

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6070 HOUSE RESOURCES

474

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

8
STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1798
PHONE: (907) 465-2400

April 18, 1990

The Honorable Bettye Fahrenkamp
Chair
Senate Resource Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

Subject: Senate Bill 545, Marmot Island Critical Habitat Area.

Position: The Department of Natural Resources supports the establishment of the Marmot Island Critical Habitat Area and the protection of Steller sea lion rookery and concentrated haulout habitat on Marmot Island.

Background: The Steller sea lion rookeries on the east side of Marmot Island, the largest in Alaska, are in decline, according to the Alaska Department of Fish and Game (ADF&G) and the National Marine Fisheries Service. As a result, the Steller sea lion has been listed as a threatened species under the provisions of the federal Endangered Species Act.

Prior to the introduction of Senate Bill 545, the Department of Natural Resources, recognizing the important habitat of Marmot Island for Steller sea lions, proposed establishment of an administrative Special Use Area for the south and central portions of the east side of Marmot Island. The Special Use Area would be managed by the Division of Land and Water Management to protect and preserve this important sea lion habitat and to minimize human disturbance of the Steller sea lions, which use the eastern beaches of Marmot Island.

A special use area designation could provide an immediate and comprehensive administrative alternative to a legislative critical habitat designation. It would also allow for management flexibility to respond to changing conditions, and would remain in effect at least until the adoption of the proposed Kodiak Area Plan for state land (approximately five years).

April 18, 1990

The Special Use Area proposal has already received extensive public and agency review, including a public meeting held in Kodiak last month. The proposal has the support of the borough and is now ready to be adopted if this legislation is not passed this session.

Technical Changes: The legal description does not include Section 7 of Township 23 South, Range 15 West, Seward Meridian, which according to information supplied by ADF&G, is a major rookery pupping and concentrated haulout area. We recommend the addition of Section 7.

Please contact me or my staff if you have further questions regarding this legislation.

Sincerely,



Lennie Gorsuch
Commissioner

Enclosures

cc: Bill Sponsor
Committee Members
Bob Evans, Legislative Liaison
Office of the Governor
Denby Lloyd, Special Staff Assistant
Office of the Governor



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

9

FOR IMMEDIATE RELEASE

April 5, 1990

Steller Sea Lions Designated as a Threatened Species

Juneau . . . The National Marine Fisheries Service adopted an emergency regulation today that designates Steller sea lions as a "threatened" species under the Endangered Species Act. This action was taken in response to a dramatic decline in the number of Steller sea lions counted at major rookeries in central and western Alaska between 1960 and 1989.

The emergency regulation prohibits shooting at or near any Steller sea lion in U.S. waters, except for Native subsistence. It also prohibits boats from coming within three miles of certain Steller sea lion rookeries (locations where pups are born) and empowers the Secretary of Commerce to place observers on any fishing vessel in order to monitor the accidental capture of sea lions in fishing gear. In addition, the regulation restricts the number of sea lions which may be accidentally caught and killed during fishing operations west of 141 degrees W. longitude to 675 animals.

The National Marine Fisheries Service will immediately initiate work on a plan to guide the long-term recovery of the Steller sea lion population. The Service will also continue to investigate the cause of the decline of the sea lion population. Possible causes include shooting, accidental capture during



commercial fishing operations, the influence of commercial fishing on food supply, disease, natural environmental fluctuations, or other unknown changes in the ecosystem. Surveys by the National Marine Fisheries Service have shown that counts of Steller sea lions in central and western Alaska have dropped 63% since 1985 and 82% since 1960. On rookeries from the Kenai Peninsula to Kiska Island in the western Aleutians, the total number of sea lions counted has declined from a high of 140,000 in 1956-60 to about 25,000 in 1989.

Violations of laws protecting Steller sea lions are subject to severe civil and criminal penalties, including fines of up to \$25,000, imprisonment for up to one year, and vessel forfeiture.

For more information on this emergency regulation, contact Steve Pennoyer, Regional Director, National Marine Fisheries Service, at 586-7221.

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COMPLIMENTS OF
UNITED FISHERMEN'S MARKETING ASSOCIATION, INC.
Box 1035, Kodiak, Alaska 99615
Tel. (907) 486-3453

Original sponsor(s): Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 545 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECCND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to establishing the Marmot Island
7 Critical Habitat Area; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 16.20 is amended by adding a new section to read:

11 Sec. 16.20.630. MARMOT ISLAND CRITICAL HABITAT AREA. (a) The
12 following land and water is designated as the Marmot Island Critical
13 Habitat Area:

- 14 (1) Township 22 South, Range 15 West, Seward Meridian
15 Section 19
16 Sections 30 - 31
17 (2) Township 22 South, Range 16 West, Seward Meridian
18 Section 36: E1/2SE1/4, E1/2W1/2SE1/4
19 (3) Township 23 South, Range 15 West, Seward Meridian
20 Sections 6 - 7
21 Section 18
22 (4) Township 23 South, Range 16 West, Seward Meridian
23 Section 1: E1/2 E1/2, E1/2W1/2E1/2
24 Section 12: E1/2E1/2, E1/2W1/2E1/2
25 Section 13
26 Section 14: E1/2E1/2E1/2NE1/4, E1/2E1/2E1/2N1/2-
27 SE1/4, S1/2SE1/4
28 Section 22: E1/2
29 Sections 23 - 24

1 July 1, 2005.

2 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsor(s): Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 545 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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7 Critical Habitat Area; and providing for an effective
8 date."

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11 Sec. 16.20.630. MARMOT ISLAND CRITICAL HABITAT AREA. (a) The
12 following land and water is designated as the Marmot Island Critical
13 Habitat Area:

14 (1) Township 22 South, Range 15 West, Seward Meridian
15 Section 19
16 Sections 30 - 31

17 (2) Township 22 South, Range 16 West, Seward Meridian
18 Section 36: E1/2SE1/4, E1/2W1/2SE1/4

19 (3) Township 23 South, Range 15 West, Seward Meridian
20 Sections 6 - 7
21 Section 18

22 (4) Township 23 South, Range 16 West, Seward Meridian
23 Section 1: E1/2 E1/2, E1/2W1/2E1/2
24 Section 12: E1/2E1/2, E1/2W1/2E1/2
25 Section 13
26 Section 14: E1/2E1/2E1/2NE1/4, E1/2E1/2E1/2N1/2-
27 SE1/4, S1/2SE1/4
28 Section 22: E1/2
29 Sections 23 - 24

1 (5) the tideland and submerged land and water for a dis-
2 tance of one and one-half miles seaward from the mean high tide line
3 of the shoreline found on state land that is described in (1), (3),
4 and (4) of this subsection; the boundary lines of the water described
5 in this paragraph include the water of the state on the eastern shores
6 of Marmot Island between lines extending

7 (A) one and one-half miles from the shoreline on a
8 line extended northward from the boundary between Section 24,
9 Township 22 South, Range 16 West, Seward Meridian and Section 19,
10 Township 22 South, Range 15 West, Seward Meridian; and

11 (B) one and one-half miles from the shoreline on a
12 line extended southward along the western boundary of Section 22:
13 E1/2, Township 23 South, Range 16 West, Seward Meridian.

14 (b) The Marmot Island Critical Habitat Area is established to
15 ensure the protection and enhancement of fish and wildlife habitat and
16 populations, especially Steller sea lions.

17 (c) The commissioner shall report biennially to the legislature
18 on the status of the Steller sea lions and the Marmot Island rook-
19 eries. The land and water described in (a) of this section is closed
20 to mineral entry under AS 38.05.185 - 38.05.275, until the Steller sea
21 lion population is removed from threatened, endangered, and depleted
22 species status under 16 U.S.C. 1531 - 1543.

23 (d) The commissioner shall allow historical, traditional, and
24 public uses, including fishing, hunting, trapping, mechanized and
25 nonmechanized public access, grazing, trading, firewood harvesting,
26 wildlife viewing, hiking, and berry picking to the extent the activ-
27 ities are compatible with the purposes for which the critical habitat
28 area was established.

29 * Sec. 2. AS 16.20.630, as enacted in sec. 1 of this Act, is repealed

Stipulation

Repealer clause

Repealer clause

1 July 1, 2005.

2 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

S B

553

LETTER OF INTENT
FOR
CS FOR SENATE BILL 553

It is the intent of this committee that in carrying out its duties under this section, the Boards should not consider it appropriate to aggregate communities for the purposes of determining rural status merely because the communities are located within the same borough or rural educational attendance area.

Adopted

AMENDMENT
CS SB 553 (Res) am

by NAVARRE

Page 1 line 13 after "uses"

, on the development and diversity of the economy, transportation systems,
communication links, community infrastructure, educational and cultural institutions,
government institutions, and on other similar factors

FISCAL NOTE

SB 553

REQUEST:

Revision Date: _____
Title: Subsistence Commission

Agency Affected: Dept. of Fish and Game
BRU: Subsistence

Sponsor: _____
Requestor: _____

Components: Subsistence

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | -0- | -0- | -0- | | | |
| TRAVEL | -0- | -0- | -0- | | | |
| CONTRACTUAL | -0- | -0- | -0- | | | |
| SUPPLIES | -0- | -0- | -0- | | | |
| EQUIPMENT | -0- | -0- | -0- | | | |
| LAND & STRUCTURES | -0- | -0- | -0- | | | |
| GRANTS, CLAIMS | -0- | -0- | -0- | | | |
| MISCELLANEOUS | -0- | -0- | -0- | | | |
| TOTAL OPERATING | -0- | -0- | -0- | | | |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|-----|-----|--|--|--|
| GENERAL FUND | -0- | -0- | -0- | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | -0- | -0- | | | |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|--|--|--|
| FULL-TIME | n/a | n/a | n/a | | | |
| PART-TIME | n/a | n/a | n/a | | | |
| TEMPORARY | n/a | n/a | n/a | | | |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: _____
Division: _____

Phone: _____
Date: _____

Approved by Commissioner: Garrey Peska, Chief of Staff
Agency: _____

Date: 6/26/90

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

Rural
Definition to SB 553

Original sponsor(s): Rules/Governor

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 599 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to subsistence uses of fish and
7 wildlife, relating to the definition of 'rural area,'
8 and creating the Subsistence Review Commission; and
9 providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The Subsistence Review Commission is established.

