

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8672

2908 SRES HJR 73 - HJR 75

HJR

73

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: HJR 73

BILL NAME: Licensing of commercial habitat vessels in
ALASKA

SPONSOR(S): House Resources Com. (L) RELATED BILLS PENDING:

DATE INTRODUCED: 3/23/84

REFERRALS:

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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

Senate

Committee on Resources

MINUTES

May 28, 1984
4:50 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Eliason
Senator Vic Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

HB 404, An Act relating to fish, game, and other animals.

HJR 73, Relating to the licensing of commercial halibut vessels in Alaska.

HB 404

Senator Mulcahy reviewed the changes made in the committee substitute prepared by the Subcommittee on Fisheries and discussed changing the language in the proposed letter of intent. He then moved SCS CS SS HB 404 (Resources) and the letter of intent for SCS CS SS HB 404 (Resources) from committee with individual recommendations. There was no objection.

HJR 73

Senator Mulcahy reported that the Subcommittee on Fisheries had reviewed this resolution and recommended do pass. He then moved HJR 73 from committee with individual recommendations. There was no objection.

The meeting adjourned at 5:02 pm.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN
RICHARD SHULTZ, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

MEMORANDUM

TO: House Resource Committee members

FROM: Committee Staff

DATE: May 14, 1984

RE: HJR 73, Relating to the licensing of commercial halibut vessels

WHAT THE RESOLUTION DOES

Requests the International Pacific Halibut Commission to appoint the Alaska Commercial Fisheries Entry Commission as its agent to process halibut vessel license applications and to issue licenses on the behalf of the IPHC.

The reason for doing this: currently to fish halibut in Alaska a person must obtain both a IPHC's vessel license and a license from the Alaska Commercial Fisheries Entry Commission. The effect of this Resolution is to require fisherme to only apply for one license. This action provides the fisher .en one less license form to fill out and send in.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
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Senate

Committee on Resources

MEMORANDUM

TO: Senator Mulcahy, Chairman
Subcommittee on Fisheries

FROM: Senator Fahrenkamp, Chairman
Senate Resources Committee *BF*

RE: HJR 73

DATE: May 21, 1984

The following bill has been referred to the Resources Committee. I am assigning it to the Subcommittee on Fisheries for consideration by the Subcommittee.

HJR 73, Relating to the licensing of commercial halibut vessels in Alaska.

HJR

75

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *HSR 75*

BILL NAME: *Relating to Crude Oil Exports*

SPONSOR(S): *H. Resources*

RELATED BILLS PENDING:

DATE INTRODUCED: *5-7-84*

REFERRALS:

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

5/4

HJR 75

BILL HJR0075
 PAGE 03085
 DATE 03/28/84
 CHAMBER HOUSE
 TEXT HOUSE JOINT RESOLUTION NO. 75 by the Resources Committee:
 Relating to crude oil exports.
 was read the first time and referred to the Resources
 Committee.

BILL HJR0075
 PAGE 03179
 DATE 04/03/84
 CHAMBER HOUSE
 TEXT The Resources Committee has had HOUSE JOINT RESOLUTION NO.
 75 (relating to crude oil exports) under consideration and
 reports it back as follows: Ringstad (Co-Chairman), Larson,
 Bussell, Liska and Uehling recommend do pass; Goll and Vaska
 have no recommendation.
 HJR 75 was referred to the Rules Committee for placement on
 the calendar.

Crude Oil
Exports

HOUSE JOINT RESOLUTION NO. 75, by the Resources Committee.
 Requests the Governor to "... formally announce an intention
 by the state to challenge the constitutionality of the EAA by
 declaring Alaska's right to export on a one-time basis 200,000
 barrels of North Slope crude oil to a buyer in a Pacific Rim nation
 for the purposes of asserting Alaska's right to freely enter
 international trade in hydrocarbons that the other 49 states enjoy;
 FURTHER RESOLVED that the Governor enter into contract negotiations
 with a United States ocean shipper for the purpose of transporting
 the 200,000 barrels of crude oil from Valdez to a buyer in a
 Pacific Rim nation; and be it FURTHER RESOLVED that the Governor
 notify North Slope producers that on a date certain the state will
 make delivery of 200,000 barrels of the state's royalty oil for the
 one-time shipment to a buyer in a Pacific Rim nation. . . ."
 Copies of the resolution are to be sent to the President, Vice
 President, Speaker of the House, Chairman of the House Foreign
 Affairs Committee, members of the Export Administration Act
 Conference Committee and to members of the U.S. House Conference
 Committee on the Export Administration Act, and to members of the
 Alaska delegation in Congress.

