGION IS THE LARGEST NATURAL SPAWNING HABITAT FOR SALMON IN THE WORLD. WITH 5 MAJOR RIVERS, OVER 500 BAYS AND 2500 MAJOR STREAMS, S. E. ALASKA HAS HISTORICALLY PRODUCED MORE FISH THAN THE BEST YEARS IN BRISTOL BAY. S. E. ALASKA HERRING, HALIBUT, COD AND CRAB POPULATIONS ARE ALSO, HISTORICALLY, AMONG THE WORLD'S BEST, BUT OVERFISHING HAS TAKEN ITS TOLL ON THESE BYGONE CLAIMS-TO-FAME.

HOWEVER, OUR DEER, BEAR AND SMALL FUR-BEARER POPULATIONS ARE LARGE AND HEALTHY--AT LEAST IN AREAS THAT HAVE NOT YET BEEN LOGGED.

I SHOULD ALSO POINT OUT THAT THE 25 TOWNS OF S. E. ARE LOCATED IN CLOSE PROXIMITY TO AREAS RICH IN FISH AND WILDLIFE; EVEN A FLUKE LIKE JUNEAU IS ADJACENT TO THE TAKU RIVER. OUR PEOPLE HAVE ALWAYS USED THESE RESOURCES AS LIVELIHOOD, FOR SUSTENANCE AND ENJOYMENT. BUT FOR A VARIETY OF RAPIDLY CONVERGING INTERESTS, THIS USE OF NEARBY AREAS FOR PERSONAL FISH AND WILDLIFE USAGE, MAY, LIKE COMMERCIAL USES, BE A THING OF THE PAST.

(2) THE TONGASS FOREST WAS COMMITTED IN THE EARLY 1950'S TO TWO, 50-YEAR TIMBER SALES--ONE BASED IN KETCHIKAN AND ONE IN SITKA. AT THAT TIME, THE FOREST SERVICE WAS BRAND NEW TO ANY SORT OF LARGE-SCALE MANAGEMENT, IT'S RANKS SWELLED BY G. I. BILL GRADUATES. THESE TWO, 50-YEAR CONTRACTS, THE LARGEST IN HISTORY, WERE SOLD ON THE BASIS OF TIMBER CRUISING METHODS THAT WERE NOT SCIENTIFIC, BUT SEAT-OF-THE-PANTS OBSERVATIONS FROM THE WINDOWS OF DEHAVILLANDS, WHICH NEVER CONSIDERED FISH AND WILDLIFE AS FACTORS OF CAUTION. CONSEQUENTLY, THE VOLUME OF TIMBER WAS OVERESTIMATED, BY AT LEAST 15%.

THE TIMBER COMPANIES REALIZED THIS AND HAVE ALWAYS PETITIONED THE FOREST SERVICE TO ENTER AREAS EARLIER THAN SCHEDULED, WHICH HAS OCCURRRD, AND HAS BEEN THE CAUSE OF CONFLICT EVERSINCE; WITHIN THE INDUSTRY, BETWEEN INDUSTRY AND MANAGEMENT AND BETWEEN MANAGEMENT, PUBLIC AND PRIVATE OWNERS. FOR THERE HAS BEEN NO FLEXIBILITY IN THE FOREST SINCE 1965--EVERY SINGLE AREA IS COMMITTED. THE SMALL LOGGERS AND MILLS HAVE FOLDED FROM FIERCE COMPETITION AND LACK OF CUT AREAS.

THE LARGE COMPANIES HAVE ENGAGED IN QUESTIONABLE BIDDING AND MARKETING PRACTICES TO THWART ANTIQUATED MANAGEMENT AND THE TROUBLESOME, SMALLER COMPETITION. THE PUBLIC HAS BEEN FORCED TO VENT ITS ANGER THROUGH THE BEGINNING RUDIMENTS OF PLANNING AND CLASS ACTION SUITS. AND PRIVATE OWNERS, INCLUDING

NATIVE CORPORATIONS, ARE A FACTOR CAUSING INDUSTRY AND MANAGEMENT TO SCRAMBLE AND CLAIM ALL REMAINING LANDS FOR HARVEST.

IMPORTANTLY, THIS FOREST VOLUME HAS BEEN OVERESTIMATED AND IS BEING OVERHARVESTED. THE MANAGERS ARE SWIFTLY RUNNING OUT OF TIME BEFORE THIS IS EVIDENT TO ALL.