12 * Sec. 2. The Subsistence Review Commission shall review all aspects of
13 state and federal laws relating to subsistence uses of fish, wildlife, and
14 other natural resources, and the implementation of those laws, including
15 the effects of Alaskans' use of and state management of, fish and wildlife.
16 This review must include an examination of

17 (1) what subsistence is and who should qualify as a subsistence
18 user;

19 (2) the most appropriate way to provide for subsistence in
20 Alaska;

21 (3) what a subsistence priority is and how it should be imple-
22 mented;

23 (4) what constitutes "customary trade and barter" as those terms
24 are used in federal and state subsistence laws, the potential for increases
25 in the sale of subsistence harvests, and the resulting effect on other
26 users under those provisions;

27 (5) the roles of the Board of Fisheries, Board of Game, and the
28 regional councils and advisory committees in enabling local users to par-
29 ticipate in the decision-making process with respect to local resources and

1 subsection must be consistent with the requirements of 16 U.S.C.
2 3115 - 3115 in order that the state may retain management of fish and
3 game on federal land.

4 * Sec. 6. AS 16.05.940(26) is repealed.

5 * Sec. 7. The Alaska State Legislature finds that it is in the best
6 interest of all citizens of the state to retain state subsistence laws as
7 those laws existed before December 22, 1989, until the citizens of the
8 state have voted on an amendment to the Alaska State Constitution relating
9 to a subsistence preference at the 1990 general election. The Alaska State
10 Legislature respectfully requests the Alaska Supreme Court to stay the
11 effect of its decision in McDowell v. State, 785 P.2d 1 (Alaska 1989) until
12 the lieutenant governor certifies the election returns of the 1990 general
13 election on an amendment to the Alaska State Constitution relating to a
14 subsistence preference.

15 * Sec. 8. Sections 1 - 4 of this Act are repealed upon the filing of
16 the Subsistence Review Commission's report with the governor and the legis-
17 lature as provided in sec. 3 of this Act.

18 * Sec. 9. Sections 1 - 4, 7 and 8 of this Act take effect immediately
19 under AS 01.10.070(c).

20 * Sec. 10. Sections 5 and 6 of this Act take effect upon approval by
21 the voters in the 1990 general election of a constitutional amendment
22 relating to a subsistence preference.

CORRECTION

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Rural
Definition to SB 553

Original sponsor(s): Rules/Governor

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13 state and federal laws relating to subsistence uses of fish, wildlife, and
14 other natural resources, and the implementation of those laws, including
15 the effects of Alaskans' use of and state management of, fish and wildlife.

16 This review must include an examination of

17 (1) what subsistence is and who should qualify as a subsistence
18 user;

19 (2) the most appropriate way to provide for subsistence in
20 Alaska;

21 (3) what a subsistence priority is and how it should be imple-
22 mented;

23 (4) what constitutes "customary trade and barter" as those terms
24 are used in federal and state subsistence laws, the potential for increases
25 in the sale of subsistence harvests, and the resulting effect on other
26 users under those provisions;

27 (5) the roles of the Board of Fisheries, Board of Game, and the
28 regional councils and advisory committees in enabling local users to par-
29 ticipate in the decision-making process with respect to local resources and

1 in bringing local concerns to the attention of the boards; and

2 (6) what changes, if any, there should be in state and federal
3 laws relating to subsistence uses of fish, wildlife, and other natural
4 renewable resources.

5 * Sec. 3. The Subsistence Review Commission shall report its findings
6 and any recommendations for needed changes to the governor and the legis-
7 lature no later than January 15, 1993.

8 * Sec. 4. (a) The Subsistence Review Commission consists of nine
9 members appointed by the governor, to include

10 (1) a representative of each of the following:

11 (A) the Board of Fisheries or the Board of Game,

12 (B) the Fish and Game regional council system,

13 (C) organizations representing

14 (i) Alaska Natives,

15 (ii) sportsmen's groups and

16 (iii) commercial fishing interests, and

17 (2) four public members.

18 (b) A majority of the commission constitutes a quorum for conducting
19 official business of the commission.

20 (c) The governor may appoint additional non-voting, ex-officio
21 members representing state and federal agencies.

22 (d) Members of the commission who are not state or federal employees
23 are entitled to transportation and per diem expenses as provided in AS 39.-
24 20.180.

25 * Sec. 5. AS 16.05.258 is amended by adding a new subsection to read:

26 (3) The Board of Fisheries and Board of Game, meeting jointly
27 under AS 16.05.315, shall adopt by regulation a definition of "rural
28 area" for purposes of managing subsistence uses of fish and game under
29 this chapter. The definition of "rural area" adopted under this

1 subsection must be consistent with the requirements of 16 U.S.C.
2 3113 - 3115 in order that the state may retain management of fish and
3 game on federal land.

4 * Sec. 6. AS 16.05.940(26) is repealed.

5 * Sec. 7. The Alaska State Legislature finds that it is in the best
6 interest of all citizens of the state to retain state subsistence laws as
7 those laws existed before December 22, 1989, until the citizens of the
8 state have voted on an amendment to the Alaska State Constitution relating
9 to a subsistence preference at the 1990 general election. The Alaska State
10 Legislature respectfully requests the Alaska Supreme Court to stay the
11 effect of its decision in McDowell v. State, 785 P.2d 1 (Alaska 1989) until
12 the lieutenant governor certifies the election returns of the 1990 general
13 election on an amendment to the Alaska State Constitution relating to a
14 subsistence preference.

15 * Sec. 8. Sections 1 - 4 of this Act are repealed upon the filing of
16 the Subsistence Review Commission's report with the governor and the legis-
17 lature as provided in sec. 3 of this Act.

18 * Sec. 9. Sections 1 - 4, 7 and 8 of this Act take effect immediately
19 under AS 01.10.070(c).

20 * Sec. 10. Sections 5 and 6 of this Act take effect upon approval by
21 the voters in the 1990 general election of a constitutional amendment
22 relating to a subsistence preference.

S B

555

A M E N D M E N T #1
CS SB 555 (Resources)

page 2, beginning at line 2, insert and replace into subsections (b), (c), (d), (e) and (f):

* Sec. 2. (b) The Subsistence Review Commission consists of nine members appointed by the governor, to include

- (1) a representative of each of the following:
 - (A) the Board of Fisheries or the Board of Game,
 - (B) the Fish and Game regional council system,
 - (C) organizations representing
 - (i) Alaska Natives,
 - (ii) sportsmen's groups and
 - (iii) commercial fishing interests, and
- (2) four public members, each public member appointed from a different judicial district, one of whom shall be a subsistence user.

BY HOUSE RESOURCES COMMITTEE

A M E N D M E N T #1 cont.
CS SB 555 (Resources)

(c) The speaker of the house of representatives, or the speaker's designee, and the president of the senate, or the president's designee, shall serve as ex officio, non-voting members of the commission.

(d) A majority of the commission constitutes a quorum for conducting official business of the commission.

(e) The governor may appoint additional non-voting, ex-officio members representing state and federal agencies.

(f) Members of the commission who are not state or federal employees are entitled to transportation and per diem expenses as provided in AS 39.20.180.

BY HOUSE RESOURCES COMMITTEE

A M E N D M E N T #2
CS SB 555 (Resources)

*Sec. 2. (a) There is established in the Department of Fish and Game the Commission on Subsistence Use of Fish and Game. The commission consists of nine voting members. [The voting members of the commission serve without compensation, but are entitled to per diem and travel expenses authorized for boards and commission under AS 39.20.180.] Voting members of the commission serve until the repeal of this Act as provided under sec. 3 of this act.

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: Subsistence Commission

Agency Affected: Dept. of Fish and Game
BRU: Subsistence

Sponsor: _____
Requestor: _____

Components: Subsistence

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | -0- | -0- | -0- | | | |
| TRAVEL | -0- | 60.0 | 30.0 | | | |
| CONTRACTUAL | -0- | 10.0 | 5.0 | | | |
| SUPPLIES | -0- | 2.0 | 1.0 | | | |
| EQUIPMENT | -0- | -0- | -0- | | | |
| LAND & STRUCTURES | -0- | -0- | -0- | | | |
| GRANTS, CLAIMS | -0- | -0- | -0- | | | |
| MISCELLANEOUS | -0- | -0- | -0- | | | |
| TOTAL OPERATING | -0- | 72.0 | 36.0 | | | |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|------|------|--|--|--|
| GENERAL FUND | -0- | 72.0 | 36.0 | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | 72.0 | 36.0 | | | |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|--|--|--|
| FULL-TIME | 0 | 0 | 0 | | | |
| PART-TIME | 0 | 0 | 0 | | | |
| TEMPORARY | 0 | 0 | 0 | | | |

ANALYSIS : (Attach a separate page if necessary)

No appropriation is required for FY 91

Prepared by: _____ Phone: _____
Division: _____ Date: _____

Approved by Commissioner: Garrev Peska, Chief of Staff Date: 6/26/90
Agency: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

S B

555

BY HOUSE RESOURCES COMMITTEE

A M E N D M E N T #1
CS SB 555 (Resources)

page 2, beginning at line 2, insert and replace into subsections (b), (c), (d), (e) and (f):

* Sec. 2. (b) The Subsistence Review Commission consists of nine members appointed by the governor, to include

- (1) a representative of each of the following:
 - (A) the Board of Fisheries or the Board of Game,
 - (B) the Fish and Game regional council system,
 - (C) organizations representing
 - (i) Alaska Natives,
 - (ii) sportsmen's groups and
 - (iii) commercial fishing interests, and
- (2) four public members, each public member appointed from a different judicial district, one of whom shall be a subsistence user.

BY HOUSE RESOURCES COMMITTEE

A M E N D M E N T #1 cont.
CS SB 555 (Resources)

(c) The speaker of the house of representatives, or the speaker's designee, and the president of the senate, or the president's designee, shall serve as ex officio, non-voting members of the commission.

(d) A majority of the commission constitutes a quorum for conducting official business of the commission.

(e) The governor may appoint additional non-voting, ex-officio members representing state and federal agencies.

(f) Members of the commission who are not state or federal employees are entitled to transportation and per diem expenses as provided in AS 39.20.180.

