

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7130 HOUSE RESOURCES

certain than additional drilling. Such measures could lead to more energy security and spare the wilderness from panic or an outmoded energy policy.

We believe that a strong credible energy strategy must achieve clean American energy by the year 2010. Energy use must be far more efficient than today's, with energy supplies based to a much greater degree on renewable, non-polluting, home-grown sources, and with significantly less reliance on carbon-based fuels.

In order to achieve this goal, the strategy must include critical new commitments and objectives such as:

1. Clear goals for making our energy economy more lean and mean by increasing our energy efficiency at an annual rate of at least 3% and for doubling the portion of our energy use that is derived from renewable sources of energy by the turn of the century. If we achieve these goals, we will also significantly reduce our emissions of carbon dioxide, the chief cause of global warming.
2. A national commitment to double the fuel economy of our light vehicle fleet by the turn of the century. This single step would significantly reduce our vulnerability to oil price and supply disruptions, and also contribute greatly to reducing CO₂ emissions and urban pollution.
3. A commitment to stabilize national electricity demand within five years. This will require aggressive Federal leadership in encouraging Least Cost Utility Planning, and should include the adoption of the least cost principle in the Federal energy strategy itself.
4. A new commitment to Federal investment in research and development of energy efficiency and renewable resources. The fraction of Federal R&D devoted to these portions of the energy budget should be doubled within three years.
5. A commitment to cut energy use in buildings by at least 25% per unit of floor area by the year 2000. Any comprehensive energy strategy must focus on increasing the competitiveness of America's industrial sectors—particularly the steel and automobile industries—by vastly improving efficiency. Further, the Administration must lead the nation to increase, as other industrial nations are, the "supply-side". Alternative and/or

more efficient generating technologies can and should be combined with practices such as co-generation, district heating and cooling.

These objectives and commitments will help make a "National Energy Strategy" more than another paper exercise. But there are also paths that must be avoided—failed policies of the past, based on parochial industrial interests, and myths concerning our real energy situation. An energy strategy that is built on the wish lists of various energy industries, on subsidies for the production of fossil fuels, on the despoliation of environmentally fragile lands, or on the resuscitation of the dying U.S. nuclear industry will not work.

During the last decade, the U.S. enjoyed the benefits of low energy prices and plentiful supplies, and national energy policy planning was put on the back burner. Even though earlier federal leadership in energy efficiency was in part responsible for OPEC's disarray, we allowed our efficiency efforts to lapse, and, in the second half of the eighties, we even lost ground.

By putting in place a far-sighted energy strategy now, the U.S. could reclaim this lost ground, and lead the world in the direction of a truly sustainable energy economy—one that is more secure, cleaner, and less environmentally damaging. This opportunity will be lost if President Bush and the Congress choose to champion an *oil industry economic security policy*, rather than a *national energy security policy*, or if our leaders ignore the clear need to begin moving the nation from the era of fossil fuels to the age of efficient, renewable energy.

Our Future Opportunities

The fate of the Arctic Refuge is our most immediate challenge and is the single highest priority for the protection of Alaska's globally significant lands and waters. But its importance should not eclipse the other opportunities that await the international environmental community. By protecting the lands, waters, fish and wildlife of Alaska and working with peoples of other nations to provide for international cooperation in research, management and protection of the circumpolar biosphere we must examine anew the issues of Alaska, in the circumpolar hemisphere, in the twenty-first century.

To protect the diversity of Alaska

1. New National Wildlife Refuges

During the four years of Congressional consideration of ANILCA, several noteworthy wildlife habitats were proposed as refuges but were not included in the final product. Nonetheless, they contain nationally significant fish, wildlife, and habitat values that qualify for units of the National Wildlife Refuge System. The following annotated list provides a glimpse at the areas and their values:

Utokok: This 6.4 million acre area encompasses the primary calving grounds of the 232,000+ head Western Arctic Caribou Herd, and one of the greatest wildlife concentrations in the arctic. The area includes the Lisburne Hills, and the upper reaches of the Kukpuk River. Lying north of the Noatak National Preserve, it includes many migration corridors of the caribou as well as the calving grounds, and is home to abundant grizzly bear, wolverine, hare, wolves, and offers excellent potential muskox habitat amid a spectacular geological landscape. Much of this extraordinary wildlife area is owned by native corporations, but may be acquired through easement or purchase. The Utokok River, significant for floating, hiking and wildlife viewing, scenic quality, and its archaeological and cultural resources, as well as research opportunities, has been proposed for addition to the Wild and Scenic River System.

Teshkepuk Lake: This 1.4 million acre area may be the most biologically diverse and productive ecosystem in all of Alaska still lacking meaningful protection. The area is home to the Calving grounds and year round range of the Teshekpuk Lake Caribou Herd and provides critical habitat for globally signifi-

cant concentrations of waterfowl. DOI states that the area "supports the most productive, diverse, and sensitive wetland ecosystems in Arctic Alaska." BLM "Special Area" status has not proven adequate to protect these resources from development. In 1982, the Department of Interior authorized exchange of 5000 critical acres to petroleum development interests.

Colville River: Encompassing the river bottoms and adjacent cliffs from Nuka river to Ocean Point, contains prime nesting habitat and vital local food gathering zones for endangered peregrine falcon and other raptors and important moose habitat. In addition to important archaeological resources, the area offers excellent primitive recreation opportunities. The 2.75 million acre area should be include wilderness and wild river designations.