Introduced March 28 and referred to Resources.

Crude Oil
Exports

HOUSE JOINT RESOLUTION NO. 75, (see page 669). Reported
 back to the House April 3 by Resources recommending it do
 pass. Concurring: Ringstad (Co-Chair), Larson, Bussell, Liska and
 Uehling. Not concurring: Goll and Vaska had no recommendation.
 To Rules.

Alaska State Legislature

Sen. Bettye Fahrenkamp,
Co-Chairman
Sen. Vic Fischer
Sen. Don Bennett



Rep. John J. Cowdery,
Co-Chairman
Rep. Mike Davis
Rep. Joe Hayes
Rep. John Ringstad
Rep. Mike Szymanski
Rep. Rick Uehling
Rep. Anthony N. Vaska

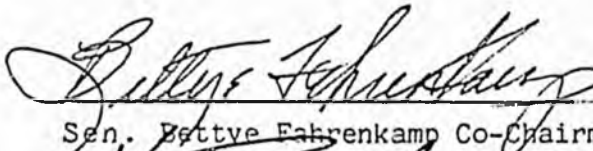
Joint Committee on Oil and Gas

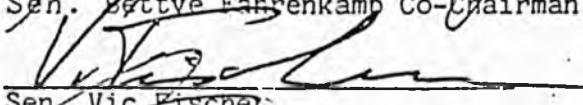
REVIEW & COMMENT

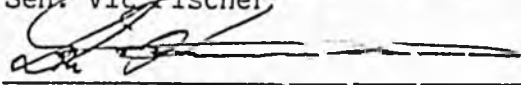
ON RESOLUTIONS IN SUPPORT OF EXPORTING ALASKAN NATURAL RESOURCES

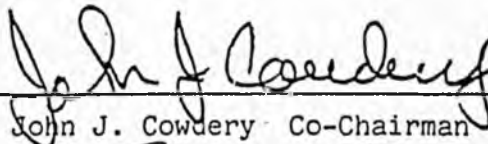
DATE: 17 May, 1983

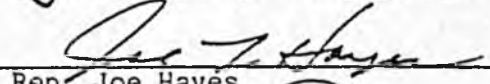
The Joint Committee on Oil & Gas has reviewed the issue of exporting Alaskan crude oil and natural gas, and unanimously supports the adopting of joint resolutions encouraging enactment of such provisions of law that will permit the export of Alaska's natural resources, and improve relations with our Pacific Rim Allies.



Sen. Bettye Fahrenkamp Co-Chairman

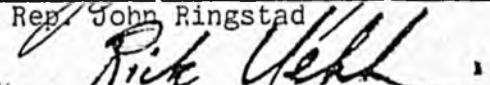

Sen. Vic Fischer

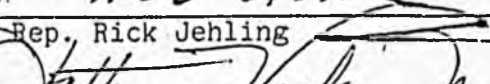

Sen. Don Bennett

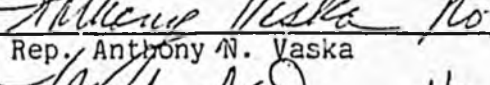

John J. Cowdery Co-Chairman

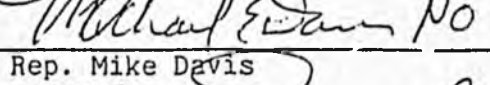

Rep. Joe Hayes


Rep. John Ringstad


Rep. Rick Uehling


Rep. Anthony N. Vaska


Rep. Mike Davis


Rep. Mike Szymanski

HJR 75

Testimony of
Rep. Bob Bettisworth
Before the House Resources Committee
April 2, 1984

I support House Joint Resolution 75. I seek your approval of the resolution.