BY HOUSE RESOURCES COMMITTEE

A M E N D M E N T #2
CS SB 555 (Resources)

***Sec. 2. (a) There is established in the Department of Fish and Game the Commission on Subsistence Use of Fish and Game. The commission consists of nine voting members. [The voting members of the commission serve without compensation, but are entitled to per diem and travel expenses authorized for boards and commission under AS 39.20.180.] Voting members of the commission serve until the repeal of this Act as provided under sec. 3 of this act.**

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Subsistence Commission
Sponsor: _____
Requestor: _____

Agency Affected: Dept. of Fish and Game
BRU: Subsistence
Components: Subsistence

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|------------------------|------------|-------------|-------------|-------|-------|-------|
| PERSONAL SERVICES | -0- | -0- | -0- | | | |
| TRAVEL | -0- | 60.0 | 30.0 | | | |
| CONTRACTUAL | -0- | 10.0 | 5.0 | | | |
| SUPPLIES | -0- | 2.0 | 1.0 | | | |
| EQUIPMENT | -0- | -0- | -0- | | | |
| LAND & STRUCTURES | -0- | -0- | -0- | | | |
| GRANTS, CLAIMS | -0- | -0- | -0- | | | |
| MISCELLANEOUS | -0- | -0- | -0- | | | |
| TOTAL OPERATING | -0- | 72.0 | 36.0 | | | |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|------------|-------------|-------------|--|--|--|
| GENERAL FUND | -0- | 72.0 | 36.0 | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | 72.0 | 36.0 | | | |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|--|--|--|
| FULL-TIME | 0 | 0 | 0 | | | |
| PART-TIME | 0 | 0 | 0 | | | |
| TEMPORARY | 0 | 0 | 0 | | | |

ANALYSIS : (Attach a separate page if necessary)

No appropriation is required for FY 91

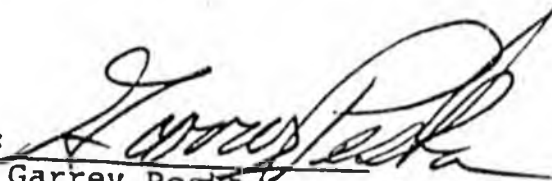
Prepared by: _____ Phone: _____
Division: _____ Date: _____
Approved by Commissioner: Garrev Peska, Chief of Staff Date: 6/26/90
Agency: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Analysis:

FY 91 total operating expenditure of \$77,000 will be allocated from FY 91 operating budget of ADF&G.

Approved By:



Garrey Perka
Chief of Staff
June 26, 1990

①

S C R

14

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 14
PUBLISH DATE: 2/23/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Alaska Railroad Corp.
Title: ARRC Suntrana Bridge BRU: _____
Sponsor: Senator Coghill Components: _____
Requester: Senate Transportation

EXPENDITURES / REVENUES : (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|-------|---|---|---|---|---|
| CAPITAL | 130.0 | 0 | 0 | 0 | 0 | 0 |
|---------|-------|---|---|---|---|---|

| | | | | | | |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (Thousands of dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary.)

This fiscal note is for informational purposes only. As the Alaska Railroad Corporation is not subject to the Executive Budget Act, legislative appropriation is not required. However, passage of SCR 14 would have fiscal impact on the Railroad. (Analysis continued on page 2.)

Prepared by: Jim Blasingame
Division: Alaska Railroad Corporation

Phone: 265-2688
Date: February 22, 1989

Approved by Commissioner: Larry L'Arculieff
Agency: Department of Commerce & Economic Development

Phone: _____
Date: 2/23/89

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

BILL VERSION SCR 14

Analysis:

Reallocation of these funds to the Suntrana Branch Bridge improvements would prevent the ARRC from making additional necessary mainline upgrades. The annual return on investment of mainline improvements outweighs the bridge upgrade by reducing labor costs and train delays. Additional improvements to the Fairbanks yard operations to enhance customer service and reduce safety hazards would also be delayed. These cost savings are anticipated to amount to \$10.0-15.0 annually for a period of ten years.

S C R

30

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Environmental Conservation
 Title: A Resolution urging coordinated BRU: Environmental Quality
research and development of technology and programs for prevention and cleanup
of oil discharge Components: Environmental Quality
 Sponsor: Rodey and Szymanski

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|-----|-----|-----|-----|-----|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| FULL-TIME | | -0- | -0- | -0- | -0- | -0- |
| PART-TIME | | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | | -0- | -0- | -0- | -0- | -0- |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dan Easton Phone: 465-2640
 Division: Environmental Quality Date: April 11, 1989

Approved by Commissioner: ADK Date: 4/12/89
 Agency: Alaska Department of Environmental Conservation

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Patrick M. Rodey
Senator

Alaska State Legislature

3111 C. Sr., Suite 510
Anchorage, Alaska 99503
(907) 561-7618



During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-3793

M E M O R A N D U M

Senate

April 24, 1989

TO : Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Senator Patrick *M. Rodey*

RE : SCR 30 - Urging coordinated research and development of
technology and programs for prevention and cleanup of oil
discharges

Senate Concurrent Resolution 30 requests utilization of the research capabilities and programs of the Science and Engineering Advisory Commission and the Alaska Science and Technology Foundation to review and explore methods of coordinating their activities for development of improved response techniques and prevention of oil discharges.

The Alaska Science and Technology Foundation's technological expertise would make a valuable contribution to facilitating cooperation among the local, state, and federal coordination efforts.

The proposal also requests that the Governor consider hosting a future conference to focus on the prevention, and consequences of oil discharges disasters.

There is a zero fiscal note.



Alaska
Pacific
Consultants

in APRIL 6
1. SJR. For Future Conference
2. S&T Found. For Spill Coordination
3. SR Log. Coord

3111 C Street, Suite 200 Anchorage, Alaska 99503 (907) 562-3427

April 2, 1989

Honorable Pat Rodey, Senator
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Rodey:

The Alaska State Senate has passed a bill appropriating \$20 million to aid in the Prince William Sound oil spill disaster. If the House has not also passed, I trust it will do so shortly.

I suggest that the State of Alaska can do more. Over one year ago (March 31, 1988, Northern Lights Inn, Anchorage. See attached article), Mr. Henry Cole, Science Advisor to Governor Cowper, addressed the Resource Development Council of Alaska, Inc., stating that the Alaska Science and Technology Foundation would be funded with a \$100 million endowment. Unfortunately, that amount of money was not forthcoming. Now is the time to move aggressively forward to fund this Foundation for the purpose of researching, and developing recovery programs surrounding the Prince William Sound oil spill.

The Science and Technology Foundation might well address the following:

- **Oil Spill Research:** Recovery, appropriate disperants, skimmers, cleanup technology, wildlife protection and cleaning, plus a myriad of other appropriate technologies.
- **Social Science Research:** Study and development, in conjunction with existing local, state and federal agencies, programs to assist individuals, families and companies through the difficult economic and stressfull days ahead. As people face mortgages, unpaid bills, increased family conflict, mental anguish, and other problems faced with the "fallout" from this disaster, assistance will be needed.

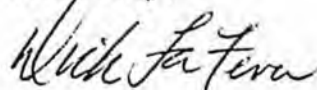
- **Economic Renewal Research:** Study how the recovery of the Prince William Sound's economic/social system will need a total systems approach. All of Alaska will be affected by this disaster, and we Alaskans are capable of designing our collective future, **IF** we choose to work collaboratively in collective best interests. To do this however, will, in my opinion, need the leadership the Foundation could provide.
- **Psychological Leverage:** Provide immediate attention and focus on Alaska's efforts to build toward the future. Not only is this good business, but it will provide Alaskans and potential visitors and investors the "psychological edge" proving that we are indeed in control of our destiny.

Mr. Ed Clinton, Chairman of the Alaska Science and Technology Foundation, will address the Alaska State Chamber of Commerce on Friday April 7, in Anchorage, at the NBA Main Branch, 3rd Floor Conference Room. It may be possible to get Mr. Clinton's attention on this before April 7, and to seek his input.

Further, I am asking that Mr. Clinton, and the other Science and Technology Foundation Board Members, Governor Cowper, appropriate State Department and Agency Heads, Alaska State Legislators, and appropriate private citizens be called to a "summit" on Alaska's Economic and Social Future to address this proposal. If appropriate, legislation addressing this concept might be the best method for moving forward. I, however, leave that to you, Senator Rodey.

Thank you for your kind and timely attention to these ideas.

Sincerely,



Dick La Fever, Director

COPY



3111 C Street, Suite 200 Anchorage, Alaska 99503 (907) 562-3427

August 16, 1988

Boards and Commissions
Office of the Governor
P.O. Box A
Juneau, AK 99811

Attn: Honorable Steve Cowper, Governor, State of Alaska
Re: **Alaska Science and Technology Foundation**

Two years ago we started Alaska Pacific Consultants. We are still in business and we are growing. No one in Alaska is more confident and "bullish" on Alaska than I.

Dr. Glen Olds, former President of Alaska Pacific University, once said, "Alaska is a State of Mind"! I agree. Our potential is great, our capacity for renewal, redirection and rededication to our collective Alaskan goals and aspirations is also great.

The **Alaska Science and Technology Foundation** can provide the structure for the application of our knowledge to achieve the practical results that will benefit all Alaskans.

I want to be a member of the first Board of Directors of the **Alaska Science and Technology Foundation**, and to serve the people of Alaska. Attached you will find my resume, including the current activities I'm involved with, plus references.

Thank you for your consideration.

Sincerely,

Dick La Fever, Director

attachments



WESTRENDS

121 SECOND STREET 4TH FLOOR SAN FRANCISCO, CA 94105 TELEPHONE (415) 974 6422

WESTRENDS EXECUTIVE SUMMARY

Historically the West has been a region of change and growth. In recent years, however, the fundamental nature of the region has begun to shift. Key demographic and economic changes are permanently altering the socio-economic character of many parts of the region, adding new dimensions and challenges for public policy makers. Among the leading trends transforming the West are:

Fastest Growing Region of the United States

The West grew at a faster rate than any other U.S. region between 1980 and 1987. The region grew 15.1% during this time period, more than double the national average. The South was the second fastest growing region at 11.3%, followed by the Northeast and Midwest at 2.3% and 1.1% respectively. Population growth in the West is well above the national rate due to three factors: high birth rates, relatively high migration rates and very high immigration rates. A majority of western states are participating in the high rate of population growth; however, a handful of states experiencing serious downturns in their economies have had static or declining populations over the past several years.