Icy Cape-Kasegeluk Lagoon: The part of the Chukchi sea coast between Wainwright and Icy Cape contains a portion of one of the arctic's best barrier islands/lagoon environments. The lagoons are an extraordinary concentration point along the migratory corridor for many arctic nesting birds as well as summer visitors. Numerous waterfowl, including eiders and scoters, geese and several species important to the North American Waterfowl Management Plan utilize this area. Adjacent wetlands and uplands provide some of the best nesting territory on the North Slope. Lagoons are also visited by marine mammals, including the endangered bowhead whale. Barrier islands protect these lagoons and provide habitat for other species. Barrier islands, lagoons, and associated uplands should be placed in a refuge of about 5.5 million acres.

Afognak Island: Kodiak bears, bald eagles, murrelets, elk and numerous other wildland species along with several salmon species and other anadromous fish find these island habitats vital to their existence. Presently owned by a joint venture of native corporations, these iands could be available for purchase under the Land and Water Conservation Fund as willing seller purchases. Approximately 200,000 acres on this one-half million acre island in refuge status would assure continuation of nationally significant populations of wildlife and fish species.

Copper River Delta: Among the most significant migratory bird habitats on the North American continent, this area has experienced spring and fall flights totalling over 14 million shorebirds in the past. Trumpeter swans, dusky Canada geese, grizzlies, sandpipers and numerous others are dependant on the health of this wilderness river delta. A total of about 1.2 million acres should be placed under refuge status. Although currently administered as part of the Chugach National Forest, this vital migratory bird and other fish and wildlife habitat should be managed as part of our national wildlife refuge system to assure that wildlife receive top management priority.

Seabird Islands of Southeast Alaska: Although included as part of the sweeping Tongass National Forest withdrawal early in the century, there are about eighty five small, mostly treeless (or without commercial timber value) islands and islets that serve as nesting areas and nursery habitats for seabirds. To provide the priority as well as consistency of management for these significant wildlife values, these islands should be placed into the Alaska Maritime National Wildlife Refuge where most of the offshore wildlife habitats of significance were placed in the original ANILCA. The acreage would be small, probably not exceeding 100,000 acres.

Niamna Lake: Enmeshed in controversy during the ANILCA debates, this outstanding fisheries resource area was left to be designated as a state wildlife management area. That designation has not occurred and the resources of such great importance—the fish and wildlife of the area—do not receive the priority consideration they deserve and require. The refuge could encompass up to four million acres.

Your Creek Additions to the Arctic National Wildlife Refuge: Removed at the insistence of the Alaska congressional delegation during the ANILCA debate, this area represents the only remaining public land habitat for the Porcupine caribou herd that is not in the refuge. An area of about 500,000 acres, this land on the south side of the Brooks Range serves as wintering habitat on a periodic but recurring basis for 10,000 caribou.

2. New National Parks

National parks and monuments should be expanded from existing national preserves, refuges, and forests where appropriate. This is especially true in the case of national preserves, many of which adjoin parks. (Preserves are managed in the same manner as national parks except that sport hunting and trapping are permitted preserves.)

In several of the existing park/preserve complexes, the boundaries separating the park and preserve components differ from the original proposals by the Alaska Coalition. Gates of the Arctic National Park and Preserve includes two preserve components, both originally proposed—and accepted by the House—as park areas. Another example is Wrangell-St. Elias National Park and Preserve, where most of the important fish and wildlife habitat is in preserve status.

[Opponents of preservation did not consider the present park/preserve lines as permanent, as shown by the unsuccessful 1983 Stevens-Murkowski bill to convert half of the new parks—and fully two-thirds of the best wildlife habitat—to national preserves.]

3. Wilderness Review and Designation

Under ANILCA, Congress designated 56 million acres of wilderness in the new and pre-existing units, mostly in the parks and refuges (32 million acres), including millions of acres of marginal habitat in ice fields, glaciers and alpine areas.

As more refuge and park acreage remained non-wilderness than was designated wilderness, Congress directed the Interior Department to study these remaining areas for suitability as wilderness, and asked the President to submit his recommendations no later than December 1987. Congress has yet to receive the White House's proposals. Indeed, the President has yet to even receive recommendations from the Secretary of Interior.

But procrastination is far less a problem than the departmental policies under which these reviews and recommendations have been conducted. In 1981, Secretary Watt issued a memorandum to stop wilderness reviews on BLM lands in Alaska. Three years later the assistant Interior secretary for parks and refuges ordered restricting the size of wilderness recommendations to be made by the National Park Service. In 1985, the director of the Fish and Wildlife Service issued a directive limiting the acreage to be considered for wilderness. In 1988, Representative George Miller, chairman of the House subcommittee responsible for Alaska lands, held oversight hearings on these actions and requested an audit of the Departments recommendations by the General

Accounting Office. The GAO responded with a report that showed that the Fish and Wildlife Service repeatedly undercut local FWS planners and managers in its wilderness recommendations.

In all, 77 million acres of wild new parks and refuges were studied as potential wilderness, but only 8 million acres were recommended in internal Interior Department documents. And even those recommendations have still not been formally submitted by the President to Congress.

The opportunity remains to investigate the process, revise the recommendations, and for Congress to consider recommendations from conservation groups for potential wilderness in Alaska.