Twice I have suggested to the Governor that he could, and should, very effectively test our STATE'S RIGHT to export crude oil to Pacific Rim nations. The Governor has ignored my suggestion. HJK 75 would re-issue the suggestion from the Legislative body. This action would be a test of Article X of the United States Constitution.

That Article, the "States' Rights Amendment", reads: POWERS RESERVED TO STATES OR PEOPLE. The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people."

Alaska is the only state in America that is prohibited from exporting crude oil. That is unfair. It is an infringement of our basic State's Rights concept. Eastern seaboard Congressmen and Senators and special interest maritime forces have successfully extended the life of the Export Administration Act which prohibits Alaska from exporting its crude.

This resolution before you simply asks the Governor of Alaska to step out boldly and test Alaska's right to sell and transport 200,000 bbl of North Slope crude oil to a willing buyer in Japan, Korea or Taiwan.

The resolution asks the governor to notify the producers that on a date certain he expects to take delivery of 200,000 barrels of crude at Valdez. It also asks the governor to enter into negotiations with a competent American shipper to transport the 200,000 barrels to the willing buyer in one of the Pacific Rim nations.

This enterprise is one time only. A test, if you will.

Admittedly, this would be a bold move. However, it would be a message that the Congress and the constitutional adherents would receive with clarity. That message is simply: It is unconstitutional to prohibit Alaska from entering the free market of the world.

It is ironic that North Slope oil and gas come up out of the same holes in the ground, and we are allowed to export gas but we are not allowed to export oil.

ARTICLE X.

Powers reserved to states or people. The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people.¹⁸

ARTICLE XI.

Restriction of judicial power. The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another state, or by citizens or subjects of any foreign state.¹⁹

ARTICLE XII.

Election of President and Vice President. The electors shall meet in their respective states, and vote by ballot for President and Vice President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate; — The President of the Senate shall, in presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted; — The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two thirds of the states, and a majority of all the states shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice President shall act as President, as in the case of the death or other constitutional disability of the President. The

18. Proposed by Congress on September 25, 1789, and declared ratified on December 15, 1791.

19. Proposed by Congress on March 4, 1794, and declared ratified on January 8, 1798.

Let Alaska's Oil Flow Naturally

By law — indeed, five laws — the United States prohibits exports of Alaskan oil. The principal reason is national security. The controlling reason is protectionist politics. The ban should be repealed.

Alaska's Senators, Frank Murkowski and Ted Stevens, want to amend the Export Administration Act to authorize at least some sales abroad. To win votes, they've conceded too much to protectionism. Nonetheless, because the House has already voted to extend this senseless embargo, their amendment offers the only hope for reducing its harm.

Alaska currently pumps out 1.8 million barrels a day. The idea behind the ban was that it's more efficient — and serves the national interest — to direct that oil to West Coast refineries, a short run down the coast. In fact, those refineries have been able to use only half of it. The rest goes through the Panama Canal and a Panama pipeline to refineries on the Gulf of Mexico, or all the way around South America to the Virgin Islands. What a waste, and discouragement, to Alaska's oil development.

The cost of the long-distance transportation runs as high as \$3.25 a barrel. Shipment to the logical buyers in the Pacific basin — Japan, South Korea and Taiwan — would cost \$1 or less.

The benefit would be twofold. Gulf and Caribbean refineries could get their crude oil at lesser cost from Mexico, Venezuela and Nigeria. And Alaskan oil across the Pacific would become more

competitive, and thus stimulate more exploration.

What about national security? It is said that the Arab oil embargo and resulting escalation of oil prices proved the value of holding on to every drop of American oil. So why let others buy it?

The question turns the issue upside down. Exporting Alaska's oil would enhance national security, not hurt it. The countries that would buy this oil are important allies whose access to oil is vital to American security interests. They have no oil of their own. An assured supply is especially necessary for Japan. By reducing Japanese dependence on the Middle East and also stimulating more production in Alaska, two important interests would be served.