Highest Dependency Ratio Among Regions

Among the four U.S. regions, the West has the highest dependency ratio. The "dependency ratio" refers to the burden placed on wage earning taxpayers between the ages of 18 and 64 to finance services such as education, and health for older and younger age groups. The region has the highest percent of the population under age 18 with the under-5 age group increasing 51%, or approximately five times the national rate from 1980 to 1987. During the same time period, the 65 and older age group in the West has increased by 49%, more than three times the national rate.

Growing Ethnic Diversity

A third demographic trend is the changing ethnic composition of the western region. The West leads the nation in legal immigration for the decade 1975-85. Asian and Hispanic immigration is highest to the region, where the greatest concentration of Hispanic and Asian Americans reside. In addition, from 1970 to 1980, the West, with the smallest percentage of blacks, experienced the greatest increase in black population among U.S. regions for that decade.

Metropolitization of the West

The growth in population and changes in metropolitan areas contribute to the shifting landscape of the West. The region is no longer a network of small towns; instead, it is largely comprised of sprawling metropolitan areas and newly suburbanized communities separated by large open spaces. In 1986 the West ranked above the national average, with 83.7% of the population residing in metropolitan areas, second only to the northeastern region at 88%. From 1980 to 1986, mountain states experienced an average annual metropolitan growth rate of 2.5%, lead by Arizona at 3.3%. Pacific states experienced an average annual metropolitan growth of 1.9%, with Alaska leading at 4.8%. Both sub-regions exceeded the national average of 1.1% for this time period. This metropolitan growth brings a shift in political and economic emphasis from rural areas to urban centers.

Richard H. Bryan
Governor, Nevada
WESTRENDS Chairman

George Fleming
Senator, Washington

Thomas M. Hannigan
Assemblyman, California
Assembly Majority Leader

Jim Jones
Attorney General, Idaho

Stephen McAlpino
Lieutenant Governor, Alaska
WESTRENDS Vice-Chairman

W. Val Oveson
Lieutenant Governor, Utah

Chris Paulson
Representative, Colorado
House Majority Leader

Barbara Roberts
Secretary of State, Oregon

Raymond G. Sanchez
Speaker, New Mexico

Daniel M. Sprague
WESTRENDS President

-over-

Importance of Natural Resources

Western states continue to rely upon natural resource industries for revenues and employment well above the national average. While natural resource-based industries have declined in recent years, signs of upturn are now evident in some areas. The creation of value added activities associated with natural resource production and processing will increase employment and productivity. Nonconsumptive uses of natural resources, such as tourism and recreation, are increasingly important revenue producers in the region. The continued importance of natural resources to the West is best understood in the context that the region does not have to import these basic commodities, and indeed they offer significant value added export opportunities for the future.

Increasing Manufacturing and Service Jobs

Concerted efforts have been made to diversify the western economy beyond the traditional natural resource sectors. Although the West has below the national average percent of population employed in manufacturing, the region added a net of 70,000 new manufacturing jobs to its economy between 1980 and 1986; while the other U.S. regions experienced a net decline in manufacturing jobs during this period. Moreover in 1985, the western region led the nation in export-related manufacturing employment. Though the West ranked third among the four regions in service employment from 1980 to 1986, the number of service workers increased by an impressive 1 million.

Pacific Rim Powerbase

Perhaps the most optimal circumstance for the western region is its inclusion in the Pacific Rim, the most dynamic sector of the global economy. In 1984, western states accounted for 23% of U.S. exports and imports. Total 1984 U.S. exports equaled approximately \$218 billion, of which \$50 billion moved through western ports. All western states, due to proximity to the emerging world class economies in the Pacific Rim, stand to be key players in unprecedented economic growth toward the year 2000 and beyond.

Changing Workforce Composition

The demographic and economic changes the West is experiencing underscore the need for a highly educated, well-trained labor force. Minorities and women will constitute an increasingly larger share of the western labor force, and they must be equipped with relevant skills to maintain the region's economic competitiveness. The West currently has the highest percent of high school graduates and the highest participation of women in the labor force among U.S. regions. The West, with the highest percent of population under age 18, has a sizeable labor pool for the future; however, the region has a significant challenge ahead in educating an increasingly diverse population for more highly skilled service sector employment.

Challenges to Environmental Quality

Compared to other regions, the West has experienced relatively less environmental degradation. Air and water quality has actually improved in many parts of the region in the past two decades. However, rapid population growth concentrated in large metropolitan areas is resulting in heightened concerns about air quality, adequacy of water supplies and general congestion in urban areas. Western states are highly dependent upon tourism to bring revenue to the region and a high quality of life to attract new businesses and residents. Reductions in environmental quality in major metropolitan areas will adversely impact tourism and related economic growth sectors. Therefore, Westerners need to be particularly attentive to the vital role of updating infrastructure including highways, water storage facilities, wastewater treatment plants and mass transit to provide for sound economic expansion and environmental protection.

Less Regional Cohesion

The West is unquestionably the most fractionalized region of the country. It is a land of contrasts, with the nation's most populous state, California, and several of the least populated states, such as Wyoming and Alaska. The citizens of the mountain West and the Pacific West hold widely different views on basic value issues such as abortion, religion and the role of government. The trends cited above tend to reinforce existing regional differences. Thus, the region will have to work more diligently on interstate issues and communication if it is to gain political cohesion and influence in national policy equal to its growing population.

Conclusion

The foregoing trends are most likely to have sustaining impact on the economic, social and political future of the western region to the year 2000. Together these trends present "good news - bad news" scenarios. Each brings positive values to the region, and each presents risks, or at least missed opportunities, if not appropriately addressed. The challenge for state leaders is to build upon an extraordinary set of positive attributes embodied in the people and the land. With a comparatively youthful, well-educated and enterprising population, the West continues to be a land of opportunity and is strategically positioned to have an era of sustained prosperity as part of the Pacific Century ahead. Whether the region will in fact realize this bright promise will be determined largely by the extent to which state leaders are willing and able to tackle the tough allocation choices immediately ahead - educating the young, maintaining environmental quality, anticipating the capital needs of fast growth, providing for the elderly, and strengthening regional ties and cooperation with neighboring states.

Cowper introduces bills to create science, technology foundation

The Associated Press

JUNEAU — Following through on a pledge from his State of the State address, Gov. Steve Cowper Friday introduced legislation to set up a \$100 million Alaska Science and Technology Foundation.

Cowper wants legislative approval to take \$100 million

from the general fund and give it to the Alaska Permanent Fund Corp., with the annual interest to fund science and research grants.

His bills (HB390 and HB391) would set up a foundation to promote economic and technological development and public health in the state.

Cowper said the state must promote scientific research to sustain a stable economy.

He proposes that the grants go for research to create new products, encourage development of new industries and promote the public health.

The governor proposes that the money come from the state's windfall settlement in

the Dinkum Sands federal oil lease case. About \$160 million of the settlement is available for legislative appropriation.

Although lawmakers have stated their support for Cowper's plan to commit state money to science and technology development, many have expressed doubt that the state

can afford a \$100 million contribution this year.

Senate leaders last discussed possibly appropriating money as needed for civic projects — perhaps \$7 million this year — instead of putting \$100 million and living off interest each year.

Envisioning Alaska's future role in the world

If Alaskans were to listen to each other more, would we discover that we share many common social, economic and environmental concerns? And in spite of "bush" vs. "urban" rivalries, competing priorities for state funding and sometimes serious disagreements over development and environmental issues, can most of us subscribe to a common view of the future Alaska and its potential role in the world?

An ad hoc group of Anchorage citizens is meeting weekly to explore these and other such questions through fact-sharing and quiet debate. The group has no official name. It formed spontaneously after a speech by author and futurist, Robert Theobald at a December breakfast meeting of Commonwealth North. This organization, founded by the late Bill Egan and Wally Hickel, looks at statewide issues and makes recommendations on public policy.

Theobald's stimulating ideas started an experiment that has attracted participation beyond the Commonwealth North membership. Creative thinkers from around the state are involved including developers and environmentalists.

The world is changing at incredible speed," Theobald told his Anchorage audience, "and most institutions are being left behind." Something of a pessimist, he observed that few civilizations faced with challenges similar to ours have ever suc-



ceeded in changing themselves from within. He explained that the present rate of change is so rapid because of daily revolutions in technology, biology, weaponry, telecommunications, climate and knowledge systems.

"If Alaskans don't set the agenda for this state, others will set it for you," he warned.

Suggesting that to wait for leadership from the political arena is futile, he challenged today's ordinary Alaskans to find leadership within themselves.

"You have to start by listening to each other, not talking to each other."

The Commonwealth North sparked "futurist" discussion group is meeting here in Anchorage once a week to do just that. In April, it is planning to invite Theobald back for a three day retreat to work on the challenging theme "Refining the Frontier."

Most Americans, including members of Congress and the executive branch, have a mind-set about "the Alaska myth," whether or not they have ever been here. This myth is often laced with fantasy, romanticism or just plain greed. Alaskans usu-

ally fail when we try to dispel such myths.

People don't like being disillusioned. Theobald suggest that we work with people's preconceptions, instead of trying to change them. "Find the design in the soapstone," he says.

In addition to outsiders' views of Alaska, some of us within the state may be guilty of harboring myths about each other. For example, some environmentalists consistently seem to view all developers as a hungry pack of "rape, ruin and run boys." Meanwhile, some industry folks characterize all environmentalists as "greenie lockup artists" who are at heart "antidevelopment and antijobs." How silly!

The truth is, I think most responsible folks in both camps share common concerns for such things as sustainable development, jobs and protection of our environment. Furthermore, most realize that a healthy economy and a healthy environment go hand in hand.

Instead of continuing to slap labels on each other and perpetuate myths, perhaps the time is ripe to search for common ground. And to seek compromise on issues of common concern through cooperation rather than to get polarized through confrontation and over-zealousness.

There are examples all around us to show that compromise can be reached on tough issues. The Alaska Chilkat Bald Eagle Preserve, Red Dog and Green's Creek mines, and trans-

Alaska Pipeline are just a few examples. Why not move the debate from "lock-up" vs. "rape and ruin" to the "wise stewardship of shared resources?"