All told, there is an enormous opportunity to designate at least an additional 100 million acres of wilderness in Alaska. Leaving aside the recent Tongass National Forest legislation, the remaining federal lands yield a potential as follows:

Federal Agency	Alaska Acres	Existing "W"	Reviewed for "W"	Qualifies for "W"	Admin "W" Recommenc
NPS	54.7	33.0	19.0	16.0	4.7
USFWS	77.1	18.7	58.0	51.8	3.4
Chugach NF	6.0	-0-	N/A	2.2 Est	-0-
BLM	80.0	-0-	N/A	50.0 Est	-0-
Totals	217.8	51.7	77.0	120.0	8.1

It is imperative to protect the quality of these lands that qualify for Wilderness until such time as their designation can be accomplished—a political challenge of great significance. The vision is contained in ANILCA; all that is required is the right moment in time and political opportunity to realize this potential.

**State of Alaska
National Parks Wilderness Proposals
February 1991**

National Park	Total Acreage	Existing Designated Wilderness	NPS Qualifies As Wilderness	USDI Proposed Wilderness
Aniakchak	602,779	0	451,916	283,736
Bering Land Bridge	2,784,960	0	2,354,690	299,520
Cape Krusenstern	659,807	0	467,200	0
Denali	6,028,091	2,124,783	3,560,538	1,421,295
Gates of the Arctic	8,472,517	7,167,192	948,629	0
Glacier Bay	3,283,168	2,664,840	27,170*	-9,720*
Katmai	4,124,075	3,384,358	554,539	163,840
Kenai Fjords	669,541	0	652,465	466,445
Kobuk Valley	1,750,421	174,545	1,553,603	400,000
Lake Clark	4,045,300	2,619,550	827,350	0
Noatak	6,574,481	5,765,427	757,175	467,175
Wrangell-St. Elias	13,188,024	9,078,675	1,559,080	107,040
Yukon-Charley	2,523,509	0	2,220,576	1,087,000
TOTALS	54,706,673	32,979,370	16,007,394	4,686,331
Per Cent	100%	60.3%	29.3%	8.6%

* Includes some wilderness deletions and additions

**Status of Alaska National Wildlife Refuge
Wilderness Proposals
February 1991**

National Wildlife Refuge	Total Acres	Existing Designated Wilderness	USFWS Qualifies As Wilderness	USDI Proposed Wilderness
Refuges with Wilderness Proposals				
Kodiak	1,865,000	0	1,589,000	1,170,000
Togiak	4,105,000	2,270,000	1,445,000	334,000
Yukon Flats	8,630,000	0	8,480,000	650,000
AK Maritime	3,557,030	2,576,320	324,000	109,648
Kenai	1,970,000	1,350,000	380,000	172,320
AK Peninsula	3,500,000	0	3,360,000	640,000
Becharof	1,200,000	400,000	606,000	347,000
Refuges without Wilderness Proposals				
Izembek	320,893	300,000	0	0
Innoko	3,850,000	1,240,000	2,610,000	0
Kanuti	1,430,000	0	1,280,000	0
Koyukuk	3,550,000	400,000	3,150,000	0
Nowitna	1,560,000	0	1,560,000	0
Selawik	2,150,000	240,000	1,910,000	0
Tetlin	700,000	0	699,000	0
Yukon Delta	19,624,458	1,900,000	14,716,000	0
Arctic	19,049,236	8,000,000	9,691,000	0
TOTALS	77,061,617	18,676,320	51,800,000	3,422,968
Per Cent	100%	24.2%	67.2%	4.4%

BLM Wilderness

The U.S. Bureau of Land Management still manages vast tracts of public land in Alaska. These lands are in danger of being frittered away, through miscellaneous disposals, before their wilderness potential has been adequately assessed and areas of outstanding resource values placed in conservation system unit status.

The threat of land disposals to the integrity of certain large blocks of Alaska's BLM public lands requires action by Congress to mandate permanent retention in federal ownership. Since the passage of ANILCA, land disposals to the State of Alaska and Native corporations, coupled with increasing recreational use and competition for scarce resources, underscore the need for protective designations.

The Central Arctic Management Area (CAMA) is a good example of the fate which might befall other areas. When ANILCA was passed in 1980, CAMA consisted of a 12 million acre block of federally managed land. The ensuing ten years of disposal have left CAMA a mere 3.6 million fragmented acres scattered across the original area.

Using the model of the Steese National Conservation Area and the White Mountains National Recreational Area, BLM must evolve from an agency which warehouses lands for disposal to one that manages conservation system units to protect resource values, including wilderness values.

In the wake of the infamous "no more wilderness" directive by Interior Secretary James Watt in 1981, no BLM lands save those mandated by Sec. 1001 of ANILCA have been studied for inclusion in the National Wilderness Preservation System.

The following outstanding areas should be considered for designation as conservation system units (CSUs) and studied for addition to the National Wilderness Preservation System.

- *The Clearwater Block:* This five million acre block to the east of Denali National Park and Preserve is accessible from all sides by the Alaska road system and contains some of the state's most accessible wild and scenic rivers, rugged mountains and glaciers, and hiking opportunities. The area has seen a dramatic increase in recreational usage and deserves the codification of its existing boundaries and protections. It contains both potential wild and scenic river and wilderness designations.