(3) A THIRD IMPORTANT FACTOR HAS BEEN RECENT HISTORY. WHEN THIS PRESENT STATE ADMINISTRATION WAS INVITED TO WORK WITH THE FOREST SERVICE ON THE TONGASS LAND USE MANAGEMENT PLAN, A VERY SMALL GROUP OF AIDES WERE DISPATCHED FROM BOTH FISH AND GAME AND NATURAL RESOURCES TO COME TO TERMS WITH THE FORESTERS. IMPORTANTLY, NONE OF OUR STATE AIDES HAD ANY FORESTRY BACKGROUND AT THE TIME.

THE FORESTERS CONVINCED THESE AIDES THAT A 450 MMBF, ANNUAL FEDERAL SALE LEVEL WAS NECESSARY TO KEEP ~~INDUSTRY~~ AFLOAT-- EVEN THOUGH THIS IS THE CLASSIC NUMBER SHELL GAME THAT HAS RUN AMOK EVER SINCE, BECAUSE PRIVATE INTERESTS ARE CAPABLE AND WILL TO CUT UP TO 200 MMBF/YEAR; A TOTAL OF 650 MMBF/YEAR. THIS IS ENVIRONMENTALLY PREPOSTEROUS AND WITHOUT ANY SCIENTIFIC BASIS.

ADDITIONALLY AT THIS JUNCTURE, THE COMMISSIONER OF DNR ASSUMED THE LEAD ROLE OF NEGOTIATIONS WITH THE FOREST SERVICE AND HAS REMAINED SO SINCE 1978; A HINDRANCE TO ANY FRANK DISCUSSION OF FOREST POLICY.

I MUST INSIST THAT DNR BE REMOVED FROM TONGASS DECISION MAKING. THE STATE OWNS NO LAND OUTSIDE ESTABLISHED BOROUGHES AND DNR HAS NO EXPERTISE IN FISH AND WILDLIFE MATTERS. THIS ROLE PROPERLY RESIDES WITH THE DEPARTMENT OF FISH AND GAME IN THE HABITAT DIVISION, WHO ARE FAR BETTER EQUIPPED TO ADVOCATE THE PROPER PROTECTION OF LIVING RESOURCES, AND THEY HAVE THE SUPPORT OF THE BOARDS IN THESE MATTERS.

THIS CONCLUDES MY FORMAL TESTIMONY, YET I MUST AGAIN EMPHASIZE THAT IF WE ALLOW THIS NATIONAL FOREST SITUATION TO

CONTINUE, AS SEEMS LIKELY UNDER THE NEW ADMINISTRATION, ALL THE RESIDENTS OF THIS FOREST ARE FACING DETRIMENTAL IMPACTS THAT WILL LAST HUNDREDS OF YEARS.

I TRUST THAT ANY CITIZEN MEMBERS OF THIS PROPOSED COMMISSION FROM THIS REGION BE THOSE WHO ADVOCATE A REVIEW OF CUTTING AND ALLOCATION PRACTICES.

AS A FINAL COMMENT BOTH THE FISH AND GAME BOARDS AND THE ASSOCIATION OF WILDLIFE MANAGERS HAVE FOUND GREAT FAULT WITH THE FOREST SERVICE STYLE OF MULTIPLE ABUSE AND THEIR RESOLUTIONS ARE CONTAINED IN MY APPENDIX. MY RECOMMENDATIONS FOR THE FUTURE ARE THESE:

(1) STATE MONIES SHOULD BE SPENT TO BUY UP THE REMAINING 30 YEARS OF CUTTING CONTRACTS FOR ONE OF THE PULP MILLS--THERE ARE GOOD REASONS TO BUY OUT EITHER CONTRACT, ESPECIALLY IN LIGHT OF PRIVATE SELECTIONS.