Alaska has an opportunity unmatched in history to serve as a model to the world in this regard. If we do it right, we can demonstrate to developing countries how to use their natural resources to meet the needs of their people while protecting the natural environment on which all life depends. The alternatives are economic decline, political chaos and environmental ruin.

Several members of the Alaska "futurist group" spoke of such ideas to leaders of the Russian delegation who were in our community last week. The response was immediate and enthusiastic.

There's probably no world industrial power with whom we have more in common in terms of what we both need to learn about sustainable use of natural resources and proper care of the environment. Again, Alaska could become a model and demonstrate how to fulfill people's very real economic needs while protecting on of the most spectacular environments one the planet.

I salute Commonwealth North for having both the vision and the courage to try a fresh approach to looking at Alaska's future.

Dave Cline is a conservationist and official of the National Audubon Society.

HOUSE COMMITTEE REPORT

(9)

Date Referred: May 2, 1989

FURTHER REFERRALS:

Date of Committee Action: 5-6-89

The RESOURCES Committee considered:

CSSCR 30(RESOURCES)

CS FOR SENATE CONCURRENT RESOLUTION NO. 30 (Resources)

[COORDINATED RESEARCH/OIL SPILL TECHNOLOGY]

Urging coordinated research and development of technology and programs for prevention and cleanup of oil discharges.

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [X] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [X] zero fiscal note(s) DEC 4-27-89
- [] zero fn/analysis _____

SIGNING DO PASS:

Conrad Richmond

Clayton

George Jackson

SIGNING:

(Check appropr. column)

| | Do Not Pass | No Rec | Amend |
|----------------------|-------------|--------|-------|
| <u>Bill Hudson</u> | | ✓ | |
| <u>Bert Sharp</u> | | ✓ | |
| <u>Richard Lopez</u> | | X | |
| _____ | | | |
| _____ | | | |
| _____ | | | |
| _____ | | | |
| _____ | | | |

Conrad Richmond
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: A Resolution urging coordinated
research and development of technology
of oil discharge
 Sponsor: Rodey and Szymanski

Agency Affected: Environmental Conservation
 BRU: Environmental Quality
 and programs for prevention and cleanup
 Components: Environmental Quality

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|-----|-----|-----|-----|-----|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| FULL-TIME | | -0- | -0- | -0- | -0- | -0- |
| PART-TIME | | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | | -0- | -0- | -0- | -0- | -0- |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dan Easton Phone: 465-2640
 Division: Environmental Quality Date: April 11, 1989

Approved by Commissioner: AD/gh Date: 4/12/89
 Agency: Alaska Department of Environmental Conservation

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

*The Senate Resources CS has no
 fiscal effect. This fiscal note is
 appropriate.*
 page 1 of 1
D. Cousenstern

Patrick M. Rodey
Senator

Alaska State Legislature



3111 C. St., Suite 510
Anchorage, Alaska 99503
(907) 561-7618

During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-3793

M E M O R A N D U M

Senate

April 24, 1989

TO : Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Senator Patrick *MR* Rodey

RE : SCR 30 - Urging coordinated research and development of
technology and programs for prevention and cleanup of oil
discharges

Senate Concurrent Resolution 30 requests utilization of the research capabilities and programs of the Science and Engineering Advisory Commission and the Alaska Science and Technology Foundation to review and explore methods of coordinating their activities for development of improved response techniques and prevention of oil discharges.

The Alaska Science and Technology Foundation's technological expertise would make a valuable contribution to facilitating cooperation among the local, state, and federal coordination efforts.

The proposal also requests that the Governor consider hosting a future conference to focus on the prevention, and consequences of oil discharges disasters.

There is a zero fiscal note.



Alaska
Pacific
Consultants

in APRIL 6
1. SJR. For Future Conference
2. S&T Found. For Spill Coordinator
3. SR Log. Coord.

3111 C Street, Suite 200 Anchorage, Alaska 99503 (907) 562-3427

April 2, 1989

Honorable Pat Rodey, Senator
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Rodey:

The Alaska State Senate has passed a bill appropriating \$20 million to aid in the Prince William Sound oil spill disaster. If the House has not also passed, I trust it will do so shortly.

I suggest that the State of Alaska can do more. Over one year ago (March 31, 1988, Northern Lights Inn, Anchorage. See attached article), Mr. Henry Cole, Science Advisor to Governor Cowper, addressed the Resource Development Council of Alaska, Inc., stating that the Alaska Science and Technology Foundation would be funded with a \$100 million endowment. Unfortunately, that amount of money was not forthcoming. Now is the time to move aggressively forward to fund this Foundation for the purpose of researching, and developing recovery programs surrounding the Prince William Sound oil spill.

The Science and Technology Foundation might well address the following:

- **Oil Spill Research:** Recovery, appropriate disperants, skimmers, cleanup technology, wildlife protection and cleaning, plus a myriad of other appropriate technologies.
- **Social Science Research:** Study and development, in conjunction with existing local, state and federal agencies, programs to assist individuals, families and companies through the difficult economic and stressfull days ahead. As people face mortgages, unpaid bills, increased family conflict, mental anguish, and other problems faced with the "fallout" from this disaster, assistance will be needed.

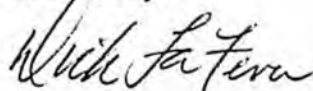
- **Economic Renewal Research:** Study how the recovery of the Prince William Sound's economic/social system will need a total systems approach. All of Alaska will be affected by this disaster, and we Alaskans are capable of designing our collective future, **IF** we choose to work collaboratively in collective best interests. To do this however, will, in my opinion, need the leadership the Foundation could provide.
- **Psychological Leverage:** Provide immediate attention and focus on Alaska's efforts to build toward the future. Not only is this good business, but it will provide Alaskans and potential visitors and investors the "psychological edge" proving that we are indeed in control of our destiny.

Mr. Ed Clinton, Chairman of the Alaska Science and Technology Foundation, will address the Alaska State Chamber of Commerce on Friday April 7, in Anchorage, at the NBA Main Branch, 3rd Floor Conference Room. It may be possible to get Mr. Clinton's attention on this before April 7, and to seek his input.

Further, I am asking that Mr. Clinton, and the other Science and Technology Foundation Board Members, Governor Cowper, appropriate State Department and Agency Heads, Alaska State Legislators, and appropriate private citizens be called to a "summit" on Alaska's Economic and Social Future to address this proposal. If appropriate, legislation addressing this concept might be the best method for moving forward. I, however, leave that to you, Senator Rodey.

Thank you for your kind and timely attention to these ideas.

Sincerely,



Dick La Fever, Director

COPY



3111 C Street, Suite 200 Anchorage, Alaska 99503 (907) 562-3427

August 16, 1988

Boards and Commissions
Office of the Governor
P.O. Box A
Juneau, AK 99811

Attn: Honorable Steve Cowper, Governor, State of Alaska
Re: **Alaska Science and Technology Foundation**

Two years ago we started Alaska Pacific Consultants. We are still in business and we are growing. No one in Alaska is more confident and "bullish" on Alaska than I.

Dr. Glen Olds, former President of Alaska Pacific University, once said, "Alaska is a State of Mind"! I agree. Our potential is great, our capacity for renewal, redirection and rededication to our collective Alaskan goals and aspirations is also great.

The **Alaska Science and Technology Foundation** can provide the structure for the application of our knowledge to achieve the practical results that will benefit all Alaskans.

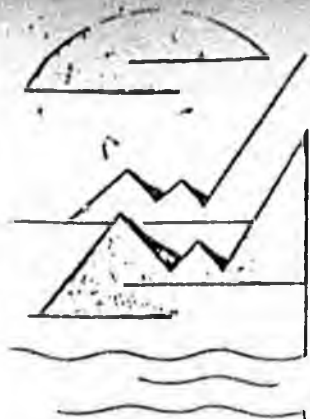
I want to be a member of the first Board of Directors of the **Alaska Science and Technology Foundation**, and to serve the people of Alaska. Attached you will find my resume, including the current activities I'm involved with, plus references.

Thank you for your consideration.

Sincerely,

Dick La Fever, Director

attachments



WESTRENDS

121 SECOND STREET 4TH FLOOR SAN FRANCISCO, CA 94105 TELEPHONE (415) 974 6422

WESTRENDS EXECUTIVE SUMMARY

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WESTRENDS President

Historically the West has been a region of change and growth. In recent years, however, the fundamental nature of the region has begun to shift. Key demographic and economic changes are permanently altering the socio-economic character of many parts of the region, adding new dimensions and challenges for public policy makers. Among the leading trends transforming the West are:

Fastest Growing Region of the United States

The West grew at a faster rate than any other U.S. region between 1980 and 1987. The region grew 15.1% during this time period, more than double the national average. The South was the second fastest growing region at 11.3%, followed by the Northeast and Midwest at 2.3% and 1.1% respectively. Population growth in the West is well above the national rate due to three factors: high birth rates, relatively high migration rates and very high immigration rates. A majority of western states are participating in the high rate of population growth; however, a handful of states experiencing serious downturns in their economies have had static or declining populations over the past several years.

Highest Dependency Ratio Among Regions

Among the four U.S. regions, the West has the highest dependency ratio. The "dependency ratio" refers to the burden placed on wage earning taxpayers between the ages of 18 and 64 to finance services such as education, and health for older and younger age groups. The region has the highest percent of the population under age 18 with the under-5 age group increasing 51%, or approximately five times the national rate from 1980 to 1987. During the same time period, the 65 and older age group in the West has increased by 49%, more than three times the national rate.

Growing Ethnic Diversity

A third demographic trend is the changing ethnic composition of the western region. The West leads the nation in legal immigration for the decade 1975-85. Asian and Hispanic immigration is highest to the region, where the greatest concentration of Hispanic and Asian Americans reside. In addition, from 1970 to 1980, the West, with the smallest percentage of blacks, experienced the greatest increase in black population among U.S. regions for that decade.

Metropolitization of the West

The growth in population and changes in metropolitan areas contribute to the shifting landscape of the West. The region is no longer a network of small towns; instead, it is largely comprised of sprawling metropolitan areas and newly suburbanized communities separated by large open spaces. In 1986 the West ranked above the national average, with 83.7% of the population residing in metropolitan areas, second only to the northeastern region at 88%. From 1980 to 1986, mountain states experienced an average annual metropolitan growth rate of 2.5%, lead by Arizona at 3.3%. Pacific states experienced an average annual metropolitan growth of 1.9%, with Alaska leading at 4.8%. Both sub-regions exceeded the national average of 1.1% for this time period. This metropolitan growth brings a shift in political and economic emphasis from rural areas to urban centers.