- *Steese National Conservation Area and White Mountains National Recreational Area:* Congress should mandate wilderness studies for these two existing BLM CSU areas that were blocked by Department of Interior policy.

- *Central Arctic Management Area (CAMA) Lands:* Protective designation is needed for at least a Nigu-Etivluk Wilderness/Wild and Scenic River, an Oolamnavik-Killik Wilderness/Wild and Scenic River, the Glacier Block, and the Your Creek Block.

• *TAPS Utility Corridor*: The 6,080,000 acre Utility Corridor was withdrawn by Public Land Order in 1971 to protect the route of the Trans-Alaska Pipeline (TAPS). This is a particularly sensitive area, where three national wildlife refuges and one wilderness national park flank the narrow haul road and pipeline corridor. Changes in ownership may bring about new developments or management conflicts. In the management plan for the Corridor and adjoining Central Arctic Management Area lands released in 1990, and despite overwhelming public opposition, BLM proposes to give almost 0.7 million acres to the state.

The state's goal is to take over the entire corridor north of the Yukon River. State ownership or BLM "multiple use" management risks development incompatible with park and refuge management goals for contiguous conservation system units. Environmentalists must defend against management changes which would result in land disposal, strip development, excessive off-road vehicle use, squatting, mining, and other uses that are incompatible with wildlife and wilderness values.

BLM must not develop or dispose any area studied for wilderness under Sec. 1001. Moreover, Congress should amend ANILCA to reserve corridor lands in federal management for the transportation of North Slope energy resources, and so corridor land management can be coordinated with that of the adjacent national interest lands.

• *NPRA*: The National Petroleum Reserve in Alaska is the size of Indiana (about 37,000 square miles) and is the largest single BLM managed tract in the nation.

While the area has proven to contain less oil than expected when Congress placed it under BLM control in 1976, it has become clear that it is home to globally significant wildlife resources. In addition, the reserve has unique value for scientific study and has played an important role in arctic research. Four important areas—Utokok Hills, Colville River, Teshekpuk Lake, and Icy Cape-Kasegeluk Lagoon are proposed in this document for national wildlife refuge status. But that does not exhaust the wilderness treasures of the NPRA.

At a minimum, legislation to retain existing protections and protect the following special areas from oil and gas, mineral entry, and certain kinds of access, is needed:

De Long mountains/Arctic Foothills: This two million acre area along the southern edge of NPRA offers outstanding primitive recreational opportunities and has the greatest scenic variety of any part of NPRA. The area is habitat for caribou, wolf, and

grizzly and includes important migration routes. The area adjoins Noatak National Preserve.

Ikakpuk River Corridor: This 3.34 million acre area contains significant archaeological and paleontological sites and other opportunities for scientific research. Topographic and ecological features typical of the northern arctic foothills and coastal plain make this area a unique candidate for preservation as well as a link between the mountains and coastal ecosystems.

In addition these areas, the entire NPRA should be studied for other potential inclusions to the National Wilderness Preservation System.

Chugach National Forest Wilderness

ANILCA created no new conservation system units in the Chugach National Forest, at 5.9 million acres the nation's second largest national forest. In lieu of wilderness, the Act established a Nellie Juan-College Fjord Wilderness Study Area (WSA) covering the western portion of Prince William Sound, and directed the Forest Service to submit a recommendation on potential new wilderness by the end of 1983. In 1984, the Forest Service's Alaska region submitted a recommendation to Washington headquarters, but none was forwarded to Congress.

Conservationists recommend a larger wilderness area that includes more forested coastal lowlands and islands such as Knight and Monatague, two of the most scenic in Prince William Sound. In addition, there are many other areas within the Chugach deserving protection, many of which are discussed in the section concerning Prince William Sound, below.

4. Wild Rivers

The Alaska Lands Act designated 25 wild and scenic rivers and authorized studies of 12 rivers for potential addition to the national rivers system. Fourteen of the designated rivers are safely within national parks or national wildlife refuge wilderness areas. Only eleven rivers were afforded protection from development threats on BLM lands or nonwilderness refuge lands. No rivers were designated on national forest lands.

Agency planners determined that nine of the study rivers (including one within national wildlife refuge wilderness) were eligible for inclusion in the national rivers system. However, the Reagan administration did not recommend any

of the study rivers for addition to the national system. Remarkably, two of the river studies have never been completed, despite the requirement to complete them by 1984.

An unprecedented federal planning process is now setting the stage for the future of river conservation in Alaska. Federal agencies are required by the Wild and Scenic Rivers Act to consider potential wild and scenic rivers in the land and resource management plans.

The Forest Service has recently identified 112 eligible wild and scenic rivers in its draft revision of the Tongass Forest Plan and the Regional Forester has tentatively recommended designation of 17 rivers. Conservationists are concerned, however, that agency recommendations for designation fairly represent the breadth of potential additions to the national rivers system, and not be limited to rivers within wilderness and park areas. For example, of the 17 rivers recommended for designation on the Tongass National Forest, five are within existing wilderness areas and four are within areas recently protected from commercial logging by the Tongass Timber Reform Act.

The Forest Service has not yet evaluated rivers on the Chugach National Forest, but there are numerous obvious candidates, including the Copper River, one of Alaska's largest, and the Sixmile River, a nationally recognized whitewater stream.