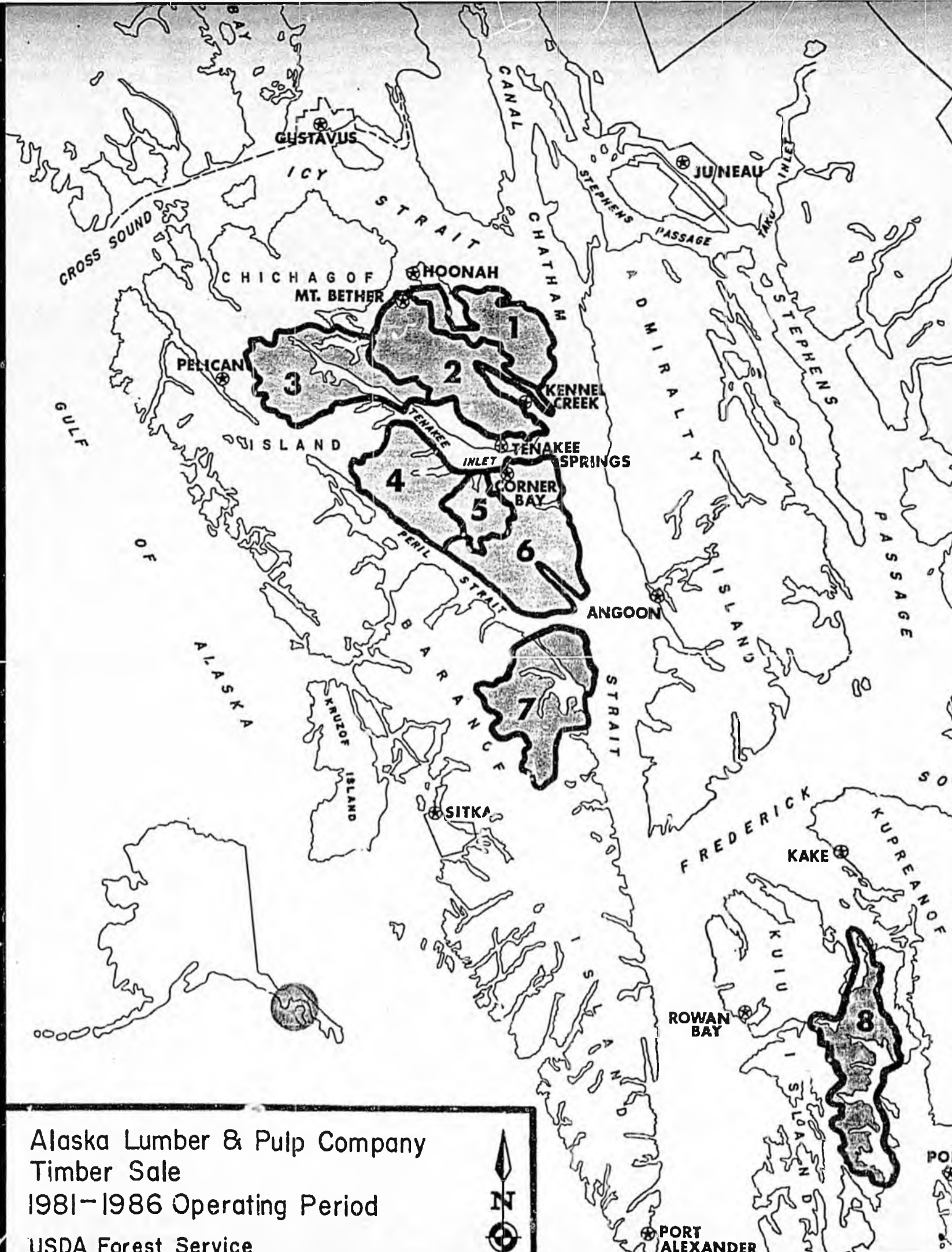
(2) SECTION 705 OF THE LANDS BILL, MANDATING A 4.5 BILLION BOARD FOOT CUT EVERY DECADE SHOULD BE REPEALED AS EXTRAVAGANT.

(3) FISH AND GAME SHOULD BE THE LEAD AGENCY IN DEALING WITH THE FOREST SERVICE AND INDUSTRY--NOT NATURAL RESOURCES.

END

APPENDIX

1. FIVE YEAR CUTTING PLAN (1981-86) FOR ALASKA LUMBER AND PULP, CHATHAM DISTRICT (MAP)
2. LIST OF INDEPENDENT TIMBER SALES, CHATHAM DISTRICT, WITH TWO MAPS (THREE PAGES)
3. STATEMENT OF THE ALASKA CHAPTER OF THE WILDLIFE SOCIETY, MAY 1979 (THREE PAGES)
4. JOINT RESOLUTION OF THE BOARDS OF FISHERIES AND GAME ADOPTED 12/7/81, 2 pages