-over-

Importance of Natural Resources

Western states continue to rely upon natural resource industries for revenues and employment well above the national average. While natural resource-based industries have declined in recent years, signs of upturn are now evident in some areas. The creation of value added activities associated with natural resource production and processing will increase employment and productivity. Nonconsumptive uses of natural resources, such as tourism and recreation, are increasingly important revenue producers in the region. The continued importance of natural resources to the West is best understood in the context that the region does not have to import these basic commodities, and indeed they offer significant value added export opportunities for the future.

Increasing Manufacturing and Service Jobs

Concerted efforts have been made to diversify the western economy beyond the traditional natural resource sectors. Although the West has below the national average percent of population employed in manufacturing, the region added a net of 70,000 new manufacturing jobs to its economy between 1980 and 1986; while the other U.S. regions experienced a net decline in manufacturing jobs during this period. Moreover in 1985, the western region led the nation in export-related manufacturing employment. Though the West ranked third among the four regions in service employment from 1980 to 1986, the number of service workers increased by an impressive 1 million.

Pacific Rim Powerbase

Perhaps the most optimal circumstance for the western region is its inclusion in the Pacific Rim, the most dynamic sector of the global economy. In 1984, western states accounted for 23% of U.S. exports and imports. Total 1984 U.S. exports equaled approximately \$218 billion, of which \$50 billion moved through western ports. All western states, due to proximity to the emerging world class economies in the Pacific Rim, stand to be key players in unprecedented economic growth toward the year 2000 and beyond.

Changing Workforce Composition

The demographic and economic changes the West is experiencing underscore the need for a highly educated, well-trained labor force. Minorities and women will constitute an increasingly larger share of the western labor force, and they must be equipped with relevant skills to maintain the region's economic competitiveness. The West currently has the highest percent of high school graduates and the highest participation of women in the labor force among U.S. regions. The West, with the highest percent of population under age 18, has a sizeable labor pool for the future; however, the region has a significant challenge ahead in educating an increasingly diverse population for more highly skilled service sector employment.

Challenges to Environmental Quality

Compared to other regions, the West has experienced relatively less environmental degradation. Air and water quality has actually improved in many parts of the region in the past two decades. However, rapid population growth concentrated in large metropolitan areas is resulting in heightened concerns about air quality, adequacy of water supplies and general congestion in urban areas. Western states are highly dependent upon tourism to bring revenue to the region and a high quality of life to attract new businesses and residents. Reductions in environmental quality in major metropolitan areas will adversely impact tourism and related economic growth sectors. Therefore, Westerners need to be particularly attentive to the vital role of updating infrastructure including highways, water storage facilities, wastewater treatment plants and mass transit to provide for sound economic expansion and environmental protection.

Less Regional Cohesion

The West is unquestionably the most fractionalized region of the country. It is a land of contrasts, with the nation's most populous state, California, and several of the least populated states, such as Wyoming and Alaska. The citizens of the mountain West and the Pacific West hold widely different views on basic value issues such as abortion, religion and the role of government. The trends cited above tend to reinforce existing regional differences. Thus, the region will have to work more diligently on interstate issues and communication if it is to gain political cohesion and influence in national policy equal to its growing population.

Conclusion

The foregoing trends are most likely to have sustaining impact on the economic, social and political future of the western region to the year 2000. Together these trends present "good news - bad news" scenarios. Each brings positive values to the region, and each presents risks, or at least missed opportunities, if not appropriately addressed. The challenge for state leaders is to build upon an extraordinary set of positive attributes embodied in the people and the land. With a comparatively youthful, well-educated and enterprising population, the West continues to be a land of opportunity and is strategically positioned to have an era of sustained prosperity as part of the Pacific Century ahead. Whether the region will in fact realize this bright promise will be determined largely by the extent to which state leaders are willing and able to tackle the tough allocation choices immediately ahead - educating the young, maintaining environmental quality, anticipating the capital needs of fast growth, providing for the elderly, and strengthening regional ties and cooperation with neighboring states.

Cowper introduces bills to create science, technology foundation

The Associated Press

JUNEAU — Following through on a pledge from his State of the State address, Gov. Steve Cowper Friday introduced legislation to set up a \$100 million Alaska Science and Technology Foundation.

Cowper wants legislative approval to take \$100 million

from the general fund and give it to the Alaska Permanent Fund Corp., with the annual interest to fund science and research grants.

His bills (HB390 and HB391) would set up a foundation to promote economic and technological development and public health in the state.

Cowper said the state must promote scientific research to sustain a stable economy.

He proposes that the grants go for research to create new products, encourage development of new industries and promote the public health.

The governor proposes that the money come from the state's windfall settlement in

the Dinkum Sands federal oil lease case. About \$160 million of the settlement is available for legislative appropriation.

Although lawmakers have stated their support for Cowper's plan to commit state money to science and technology development, many have expressed doubt that the state

can afford a \$100 million tribution this year.

Senate leaders last discussed possibly approving money as needed for civic projects — perhaps million to \$7 million this — instead of putting \$100 million and living off interest each year.

Envisioning Alaska's future role in the world

If Alaskans were to listen to each other more, would we discover that we share many common social, economic and environmental concerns? And in spite of "bush" vs. "urban" rivalries, competing priorities for state funding and sometimes serious disagreements over development and environmental issues, can most of us subscribe to a common view of the future Alaska and its potential role in the world?

An ad hoc group of Anchorage citizens is meeting weekly to explore these and other such questions through fact-sharing and quiet debate. The group has no official name. It formed spontaneously after a speech by author and futurist, Robert Theobald at a December breakfast meeting of Commonwealth North. This organization, founded by the late Bill Egan and Wally Hickel, looks at statewide issues and makes recommendations on public policy.

Theobald's stimulating ideas started an experiment that has attracted participation beyond the Commonwealth North membership. Creative thinkers from around the state are involved including developers and environmentalists.

The world is changing at incredible speed," Theobald told his Anchorage audience, "and most institutions are being left behind." Something of a pessimist, he observed that few civilizations faced with challenges similar to ours have ever suc-



ceeded in changing themselves from within. He explained that the present rate of change is so rapid because of daily revolutions in technology, biology, weaponry, telecommunications, climate and knowledge systems.

"If Alaskans don't set the agenda for this state, others will set it for you," he warned.

Suggesting that to wait for leadership from the political arena is futile, he challenged today's ordinary Alaskans to find leadership within themselves.

"You have to start by listening to each other, not talking to each other."

The Commonwealth North sparked "futurist" discussion group is meeting here in Anchorage once a week to do just that. In April, it is planning to invite Theobald back for a three day retreat to work on the challenging theme "Refining the Frontier."

Most Americans, including members of Congress and the executive branch, have a mind-set about "the Alaska myth," whether or not they have ever been here. This myth is often laced with fantasy, romanticism or just plain greed. Alaskans usu-

ally fall when we try to dispel such myths.

People don't like being disillusioned. Theobald suggests that we work with people's preconceptions, instead of trying to change them. "Find the design in the soapstone," he says.

In addition to outsiders' views of Alaska, some of us within the state may be guilty of harboring myths about each other. For example, some environmentalists consistently seem to view all developers as a hungry pack of "rape, ruin and run boys." Meanwhile, some industry folks characterize all environmentalists as "greenie lockup artists" who are at heart "antidevelopment and antijobs." How silly!

The truth is, I think most responsible folks in both camps share common concerns for such things as sustainable development, jobs and protection of our environment. Furthermore, most realize that a healthy economy and a healthy environment go hand in hand.

Instead of continuing to slap labels on each other and perpetuate myths, perhaps the time is ripe to search for common ground. And to seek compromise on issues of common concern through cooperation rather than to get polarized through confrontation and over-zealousness.

There are examples all around us to show that compromise can be reached on tough issues. The Alaska Chilkat Bald Eagle Preserve, Red Dog and Green's Creek mines, and trans-

Alaska Pipeline are just a few examples. Why not move the debate from "lock-up" vs. "rape and ruin" to the "wise stewardship of shared resources?"

Alaska has an opportunity unmatched in history to serve as a model to the world in this regard. If we do it right, we can demonstrate to developing countries how to use their natural resources to meet the needs of their people while protecting the natural environment on which all life depends. The alternatives are economic decline, political chaos and environmental ruin.

Several members of the Alaska "futurist group" spoke of such ideas to leaders of the Russian delegation who were in our community last week. The response was immediate and enthusiastic.

There's probably no world industrial power with whom we have more in common in terms of what we both need to learn about sustainable use of natural resources and proper care of the environment. Again, Alaska could become a model and demonstrate how to fulfill people's very real economic needs while protecting one of the most spectacular environments on the planet.

I salute Commonwealth North for having both the vision and the courage to try a fresh approach to looking at Alaska's future.

Dave Cline is a conservationist and official of the National Audubon Society.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: A Resolution urging coordinated
research and development of technology
of oil discharge
Sponsor: Rodey and Szymanski

Agency Affected: Environmental Conservation
BRU: Environmental Quality
and programs for prevention and cleanup
Components: Environmental Quality

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|-----|-----|-----|-----|-----|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| FULL-TIME | | -0- | -0- | -0- | -0- | -0- |
| PART-TIME | | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | | -0- | -0- | -0- | -0- | -0- |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dan Easton Phone: 465-2640
Division: Environmental Quality Date: April 11, 1989

Approved by Commissioner: AD Dylka Date: 4/12/89
Agency: Alaska Department of Environmental Conservation

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

The Senate Resources CS has no
fiscal effect. This fiscal note is
appropriate.
page 1 of 1

D. Conenstein

South West
Energy Council

A NATIONAL ENERGY STRATEGY

ALABAMA



ALASKA



ARKANSAS



COLORADO



LOUISIANA



NEW MEXICO



OKLAHOMA



TEXAS



The South/West Energy Council believes that the President and Congress should aggressively implement a national energy strategy. Energy is the key to assuring a viable economy, a strong national defense and sustaining the American way of life. This Strategy is strongly recommended as a starting point for federal efforts.