BLM ignored its responsibility to evaluate wild and scenic rivers when it completed its Utility Corridor Resource Management Plan in 1989. The Director of BLM agreed with a conservationist protest that the failure to evaluate rivers violated the law and, in June, 1990, required that this deficiency be corrected. BLM planners developed extensive guidance on the evaluation of rivers in Alaska and determined in early 1990 that twelve rivers which flow through its South Central Resource Area are eligible for wild and scenic status.

Conservationists were stunned, therefore, by BLM's extraordinary reversal in December, 1990 to refuse to conduct further river studies. BLM relies upon a thoroughly flawed interpretation of ANILCA for its decision; political influence by interests opposed to wild and scenic river protection appears to be the actual motivating factor. But wild river advocates will continue to work to see that the agency complies with the Wild and Scenic Rivers Act.

As the Forest Service completes its plans, and as the Park Service and Fish and Wildlife Service identify additional rivers on their lands, hundreds of additional rivers will be studied for inclusion in the national rivers system. Conservationists seek a valid and complete inventory of the resource and the

designation of deserving rivers, particularly those located outside existing parks and refuges which are subject to more development pressures.

5. Prince William Sound

On March 24, 1989 we learned to our dismay that even the most pristine lands and waters cannot be protected against the tragic consequences of a massive oil spill. Ironically, however, the *Exxon Valdez* disaster in Prince William Sound became the vehicle for making the entire world aware, for virtually the first time, of the area's priceless fish and wildlife, scenic and wilderness resources. It also served as a grim reminder to conservationists of how pitifully little protection from logging, mining, and other incompatible development activities the Sound had received in the Alaska Lands Act.

While spectacular marine lands and waters of Southeast Alaska were deservedly protected in Glacier Bay National Park, the Admiralty Island and Misty Fjords national monuments, and over 5 million acres of wilderness, comparable areas in Prince William Sound were left to the uncertainties of multiple use management by the Forest Service (the sole exceptions being an inadequate Nellie Juan-College Fjord Wilderness Study Area and vague directions concerning the protection of fish and wildlife habitat in the Copper River area).

Prince William Sound deserves the careful attention it failed to receive in 1980. Protection of the Sound's resources and existing compatible uses could take a number of forms, including an expanded wilderness proposal that takes in Knight Island and Montague Island; national wildlife refuge status for the Copper River delta; wild and scenic river designation for the Copper River; and national recreation area status for other parts of the Chugach National Forest.

6. Marine Resources

Alaska is surrounded on three sides by two oceans and three seas, comprising 57% of the nation's total coastline. These coastal and offshore waters support some of the most spectacular seascapes and assemblages of fish, marine birds and mammals in the world and the most biologically productive ecosystems in the region.

Over-exploitation of commercial fish stocks; entanglement of seabirds and mammals in high seas gill nets; the largest off-shore oil and gas leasing programs in the nation; catastrophic oil spills; ocean bottom dredging for minerals; development in coastal wetlands by the oil and gas industry; littering

of beaches with ocean debris; exploitation of walrus for their ivory tusks; clearcutting of coastal rainforests; and population declines in certain marine bird and mammal populations constitute the most serious threats to Alaska's coastal and marine resources.

New and innovative protection strategies are badly needed to protect national and international interests in these resources. This should include future designations of national marine sanctuaries, national estuarine areas, international marine biosphere reserves (or regional seas), and seaward boundaries for established coastal parks and wildlife refuges. This in turn will require development of strengthened alliances between environmentalists, Alaska Natives and fishermen, and improved working relationships with resource management agencies.

To protect complete ecosystems

Most conservation system units designated in 1980 and before are magnificent wild ecosystems fulfilling the dreams of their advocates and taking their place among the world's foremost natural prizes. But even with their great size and relative freedom from outside conflict, they share some management difficulties with conservation units in other states and other nations. Issues of boundaries, inholdings, and other outside conflicts prevent the security in ecosystem management which is necessary for their comprehensive protection.

1. Native Corporation Inholdings

The original legal provision upon which the Alaska Lands Act campaign was based was the directive to study new parks and refuges contained in section 17(d)(2) of the Alaska Native Claims Settlement Act (ANCSA). Beyond the purposes for which it was passed, ANCSA was also important to congressional consideration of other land legislation, such as the right-of-way for the Trans-Alaska Pipeline, selection of state lands subsequent to Alaska statehood, and for designation of our national interest parks and refuges. Nevertheless, the ongoing land selection processes complicated one another.

Native corporations, established by the unique requirements of the Alaska Native Claims Settlement Act, are charged with making profit and providing a return to their shareholders. Sometimes, however, that function is at cross purposes with protecting the land where their shareholders hunt and fish for their subsistence. Commercial development for profit of the natural resources on the land owned by Native corporations harms the very land needed for continued subsistence use by, and cultural survival of, Alaska's Native peoples.

Some of the Native people, like the Gwich'in fighting the development of the Arctic Refuge, have rejected the corporate structure entirely. They fight to retain their traditional way of life. Other villages and regions try to walk a tightrope: corporate competitiveness in a 20th century economy, retention of traditional values in their village.

By the time Congress took up the Alaska Lands bill in the late 1970's, it had already granted 105 million acres of land and 50 to 60 million acres of tidelands to the State of Alaska under the Alaska Statehood Act (1959) and 46 million to Alaska Native corporations as well as individual Native allotments under the settlement of Native land claims (1971).