Alaska Lumber & Pulp Company
 Timber Sale

1981-1986 Operating Period

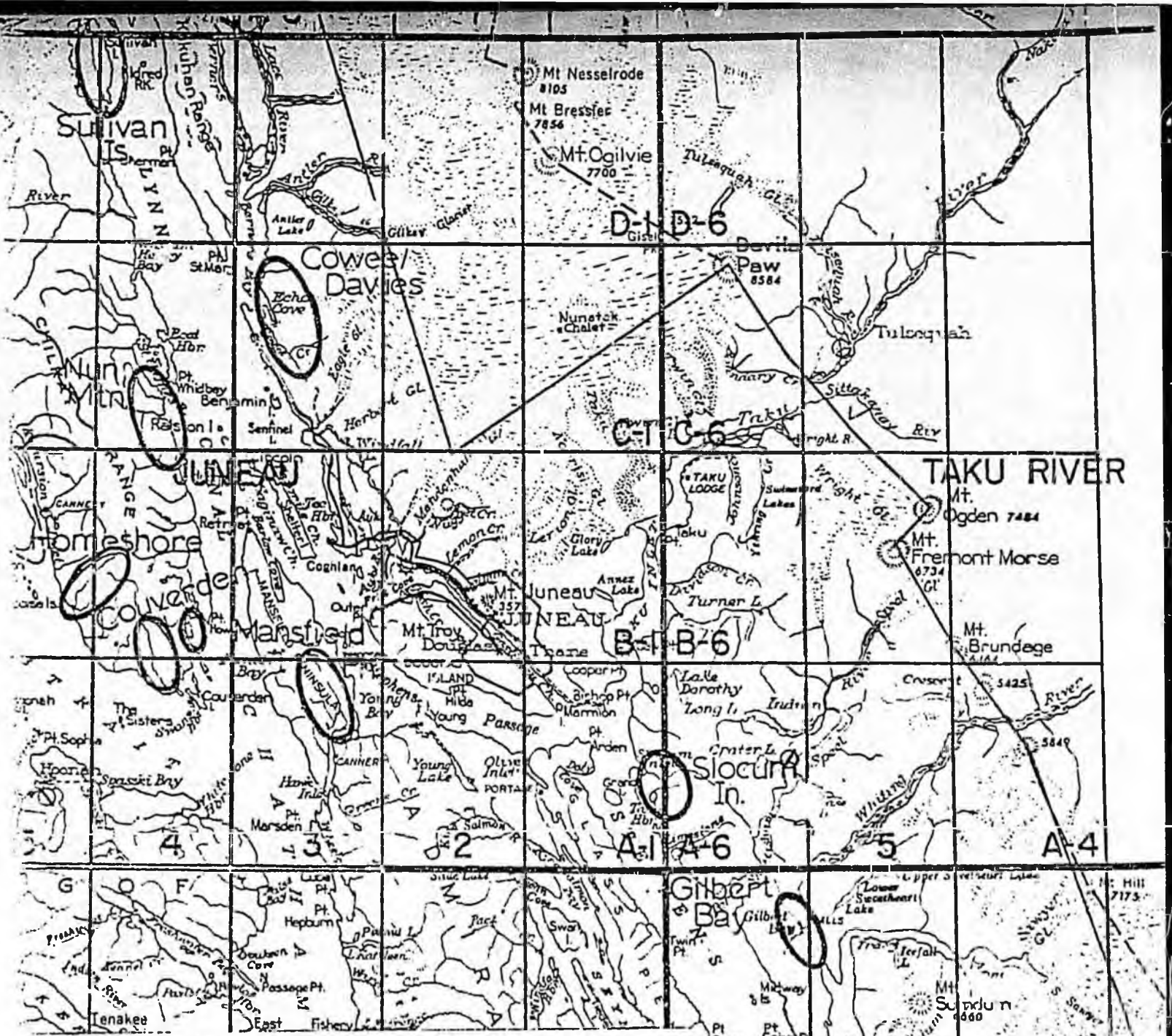
USDA Forest Service



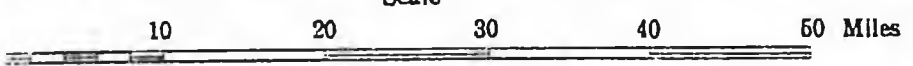
U.S.D.A. Forest Service, Tongass N.F., Chatham Area, Juneau Ranger District 5 Year Action Plan for Independent Timber Sales

Name of Sale Area	Quad. Name & #	Mgmt. Area #	VCU #	Proposed Sale Date	Estimated Acreage (acres)	Estimated Volume (MMBF)	Estimated Rd. Const. (Miles)
Homesore	Jn. B3	C-19	11 ^c	August "78"	503	9.0	---
Gilbert Bay	Sum. D5+6	C-10	57	September "80"	995	30.9	15
Cowee/Davies	Jn. C3	C-3	17,23,24	September "82"	1000	35	18
Sandborn Canal	Sum. A+B4	C-14	94	September "83"	800	20	10
Port Houghton	Sum. B5	C-14	83	September "83"	800	20	10
North Windham	Sum. C5	C-13	70	September "83"	600	15	4
Chuck River	Jn. C4	C-13	76	September "84"	1200	35	17
Couverden	Jn. A+B4	C-18	117	September "84"	760	19	9
Yakutat	Yak. B3	C-53	373	August "85"	500	15	7
Slocum In.	Tak. A6 Jn. A1	C-10	51	June "85"	1000	20	10
Sullivan Is.	Jn. D4	C-15	94	September "85"	500	10	5
Mansfield Pn.	Jn. A3	C-21	128	March "86"	1000	20	10
Nun Mtn.	Jn. B4	C-18	113	September "86"	750	15	--