The Murkowski-Stevens amendment would permit exports of 300,000 barrels a day and let the President stop all exports if ever the oil is needed in the United States. That's a reasonable concession to get the amendment approved but of no realistic consequence. If cut off by the Persian Gulf, Japan is not likely to be cut off also by America.

What is objectionable is the Murkowski-Stevens requirement that all exports be shipped in American vessels and that the vessels be maintained and repaired in American shipyards. These concessions, to win over the maritime unions, would increase the cost of shifting transportation patterns and reduce their value. But the ban offends economies in larger ways and violates security. Even at that price, it's worth relaxing.

NY Times 2/23/84

Washington Watch

Robert D. Hershey Jr.

Reviving Plan To Export Oil

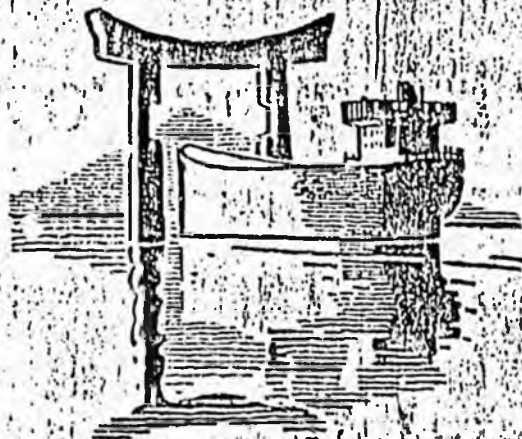
WASHINGTON
SENATOR Frank H. Murkowski, a Republican from Alaska who sits on the Energy Committee, has dusted off and modified a long-dormant plan to authorize the export of Alaskan oil to Japan. He plans to offer it as an amendment to the Export Administration Act when it comes up for renewal later this month.

Some Capitol aides think the measure could pass this time around. But the maritime industry, which has been the biggest stumbling block, says that it remains adamantly opposed to the plan. The export of American crude, except for barrel-for-barrel swaps with Canada, is forbidden by law.

According to Senator Murkowski, Alaska's output could increase as much as 200,000 barrels a day, an increment that he would make available for export. He contends that the plan would reduce the nation's trade deficit with Japan by \$2 billion a year and raise \$133 million for the Treasury in "windfall profits" taxes.

The Senator has attempted to overcome the opposition of the American marine industry, which now transports Alaskan oil to West Coast and Gulf of Mexico ports, by stipulating that all vessels carrying exports would be repaired only in United States shipyards. In addition, the amendment provides that the President could cancel export contracts for reasons of a national emergency.

Vice President George Bush has told Senator Murkowski that the changes should make it acceptable to the opponents. However, Jesse M. Calhoun, president of the National Marine Engineers' Bene-



David Suter

ficial Association, wrote to all Senators last week to insist that the union "firmly and unequivocally" opposes the plan.

A Congressman Starts Over

After 29 years in Congress and eight years as minority leader on the House Ways and Means Committee, Representative Barber B. Conable Jr., a New York Republican, has decided it is time to do something else. But what?

According to Mr. Conable's longtime chief of staff, Harry Nicholas, the Congressman is thinking about pursuing a course in government, writing and practicing law — perhaps back home in Rochester.

But there is speculation on Capitol Hill that Mr. Conable, who will be 64 on Election Day, might be Secretary of the Treasury in a second Reagan Administration and manage the tax-revision proposals the President has promised for 1985.

When asked the other day if he might accept a

job in the Administration, Mr. Nicholas said, Mr. Conable replied that it would have to be "a very attractive offer." In Washington, that kind of mayhem is heard as a yes.

Making Noise at the Fed

Preston Martin, vice chairman of the Federal Reserve Board, has raised eyebrows by calling attention to the lone dissenting vote he cast at the December meeting of the Federal Open Market Committee.