Most Native land selections were in place by the late '70's, including extensive village land selections within the existing national wildlife refuges and national forests. Many key areas of wildlife habitat were selected. When in ANILCA Congress expanded the refuges, and created entirely new refuges, parks, wild rivers, and national forest wilderness, Native lands were encompassed as "inholdings," as they are called.

Often Native corporations are developing their holdings where economic resources are present, while leaving other acreage, much of it prime fish and wildlife habitat, to sustain the traditional subsistence economies.

One of the most immediate problems for conservation units is the logging of inholdings within the Chugach National Forest. These beautiful, low elevation coastal forests will be logged in the next few years unless a method is found to buy or exchange this land. The Chugach National Forest is a prime recreation and wildlife resource, surrounding Prince William Sound and close to Alaska's most populous area, Anchorage.

When conflicts have arisen between the preservation of subsistence habitat and economic development, some Native corporations owning land within the CSUs have sought to sell their lands or development rights for addition to the units, or to trade their holdings for other economically valuable federal lands and interests. Angoon, the most subsistence-oriented Tlingit village in Southeast Alaska, exchanged its commercially valuable forest selections in the heart of Admiralty Island National Wilderness Monument for equally valuable timber lands in a less sensitive area of the Tongass.

Once acquired for addition to a conservation system unit, former Native lands are managed to provide continued opportunities for subsistence fishing, hunting and gathering, as required under ANILCA.

In attempting to confront the issues presented by the inholdings in the units, the Park Service and the Fish and Wildlife Service have been stymied by the refusal of the Bureau of Land Management, backed by the appointed officials of the Interior Department, to offer BLM land as part of exchanges intended to benefit the parks and refuges. Rather, the administration tried to use the land exchange authority of ANILCA to carve valuable lands, including wilderness, out of the conservation system units for development. (See Exchanges, below.)

Lastly, the Reagan Administration opposed use of the Land and Water Conservation Fund to buy inholdings. Today, the LWCF suffers from the tight federal budget. Extensive Alaskan inholdings compete with deserving acquisitions from every state for scarce LWCF appropriations.

2. Boundary Additions

Alaska's parks and refuges are intended to be models of ecosystem protection. Their original proposed boundaries followed watershed and other natural features rather than the rectangular federal survey system with its biological shortcomings.

However, there were many features of the Alaska situation such as the Native land selections, state selections, deficiencies of information on fish and wildlife populations, and last minute political compromises that prevented protection of important areas within reasonable boundaries.

It was commonly expected by the advocates for the Alaska Lands Act that the necessary boundary improvements would be documented during the implementation and planning phases following enactment. As described elsewhere in this report, failures in planning and implementation have been legion.

One of the features of any new planning effort must be a requirement that the managing agency specifically document any and all needed boundary adjustments that should be undertaken to provide the strongest inherent integrity to each conservation system unit. In some cases, the Native land selections may have encompassed nationally significant resources that properly should be in the CSU and those Native corporation owners may be willing to sell the lands to the government. Such an improvement is possible in the Kodiak Archipelago and should be pursued.

However, such improvements cannot be made without the basic identification of resource values, the documentation to show the interrelatedness of the lands and resources to the CSU, and the strong support of an informed public.

These factors will require attention by the agencies and the Congress and should be part of the refinements to the Act passed in the 102nd Congress.

3. Land Exchanges

ANILCA gave the Secretaries of Interior and Agriculture extensive land exchange authority as an essential tool in perfecting the new and expanded conservation system units. During the preparation of land plans during the last decade, Native and state lands have been identified as potential acquisitions for completing coverage of key habitats, for boundary adjustments, and for making management more efficient.

However, the Reagan administration did not use the authority to acquire inholdings and improve the CSUs as Congress intended. Instead it attempted to delete lands from conservation system units for resource development. Some of these attempts were blocked, as, for example, when the courts prevented the Interior Department from trading a tract on Saint Matthew Island, a national wildlife refuge wilderness, to create a port for the oil industry.

In the most serious misuse of the exchange authority, the Interior Department successfully traded acreage in the Arctic National Wildlife Refuge coastal plain to a Native regional corporation (obtaining some corporation lands within a national park), in order to allow private exploratory oil drilling despite ANILCA's prohibition on development on the coastal plain.

Subsequently, the Department proposed a more ambitious exchange that offered several Native corporations (working with oil industry partners) the opportunity to select subsurface rights throughout the Arctic Refuge coastal plain in exchange for corporation holding in several other national wildlife refuges. Initially, the Department claimed it did not even have to complete an environmental impact statement for the proposal under the National Environmental Policy Act (NEPA).

This "Megatrade," as it was called, outraged congressional leaders. Following hearings, Congress amended ANILCA in 1988 to require congressional approval of any land exchange involving lands within the Arctic Refuge.

In order to deter potential similar abuses, ANILCA's land exchange provision should be amended to (1) require the approval of Congress for land exchanges involving any conservation system units; and (2) delete the loophole that circumvents the equal-value requirement by a secretarial finding that an unequal value exchange is "in the public interest."

In addition, as shown by the foiled "Megatrade" and other Interior Department trades involving Native lands. Congress should clarify its intent in Sec. 910 of ANILCA that federal- Native exchanges are not exempt from NEPA requirements. Section 910 exempts the original Native selections and conveyances from the purview of NEPA, but not subsequent land exchanges involving conveyed lands.