A NATIONAL ENERGY STRATEGY

Goal

It shall be the goal of the United States' energy strategy to provide a stable supply of reasonably-priced energy in an efficient and environmentally-sound manner to meet the needs of its citizens, economy, and national security interests. Energy independence shall be the long term goal of the United States.

Conservation

It shall be the energy strategy of the United States to promote energy conservation, improving efficiency, in a variety of ways by setting or strengthening: Corporate Average Fuel Efficiency Standards for automobiles; energy efficiency provisions in building codes (including lighting efficiency standards); home appliance and heating and cooling unit efficiency standards; and waste recycling or reduction standards for industrial manufacturing.

Also, the federal government shall promote energy conservation education and fund research into conservation technologies. Basic energy conservation research funded by the government shall include superconductivity studies.

Crude Oil

It shall be the strategy of the United States to promote the environmentally-sound production of domestic energy resources, the conservation and efficient use of energy resources, and the management of energy imports.

It shall be the policy of the United States to promote and encourage domestic production of crude oil in an environmentally-sound manner in order to supply United States consumers with a secure source of petroleum, and provide a stabilizing influence to the world price of crude oil. In this regard the federal government shall provide tax and tax accounting incentives to oil producers for domestic exploration and development efforts with specific investment tax credits for research and development and enhanced oil and gas recovery.

It shall be the policy of the United States to assure that energy resources are utilized in a manner that recovers the most energy value possible. Similarly, it is the strategy of the United States to alleviate oil dependency by funding research and development to perfect alternative fuels, particularly for the transportation sector and primary modes of personal transportation. Enhanced oil and gas recovery from known reserves shall be promoted, and a research, development, demonstration, and commercialization program for unconventional sources of crude oil shall be pursued through a cooperative effort among industry, higher education, and national laboratories.

It shall be the policy of the federal government to manage United States imports by diversifying import suppliers, allowing the exportation of Alaskan crude oil, pursuing a Pan American Energy Alliance with Western Hemisphere producing nations, resolving technological barriers to the use of vast reserves of unconventional crude oil in the Western Hemisphere, and opening a dialogue with suppliers worldwide. It shall also be the policy of the United States to continue filling the Strategic Petroleum Reserve, at least to its present goal of 750 million barrels.

Renewable Energy

Renewable energy sources are characterized by a broad range of technologies, costs, efficiencies, and environmental concerns. Recognizing this spectrum of resources, it shall be the strategy of the United States to institute a long range, stable Renewable Energy Development Program which identifies and assists renewable energy sources from research and development through demonstration projects and commercialization in a cooperative effort among industry, higher education, and national laboratories.

Renewable energy resource development must be ranked and funded on the basis of factors including energy efficiency, economic competitiveness, environmental impacts, and technological adaptability. Part of this program and critical to its success, is federal development of alternative technologies that improve renewable energy efficiencies, cut costs, and assist in integrating renewable energy into existing energy systems. Also needed is a translation and distribution system for international technical and marketing papers on renewable energy.

Electricity

It shall be the strategy of the United States to promote the development of sources of electric energy that are sufficient to meet national needs, secure from external threat, reliable in availability and delivery, safe relative to people and the environment, and efficient for use in homes, businesses and industries.

The electricity sector today is marked by tremendous regional diversity, especially with regard to capacity. Fuel usage also varies widely. Implementation of federal legislation that fails to recognize this diversity inevitably penalizes one region or another.

State regulatory bodies are close to consumers, utilities, industries, and concerned for state economic well-being. State regulatory bodies are in the best position to evaluate consumer needs, questions relative to fuel choice, economic development implications, and system reliability.

A federal government program for storage and disposal of spent nuclear fuel shall be finalized as quickly as is safely possible. Federally-acceptable, standardized nuclear powerplant designs must also be established.

Electricity research and development efforts shall be intensified with regard to energy efficiency, superconductivity, advanced and reasonable environmental controls in power generation, and development of cost-effective renewable supply technologies. The development of electric vehicles shall also be pursued.

Implementation

The development of environmentally-sound energy conservation, supply and distribution systems requires long range planning and sustained efforts. The immediate establishment and implementation of a national energy strategy, as recommended in this document and discussed in the related Background Paper, will assure that the future energy needs of American citizens, the United States economy and national security interests are met in an efficient and environmentally-sound manner.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

South West
Energy Council

A NATIONAL ENERGY STRATEGY

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The South/West Energy Council was formed in 1975 by elected leaders of key energy producing states to encourage the development of the nation's indigenous energy resources while maintaining the integrity of our natural environment.

Funded by state appropriations, the Energy Council provides its member states a forum for addressing state and federal policies toward energy development and environmental protection. Its activities range from fact-finding meetings and policy workshops to representation before the Congress and federal agencies.

Delegates to the Energy Council are appointed by the legislative leadership from the House and Senate in each member state, and are served by professional staff from offices in Irving, Texas.

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It shall be the strategy of the United States to support active management of federal lands and Outer Continental Shelf areas in accordance with principles of multiple use and to recognize the potential that public lands hold, particularly in Alaska, for environmentally-sound development of energy resources.

Coal

Coal is America's leading fuel in terms of reserves. It holds the promise of long-term energy security for this nation. However, its current use is constrained by aged technology and environmental concerns.

The Clean Coal Technology Program addresses both these constraints and offers additional benefits as well. The Program commits 5 billion dollars, half federal government funding and the half private sector monies, to demonstrate improved technology.

These projects not only burn coal in an environmentally-safe manner, but more efficiently as well. Many environmental concerns can be satisfied through the aggressive development and implementation of clean coal technologies which will allow the use of all types of coal reserves economically and cleanly without environmentally significant by-products or waste materials.

The Program will make the United States a technological leader, with the ability to export not only coal but clean, efficient coal technology to other nations of the world. The program also fulfills this nation's promise to its neighbor, Canada, to forcefully address transboundary environmental problems.

It shall be the strategy of the United States that the Clean Coal Technology Program be continued for its environmental, conservation, and export potential.

Natural Gas

It shall be part of the strategy of the United States to promote the use of clean, efficient natural gas in residential, commercial, industrial, utility, and transportation applications. Such use shall include the co-firing of natural gas with other fuels for efficiency or environmental purposes.

The United States shall promote and encourage domestic production of natural gas in an environmentally-sound manner by providing tax and tax accounting incentives to producers of natural gas. Further, the federal government shall complete price deregulation as existing contracts expire.

The Federal Energy Regulatory Commission shall expedite approval of pipeline construction serving new markets, particularly the oil-dependent residential market of the Northeast, and shall assure that all such projects provide access by interconnecting pipelines to producing areas of this nation.

The federal government shall fund continuing research and development relative to the environmentally-sound production and use of natural gas, in order to conserve energy by improving efficiency and shall promote development of methanol and natural gas-fueled vehicles.

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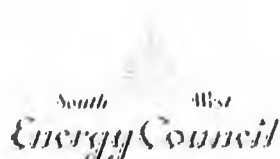
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REP. BILL K. BREWSTER (OK)
CHAIRMAN
SOUTH/WEST ENERGY COUNCIL

REP. JOHN W. RAMSEY (AR)
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EXECUTIVE DIRECTOR

290 E. CARPENTER FREEWAY
SUITE 114
IRVING, TEXAS 75062
214-741-1991
FAX: 214-717-0647

South West
Energy Council

**A NATIONAL ENERGY STRATEGY
AND BACKGROUND PAPER**

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The South/West Energy Council believes that the President and Congress should aggressively implement a national energy strategy. Energy is the key to assuring a viable economy, a strong national defense and sustaining the American way of life. This Strategy is strongly recommended as a starting point for federal efforts.

A NATIONAL ENERGY STRATEGY AND BACKGROUND PAPER

The South/West Energy Council and the South/West Energy Research Foundation believes that the President and Congress should aggressively implement a national energy strategy. Energy is the key to assuring a viable economy, a strong national defense and sustaining the American way of life. This Strategy is strongly recommended as a starting point for federal efforts.

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SOUTH/WEST ENERGY RESEARCH FOUNDATION

SOUTH/WEST ENERGY COUNCIL
AND
THE SOUTH/WEST ENERGY RESEARCH FOUNDATION
NATIONAL ENERGY STRATEGY PROJECT

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A NATIONAL ENERGY STRATEGY

Goal

It shall be the goal of the United States' energy strategy to provide a stable supply of reasonably-priced energy in an efficient and environmentally-sound manner to meet the needs of its citizens, economy and national security interests. Energy independence shall be the long term goal of the United States.

Conservation

It shall be the energy strategy of the United States to promote energy conservation, improving efficiency, in a variety of ways by setting or strengthening: Corporate Average Fuel Efficiency Standards for automobiles; energy efficiency provisions in building codes (including lighting efficiency standards); home appliance, heating and cooling unit efficiency standards; and waste recycling or reduction standards for industrial manufacturing.

Also, the federal government shall promote energy conservation education and fund research into conservation technologies. Basic energy conservation research funded by the government shall include superconductivity studies.

Crude Oil

It shall be the strategy of the United States to promote the environmentally-sound production of domestic energy resources, the conservation and efficient use of energy resources, and the management of energy imports.

It shall be the policy of the United States to promote and encourage domestic production of crude oil in an environmentally-sound manner in order to supply U.S. consumers with a secure source of petroleum, and provide a stabilizing influence to the world price of crude oil. In this regard the federal government shall provide tax and tax accounting incentives to oil producers for domestic exploration and development efforts with specific investment tax credits for research and development and enhanced oil and gas recovery.

It shall be the policy of the United States to assure that energy resources are utilized in a manner that recovers the most energy value possible. Similarly, it is the strategy of the United States to alleviate oil dependency by funding research and development to perfect alternative fuels, particularly for the transportation sector and primary modes of personal transportation. Enhanced oil and gas recovery from known reserves shall be promoted, and a research, development, demonstration and commercialization program for unconventional sources of crude oil shall be pursued through a cooperative effort among industry, higher education and national laboratories.

It shall be the policy of the federal government to manage U. S. imports by diversifying import suppliers, allowing the exportation of Alaskan crude oil, pursuing a Pan American Energy Alliance with Western Hemisphere producing nations, considering technological barriers to the use of vast reserves of unconventional crude oil in the Western Hemisphere and opening a dialogue with suppliers worldwide. It shall also be the policy of the United States to continue filling the Strategic Petroleum Reserve, at least to its present goal of 750 million barrels.