Mr. Martin, appointed by President Reagan as heir-apparent to Paul A. Volcker, the chairman, last week distributed a copy of the F.O.M.C. policy actions at the session, with a note directing attention to page 14, where his dissent to the 11-1 majority was described. The dissent stated that Mr. Martin was concerned that "any tightening of reserve conditions" would raise interest rates and thereby threaten the economic recovery.

One analyst, terming it "highly unusual" for a board member to call attention to himself in such fashion, noted that the Fed official was evidently "trying to keep his reputation with the Administration intact."

Briefcases:

¶The Transportation Department proposes for security reasons to bar helicopter flights over the nation's nine nuclear weapons facilities. Flights by fixed-wing craft would be prohibited below specified altitudes, generally 3,000 feet.

¶The International Monetary Fund's policy-making Interim Committee, which had thought about skipping its regular spring meeting this year, has decided to hold it on April 12.

¶New Jersey's Democratic Senators, Bill Bradley and Frank R. Lautenberg, seek an investigation into why the price of home heating oil in the state has risen 20 cents a gallon.

State cruise sought

By JOHN LINDBACK
Daily News reporter

Moslems feel the Christians have disproportionate representation.

- Assurance of the security of southern Lebanon, the Saudi formulation for insuring the security of northern Israel through controls against guerrilla infiltration.

- Replacement of the multinational peacekeeping force of American, French, Italian and British troops by a United Nations force.

Conference

Continued from Page A 1.

such as the cruise are subject to change, Lyon said.

The conference is viewed as a follow-up to Sheffield's trip to Korea and Japan in October. The administration will focus the participants' attention on Alaska's fish, timber, mining, tourism, oil, natural gas and agricultural resources, Lyon said.

"One of the things this will say to our Asian neighbors is that Governor Sheffield and the State of Alaska want them here," Lyon said.

To hold part of the conference on a cruise ship the administration will have to get federal permission to board the passengers in Alaska, Lyon said. The federal Jones Act prohibits ships registered in foreign countries from such activities without permission.

If a Jones Act waiver can't be obtained the administration may explore the possibility of holding the conference on a state ferry, Lyon said.

JUNEAU — Gov. Bill Sheffield is asking the legislature for as much as \$750,000 for a Pacific Rim trade conference slated to include a cruise through Alaska waters.

The governor would like to hold at least part of the conference in an "enclosed environment" — possibly on a cruise ship — where the participants' attention would be exclusively focused on Alaska trade, said Pete Spivey, Sheffield's press secretary.

The conference is intended to "encourage participation of key industry and government leaders from Korea, Taiwan, the Philippines and the Lower 48," according to an administration budget request.

Commissioner of Commerce and Economic Development Dick Lyon said Wednesday the state would ask conference participants to pay most of the costs of items such as the cruise, which would stop at Alaska ports that hold investment potential. Stops may include Ketchikan, Sitka, Whittier, Seward and Valdez, he said.

"We'd like to find some way to expose the participants of the conference to several places in Alaska," Lyon said. Plans call for conference participants to visit other regions of the state such as Prudhoe Bay and the Red Dog zinc mine near Kotzebue, he said.

The public funds are needed to pay the costs of setting up the conference and to help defray some costs to the participants, Lyon said.

The conference is in the planning stages, so the budget and portions of the conference

AGO 787147

RECEIVED
BUDGET/AUDIT
COMMITTEE

Bill Sheffield

Free Alaska's Oil

American energy consumers have a large stake in the existing federal restrictions on the export of Alaska crude oil. Because Congress must soon act on an extension of the ban, its rationale and costs deserve scrutiny. I share the considered opinion of most economists and of the federal Department of Energy that the United States would produce more oil at lower prices if the export restrictions were lifted.

The origins of the oil export ban lie in the December 1973 authorization for construction of the Trans-Alaska Pipeline System, a project that currently carries some 20 percent of U.S. oil production. Energy security concerns became paramount in the wake of the October 1973 OPEC embargo, and Congress chose to restrict the destination of oil shipped through the pipeline. At that time, when U.S. ability to obtain any imported oil was in question, the restrictions made political sense.