To manage the lands properly

1. ANILCA Administration

The administration of the Alaska Lands Act has suffered from severe heavy handed political administration, strained legal interpretation, and poor funding for conservation related activities.

Since the Alaska Lands Act was one of the last actions of the Carter Administration, implementation of the Act was carried out by the Reagan Administration, first under the direction of Interior Secretary James Watt. Not only did the Reagan Administration have a different political viewpoint from its predecessor, it staffed high ranking positions affecting Alaska with individuals who had not supported passage or had been actively opposed to the Act. Probably the most critical of these appointments was William Horn, formerly a staff assistant to Alaska's Representative Don Young, who was appointed as Deputy Assistant Secretary for Alaska and then, in the second Reagan term, promoted to Assistant Secretary of Interior for Fish, Wildlife and Parks.

GAO studies and congressional oversight have documented some of the problems with ANILCA implementation. But conservationists can paint an even grimmer picture. For example: The Interior Department:

- Seized on a unintentional error by Congress in defining "conservation system unit," to open pre-Act Katmai, Mt. McKinley (now Denali), Glacier Bay and the pre-Act refuges to much more motorboat use, airplane landings, and snowmachine use than allowed prior to the Act;
- Opened many of the new national parks to sport hunting by creating a number of dubious "subsistence resident zones" in which any resident—qualified subsistence user or not—can "subsistence" hunt in the parks;
- Ignored the intent of the House that the parks be zoned for areas traditionally used prior to 1980, in which subsistence would continue, and for areas not so used, in which subsistence would not be permitted;

- Blatantly misinterpreted an access-to-inholdings provision to favor private landowners' ingress at the expense of the public's use of conservation system units;
- Rather than abiding by the transportation and utility corridor process of the Act, lobbied for deletion of Cape Krusenstern National Monument acreage for a mining road and railroad route. [Congress subsequently passed legislation authorizing a right-of-way across the monument instead of an alternative route outside the monument.]

2. Management of the Conservation Units

The deficiencies in the administration of ANILCA have been felt most acutely in the management decisions for individual parks, refuges and other CSUs. But those broad decisions do not tell the entire story.

Where the managing agencies needed money or personnel to protect resources or develop a conservation oriented program, those resource requests were often deleted from Administration budget proposals. The influence of the Alaskan congressional delegation, all of whom opposed the Act and who were responsive to some of the Act's most radical opponents, was strongly felt within the federal agencies responsible for managing ANILCA lands which make up 20% of the nation's public lands.

With a few brave exceptions, the regional agency heads have sought low profile compliance with political directions. The overall result is a general lack of a strong resource protection commitment in the Alaskan CSUs.

That more damage has not ensued is due more to the relatively low population and the remoteness of the areas than the traditional reliance on the capability of an adequate, highly motivated and reasonably funded agency staff striving to carry out an innovative and well planned conservation program.

Strong congressional oversight and implementation of the many recommendations contained in this document along with greater appropriations for the agencies will be required to correct these deficiencies.

National Wildlife Refuges

Among many disappointments experienced by the advocates who worked to "do it right the first time" in the Alaska Lands Act, the planning processes for the refuges rank near the top of the list.

For instance, included in all sixteen refuge conservation plans is a statement that the Fish and Wildlife Service (FWS) lacks sufficient biological and ecological information to properly manage the refuge and its resources. Yet, in spite of this admission, the FWS fails to set forth a list of research, inventory and monitoring needs or a schedule for gathering such information. Lack of information is the most frequent justification provided by FWS for the absence of any ecosystem management proposals as envisioned in the Lands Act. Yet, the same plans propose to foster oil and gas exploration, and other "intensive management" developments, including several proposals for habitat modifying game management practices.

The serious deficiencies of these plans regarding the required wilderness studies and recommendations is discussed separately in this report.

Finally, the FWS did not propose a commitment or schedule for revision of the plans. Because the Administration has failed to complete the departmental and White House reviews of the plans and wilderness recommendations, not a single plan has been forwarded to the Congress as required in the Act.

Given these insurmountable deficiencies, we believe that the recommendations of the agency are thoroughly discredited. Congress should enact wilderness proposals submitted by the environmental community. Pending completion of new satisfactory conservation plans, the agency should be barred from committing to any major habitat modifying developments in the refuges.

Tongass National Forest

The Tongass National Forest, in Alaska's southeastern panhandle, probably received the most devastating "compromise" in the passage of the Alaska Lands Act. Part of backroom wrangling to bring the bill to the Senate floor, Section 705(a) directed the Forest Service to spend a minimum of \$40 million annually—not subject to the appropriations process—so as to offer pulp companies a mandated 4.5 billion board feet of timber sales each decade.

With local support from southeastern Alaska communities, tourism, and commercial fishing interests, the Southeast Alaska Conservation Council and national environmental groups worked over the decade to repeal this destructive provision and to permanently protect an additional one million acres of critical fish and wildlife habitat. In 1990, Tongass Reform finally passed both Houses of Congress and after a House-Senate conference committee delivered the Tongass Timber Reform Act to President Bush and it was signed on November 28th.