Renewable Energy

Renewable energy sources are characterized by a broad range of technologies, costs, efficiencies and environmental concerns. Recognizing this spectrum of resources, it shall be the strategy of the U. S. to institute a long range, stable Renewable Energy Development Program which identifies and assists renewable energy sources from research and development through demonstration projects and commercialization in a cooperative effort among industry, higher education and national laboratories.

Renewable energy resource development must be ranked and funded on the basis of factors including energy efficiency, economic competitiveness, environmental impacts and technological adaptability. Part of this program, and critical to its success, is federal development of alternative technologies that improve renewable energy efficiencies, cut costs and assist in integrating renewable energy into existing energy systems. Also needed is a translation and distribution system for international technical and marketing papers on renewable energy

Electricity

It shall be the strategy of the United States to promote the development of sources of electric energy that are sufficient to meet national needs, secure from external threat, reliable in availability and delivery, safe relative to people and the environment and efficient for use in homes, businesses and industries.

The electricity sector today is marked by tremendous regional diversity, especially with regard to capacity. Fuel usage also varies widely. Implementation of federal legislation that fails to recognize this diversity inevitably penalizes one region or another.

State regulatory bodies are close to consumers, utilities, industries, and concerned for state economic well-being. State regulatory bodies are in the best position to evaluate consumer needs, questions relative to fuel choice, economic development implications, and system reliability.

A federal government program for storage and disposal of spent nuclear fuel shall be finalized as quickly as is safely possible. Federally-acceptable, standardized nuclear powerplant designs must also be established.

Electricity research and development efforts shall be intensified with regard to energy efficiency, superconductivity, advanced and reasonable environmental controls in power generation, and development of cost-effective renewable supply technologies. The development of electric vehicles shall also be pursued.

Implementation

The development of environmentally-sound energy conservation, supply and distribution systems requires long range planning and sustained efforts. The immediate establishment and implementation of a national energy strategy, as recommended in this document and discussed in the related Background Paper, will assure that the future energy needs of American citizens, the U.S. economy and national security interests are met in an efficient and environmentally-sound manner.

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CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

A NATIONAL ENERGY STRATEGY

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It shall be the strategy of the United States to support active management of federal lands and Outer Continental Shelf areas in accordance with principles of multiple use and to recognize the potential that public lands hold, particularly in Alaska, for environmentally-sound development of energy resources.

Coal

Coal is America's leading fuel in terms of reserves. It holds the promise of long-term energy security for this nation. However, its current use is constrained by aged technology and environmental concerns.

The Clean Coal Technology Program addresses both these constraints and offers additional benefits as well. The Program commits 5 billion dollars, half federal government funding and half private sector monies, to demonstrate improved technology.

These projects not only burn coal in an environmentally-safe manner, but more efficiently as well. Many environmental concerns can be satisfied through the aggressive development and implementation of clean coal technologies which will allow the use of all types of coal reserves economically and cleanly without environmentally significant by-products or waste materials.

The Program will make the U.S. a technological leader, with the ability to export not only coal but clean, efficient coal technology to other nations of the world. The program also fulfills this nation's promise to its neighbor, Canada, to forcefully address transboundary environmental problems.

It shall be the strategy of the United States that the Clean Coal Technology Program be continued for its environmental, conservation and export potential.

Natural Gas

It shall be part of the strategy of the United States to promote the use of clean, efficient natural gas in residential, commercial, industrial, utility and transportation applications. Such use shall include the co-firing of natural gas with other fuels for efficiency or environmental purposes.

The United States shall promote and encourage domestic production of natural gas in an environmentally-sound manner by providing tax and tax accounting incentives to producers of natural gas. Further, the federal government shall complete price deregulation as existing contracts expire.

The Federal Energy Regulatory Commission shall expedite approval of pipeline construction serving new markets, particularly the oil-dependent residential market of the Northeast, and shall assure that all such projects provide access by interconnecting pipelines to producing areas of this nation.

The federal government shall fund continuing research and development relative to the environmentally-sound production and use of natural gas, in order to conserve energy by improving efficiency and shall promote development of methanol and natural gas-fueled vehicles.

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INTRODUCTION

In 1988, because of the vital relationship between energy, the economy and the long term security of this nation, the South/West Energy Council (the Council) and the South/West Energy Research Foundation (the Foundation) undertook a project to provide a national energy strategy. As proposed, the National Energy Strategy presents a series of recommendations relative to conservation, crude oil, coal, natural gas, renewable energy and electricity.

The South/West Energy Council consists of legislators from the states of Alabama, Alaska, Arkansas, Colorado, Louisiana, New Mexico, Oklahoma and Texas. The National Energy Strategy has been unanimously adopted by the South/West Energy Council for transmittal to President-elect George Bush and the One Hundred and First Congress of the United States.

In preparing the National Energy Strategy, the Council and its research affiliate, the Foundation, held a series of workshops, drawing on distinguished experts. This Background Paper was commissioned to provide a research overview and consolidate points raised at the workshops. It attempts to identify current energy-related issues while providing the basis for long term policy. As such, the Background Paper is a tool and some members of the Council or the Foundation may not agree with specific parts of it.

Overall, the South/West Energy Council has found that the nation's commitment to energy conservation, which led to substantial gains in efficiency over the last decade, needs to be renewed, and domestic production of crude oil promoted. Simultaneously, crude oil imports should be managed by a variety of means including a Pan American Energy Alliance, import diversification and the opening of a dialogue with major suppliers to the U.S.

The Clean Coal Technology Program is supported in order to provide advanced technology, improving the environment acceptability and efficiency of coal-powered generation. A stable, long term Renewable Energy Development Program will address the broad range of renewable energy sources awaiting research, development, demonstration or commercialization. Continued emphasis on state regulation of electric power, keeping considerations of electric system reliability and efficiency close to the consumer, is recommended. Finally, immediate action to clearly articulate and implement a national energy strategy is required.

The concern that calls today for a national energy strategy, or a national energy management plan, is not a crisis such as the elimination of a major source of supply. It is less tangible than a military disruption of a crude oil flow line, but more threatening. It is the future stability of our national economy.

Over the last 15 years, the U. S. has seen three major changes in the price of oil, two significant increases and a decrease from which a solid price has not yet clearly emerged. These price fluctuations have been followed by two national recessions and a depression in producing regions of the country.

Forty-three percent of the energy consumed in this country is petroleum. The U. S. economy is subject to control of an essential commodity, which in turn is subject to the control of foreign interests. Energy dependency and the economic dislocation threat it portends does not require that the U. S. take over foreign interests but neither does it recommend that the threat be ignored, in hopes of beating the odds on an economic disruption.

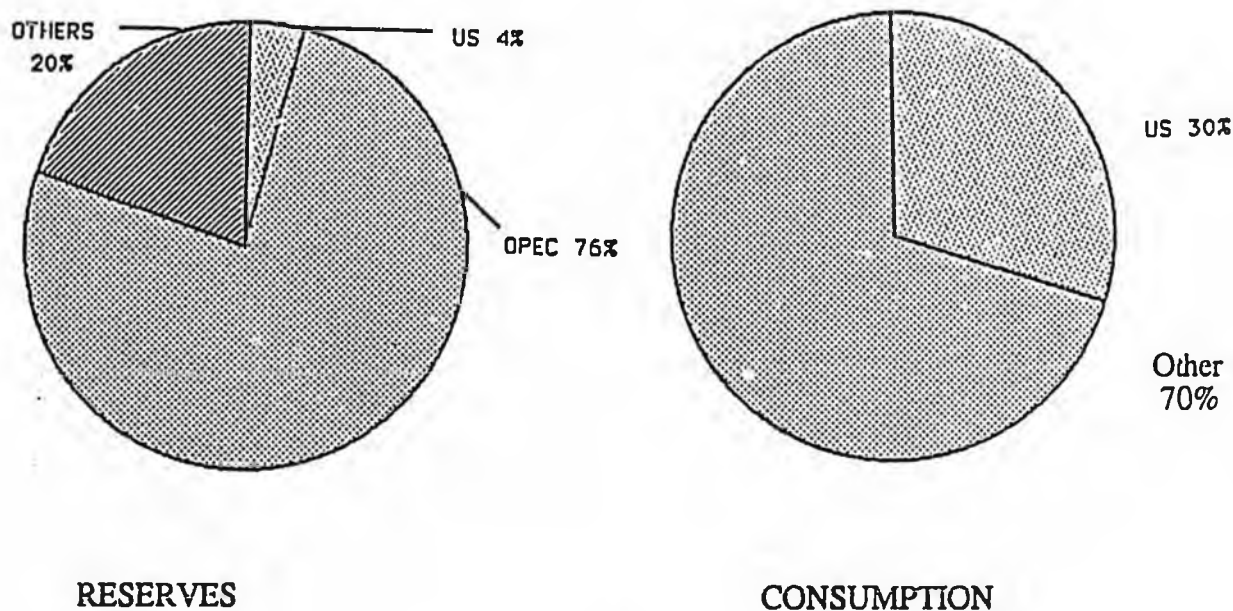
It requires a management plan that maximizes American resources, recovering domestic resources and recovering energy value from those resources, while managing necessary imports to the country's best advantage. This plan must move the U.S. toward eventual energy independence.

The U.S. position is a relatively simple matter of supply and demand. This country has four percent of the free world's oil reserves; the Organization of Petroleum Exporting Countries (OPEC) has fully three-quarters.

On the other hand, as Figure 1 indicates, the U.S. accounts for 30 percent of the free world's consumption of oil. Given the nation's current energy supply mix and consumption habits, the U. S. has long passed any hope of energy self-sufficiency through crude oil production. In a little more than a year (at the end of 1990), imports are expected to account for half of the nation's consumption of crude oil.

FIGURE 1

1986 FREE WORLD OIL RESERVES AND CONSUMPTION



Source: South/West Energy Council

While oil is not the only indigenous energy source, its role in the national consumption pattern is a dominant one. As Table 1 indicates, petroleum products account for well over forty percent of the energy consumed in the U.S. Importantly, particularly with regard to the transportation sector, there are virtually no technically-feasible alternate fuels currently available for use as substitutes for petroleum. Consequently, a national energy policy must first and foremost deal with crude oil.