The energy supply picture for the United States has changed during the past 10 years, however. About half of Alaska's oil production of 1.6 million barrels a day is in excess of West Coast needs. As a result, this oil must move to the larger market of the Gulf of Mexico and the East Coast. Unfortunately, this journey is an expensive one, costing four times as much as the tanker run to California. This additional transportation cost means reduced federal tax revenues and reduced incentives for expanding Alaska's oil production. Higher trade deficits and diminished national security also result from the ban on our allies.

America's Pacific Rim allies, in close proximity to Alaska, would very much like to purchase this surplus oil to diversify their sources away from the Middle East, but are prohibited from doing so by federal law. The ban is particularly unfair because no other U.S. oil production is barred from export, and the United States currently ships overseas in excess of 700,000 barrels a day of domestically produced refined petroleum products.

Along with Alaska's congressional delegation, I have proposed that Congress relax the existing export ban on Alaska oil to allow 200,000 barrels a day to be shipped to Japan on U.S.-flag tankers. Most knowledgeable observers agree that the federal government and energy consumers in the United States would experience significant benefits from the adoption of this proposal:

- The federal Treasury would realize almost \$200 million per year in increased tax revenues as a result of the higher value of oil shipped to the Pacific Rim.

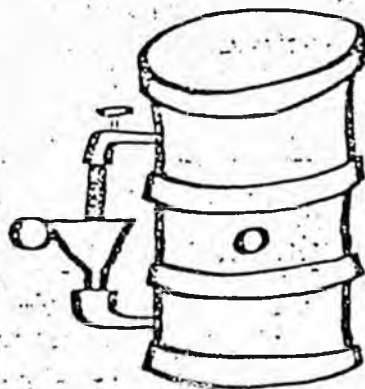
- The oil industry would have a greater incentive to develop currently marginal fields on Alaska's high-cost North Slope and to explore for addi-

tional oil and gas in northern Alaska.

- The pricing power of OPEC would be moderated by the entry of Alaskan oil into Asian markets.

- U.S. national security interests would be protected by diversifying the energy supply of key U.S. allies who currently must seek energy from OPEC and Russia.

- The existing trade deficit with Japan would be reduced while the United States



By Zarko Karabatic

would gain a bargaining tool to use on other trade issues.

- Opportunities for financially troubled countries, such as Venezuela and Mexico, to sell oil to the United States would be expanded by providing possibilities for cost-efficient oil exchanges.

In light of these convincing arguments, why does the export ban remain in effect? The Alaska oil trade currently supports a substantial portion of the U.S. merchant marine fleet. Any action that reduces the amount of time Alaska oil must spend in U.S. tankers is therefore fiercely opposed by the owners and workers supported by these ships. To accommodate their concerns, the proposal I am making would sharply limit exports, and would require the use of U.S.-flag tankers manned by American seamen and maintained in American shipyards.

Those of us who live in Alaska strongly believe in the importance of a healthy merchant marine, given our heavy reliance on waterborne commerce. Nevertheless, the Alaska oil export ban is an expensive and ineffective means of achieving it. In a recent draft report, the U.S. Department of Energy said most of the problems likely to confront the U.S. tanker fleet in the future will occur whether or not export restrictions are eased. To forgo substantial federal tax revenues, national trade benefits, improved national security and increased oil production primarily to protect narrow merchant marine interests is not sound public policy.

The writer is governor of Alaska.

Foes cite expense and time

Oil export study panel runs into trouble

by DAVID RAMSEUR
News Miner Bureau

WASHINGTON—A presidential study commission Alaska lawmakers managed to salvage from their overwhelming defeat early this month on efforts to lift the ban on Alaska oil exports appears in trouble.

The maritime industry is gearing up for a lobbying campaign to delete the study and the majority of House and Senate members selected to put final touches on the measure are firmly against Alaska oil exports.

In the meantime, Gov. Bill Sheffield has stepped up his lobbying on the issue. He has sent a packet of materials to the lawmakers involved and a state-hired lobbyist is making the rounds to convince congressmen in person.