265 mmbf



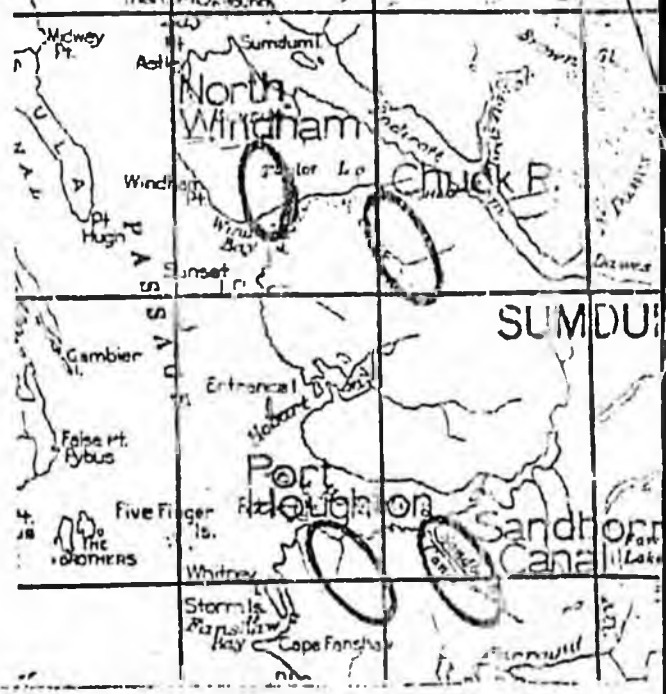
5 Year Action Plan Area Map - Independent Timber Sales



Scale: 12 miles to 1 inch

LEGEND

- National Forest Boundary
- International Boundary
- National Monument Boundary
- Paved Road
- Dirt Road
- Railroad
- Trail
- House, Cabin, or other Building
- Glacier
- Supervisor's Headquarters
- Landing Strips
- Commercial or Municipal Airfield
- Lands within proclaimed
- National Forest Boundary
- Proposed Sale Area



THE WILDLIFE SOCIETY

ALASKA CHAPTER

FOREST PRACTICES IN ALASKA

A Position Statement of the
Wildlife Society, Alaska Chapter
May 1979



More than 15 million acres, or about two-thirds, of southeast Alaska is National Forest. This represents the major area of high-volume, coastal climax (old-growth) forest remaining in northwestern North America. About one-third of southeast Alaska has timber presently classified as commercially harvestable. Thirteen percent of this commercial forest land has already been harvested and about 18,000 acres, or 500 million board feet, are harvested annually by clearcutting, the most economically efficient method of harvest. This commercial forest land represents a unique ecological community that provides important habitat for the indigenous fish and wildlife of southeast Alaska.

Federal laws and management policies mandate multiple-use forest management. Equal consideration must be given to all resource values, including fish and wildlife and maintenance or enhancement of habitat for both. However, the Alaska Chapter of the Wildlife Society believes that these mandates are not being met on the Tongass National Forest.

Maintaining wildlife habitat, while at the same time retaining current timber harvest levels, appears to be an impossibility in southeast Alaska. Few quantitative data are currently available on the impacts of climax forest removal upon wildlife, but there is strong evidence that clearcutting adversely affects marten, deer, and eagles. Studies now underway should provide increased information on these and several other species. It is becoming clear that under the existing management practice of even-aged silviculture on a 100-120 year rotation, the climax forests of southeast Alaska are in fact a nonrenewable resource. Although timber as a crop is renewable, the closed canopy, even-aged, regrowth stands which result from clearcutting are, for several centuries following cutting, very distinct from the more diverse, uneven-aged, climax forest. This is especially serious because the high-volume, old-growth stands, which are of critical importance to wintering deer and other species, are being harvested in much greater proportion than they occur throughout the forest.

Federal law dictates that National Forests must be managed in the best interests of all the people of the Nation and that equal consideration of all resource values is basic to the planning process established by the National Forest Management Act. Lumber has become an exceedingly valuable National resource. The interests of the American public require that this commodity be reserved and used only for those purposes having no reasonable substitute for wood. The use of high quality timber solely to generate income, to yield products such as paper pulp, or to support an export trade, is not a responsible use of publicly owned timber.