Although Alaska Sen. Frank Murkowski remains optimistic the commission will eventually become law, others aren't so sure.

"So far there is certainly support for deleting the study altogether or delaying the due date," said Howard Marlowe, head of the Coalition to Keep Alaska Oil.

Admits a state official: "It's going to be an uphill battle to keep it in."

At issue is a seven-member presidential commission Murkowski attached to the Export Administration Act after the Senate defeated 70-20 his proposal to permit the export of some types of Alaska oil.

The study commission, charged with reviewing the merits of Alaska oil exports, was the best Murkowski could do in the face of overwhelming

Senate opposition to selling Alaska oil abroad.

The commission, which was given an open budget, is to report its findings next January. Proponents of Alaska oil exports hope those findings will strengthen their case for lifting the federal ban on exporting Alaska oil.

But opponents point to a handful of government and private studies on

the issue conducted in the last year alone and say the time and expense of another is hard to justify.

"We're not hysterically opposed like the administration is to some of our projects but we're going to fight it," said an aide to Rep. Don Bonker, a Washington Democrat heading up the House opposition.

A panel of members of both the House and Senate have been

appointed to work out the differences in the two versions of the bill. The Senate version contains the Alaska oil export study but the House version does not.

Of the 16 House conferees, nine are co-sponsors of a measure to permanently ban Alaska oil exports. On the five-member Senate panel, only Sen. John Tower, R-Texas, voted to permit Alaska oil exports.

Town chiefs cite state threats over hydro project

By MARK BAUMGARTNER
Associated Press Writer

JUNEAU—Gov. Bill Sheffield, two of his cabinet members and a state senator have threatened to withhold capital projects from a Southeast Alaska town in efforts to coerce its municipal officials into signing contracts to buy power from a state hydroelectric plant, according to participants in the negotiations.

Sheffield in November told negotiators from Petersburg that their town could be deprived of state dollars, particularly money the community wants so it can repair and improve its high school, if they didn't agree to buy power from the Tyee Lake hydro project, said Mayor Don Koenigs.

Commerce and Economic Development Commissioner Dick Lyon, Office of Management and Budget

board of directors, and Faiks sits on the Senate Finance Committee.

Petersburg City Manager Rich Underkofler and Lin Wilson, a consultant hired to help the town in negotiations with the Alaska Power Authority, said they are aware of the threats.

But a spokesman for Sheffield said what Petersburg officials perceive as threats are in reality blunt warnings of likely legislative reaction to the extended deadlock.

"I suppose there's a thin line between a threat and a warning," said Sheffield Press Secretary Pete Spivey.

"All I've heard is the governor saying good luck getting the Legislature to act on your projects if the state has to eat the money it has sunk into the Tyee project, Spivey said. "I don't think that's far off base."

Legislators could be faced with

which he says depends on signed power sales agreements.

A legislator who has followed the negotiations, Rep. Ron Wendte of Ketchikan, said he heard Lyon make some "off the wall" comments to representatives from Petersburg, hinting that they would pay a price if they held out on signing contracts to buy Tyee power.

At one point, Lyon suggested ferry service in Southeast Alaska could suffer if representatives of the municipal utilities didn't cooperate, Wendte said.

Sheffield overheard Lyon's comments and told the commissioner he was out of line, Koenigs said.

"I've never threatened Petersburg," Lyon said. It's Koenigs's "paranoia" that causes him to see threats in the commissioner's explanation of political realities, Lyon said.

deal possible, Lyon said.

Threatening to withhold capital project money is just one negotiating tactic employed against representatives of utilities in the four dam pool, according to Koenigs.

A memorandum written by Wilson, a consultant hired from a Bellevue, Wash., engineering firm to help Petersburg in its negotiations with APA, outlines the frustrations and pressures felt by Petersburg officials, Koenigs said.

"APA's conduct of the negotiations, whether deliberately manipulative, politically motivated, or merely heavy-handed through inexperience, tends to color any evaluation of the merits of what is offered," Wilson said.

In his critique of APA's negotiating style, Wilson said the state power authority has tried to

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