Management of the forest will continue to occupy conservation efforts. The Forest Service, which was in the process of preparing a forest plan when the new legislation passed, must drastically revise its draft and reverse some of the assumptions which have guided its policies for decades. Conservationists in southeast Alaska will now focus their attention on the painstaking task of implementing the new law and the specific forest management decisions which will come.

Archaeology, Historic and Cultural Preservation

For thousands of years, Alaska has been witness to continuous human occupation. As one of the great migration routes to North America, Native people followed herds across the exposed Bering Land Bridge, Beringia. Alaska contains millions of important prehistoric and historic sites which ANILCA placed under federal protection as national parks, refuges, forests and conservation areas. These sites can unveil meaningful and significant secrets about the past. The unique prehistoric campsites, burials and subsistence places, historic Native Alaskan sites, Russian churches and settlements, settlers' and trappers' cabins, gold rush mines, and whaling industry sites offer glimpses to the past and show a remarkable continuation of history.

Tragically and increasingly, Alaskan sites—like their counterparts throughout the nation—are being ravaged and destroyed by development, natural and man-made disasters, and looting and vandalism. The vast expanse of the state and limited federal personnel complicate the race to save history. Many sites are looted before they are even located by archaeologists, their information lost forever. Examples include the devastation at Gambell on St. Lawrence Island to the illicit demand for ivory artifacts; unprecedented efforts to protect a newly discovered ancient Aleut burial site from thieves; and the ruin of countless coastal sites by the Exxon Valdez spill, even looting by clean up crews.

ANILCA set the stage to save these treasures from the past, but this is not enough to protect the fragile resource. A positive, strong, unified program among federal and state agencies, universities and Native Alaskans to identify, research, interpret, and protect archaeological sites is necessary to ensure the future of the past. Native Alaskans must have access to the data in order to use it to sustain their heritage and develop cultural preservation centers.

The Eskimos, Aleuts and Alaskan Indians have unique adaptations to the arctic and subarctic. Their social interaction, subsistence patterns and physical adaptations have allowed them to thrive in the region. For decades, though.

the native people have faced the slow demoralization of their traditional ways as white culture became more dominant. Critical social issues, including urbanization, confront Native Alaskans as their ways come in conflict with non-native cultures. The traditional lifeways are being lost. Eskimos, Aleuts and Alaskan Indians are working to preserve the ancestral ways.

Programs to help Native Alaskan preserve their heritage will help maintain their cultural identity and unity; encourage youth involvement in traditional practices; provide a broader context for how non-native Alaskans relate to these people; and explain why and how these traditional ways have enabled Native Alaskans to survive in the environs of Alaska. ANILCA provides a framework to assist in developing oral history programs, Native cultural centers, education and training to reintroduce traditions to the young.

3. State/Federal Issues

Submerged Lands

A major amendment of Alaska land law took place in 1988 when Congress amended ANILCA's "submerged lands" provision which governs how lands beneath rivers which have been selected by the state and Native corporations are counted against their respective land selection laws.

Interior officials in the Reagan Administration lobbied for submerged lands legislation promoted by the State of Alaska and Alaska Native regional corporations that resulted in the disposal of an estimated 1.8 million acres of federal land, including the creation of nearly 700,000 acres of new private inholdings in national wildlife refuges.

In addition, in the *Gulkana River* case brought by the State of Alaska and recently upheld by the U.S. Supreme Court, a federal district court determined that rivers and streams are navigable—and hence the lands beneath them are owned by the State pursuant to federal law of title navigability—if they can be floated by a canoe, two-person kayak, or inflatable raft. The previous standard had defined navigability by motorized riverboats in existence at the time of statehood. Thus far fewer rivers had been found navigable and subject to provisions that granted the riverbeds to the state.

This standard for navigability, while important for keeping streams and rivers in public ownership and under public protection, means that the state now owns lands beneath the rivers and streams in the new conservation system units (even wild and scenic rivers), except for the most shallow headwater segments.

In general, rivers serve as the principal travel corridors in most conservation system units. Gates of the Arctic National Park's wilderness rivers, for example, host 90% of the park's use according to the Park Service. The *Gulkana* decision means the state now owns the beds under these rivers. These "submerged lands" are some of the most important public use areas in the conservation system units.

Patchwork ownership has potential for creating inconsistent and conflicting management directives that will have adverse impacts on the resources for which the CSUs were established to protect. Already, state allowed uses of "shorelands" along the navigable rivers or connected navigable lakes may conflict with federal purposes for CSUs regarding boat use, helicopters, sport hunting and trapping, and even mining and gravel extraction.

While the state and federal governments have demonstrated their ability to manage some important resource areas cooperatively—notably in the Kenai River Special Management Area and in the Bristol Bay area, where the state closed all navigable rivers to mineral entry—the outlook for continued cooperative management under the new state administration is uncertain.

The new Hickel Administration, already openly declaring itself to be "anti-fed", is expected to push for major development of the state's river corridors for mining and transportation activities.

In addition, the Department of Interior appears reluctant to exercise its authority to regulate use of state-owned submerged lands to protect upland conservation system lands, an authority clearly established under the federal property clause and in federal case law, including various Supreme Court rulings.

In particular, the federal government has made a formal decision *not* to regulate non-federal lands within national park system units under proprietary jurisdiction. Thus, inholdings in all major park units in Alaska other than Denali are unregulated.

Furthermore, the Bush Administration has refused to regulate subsistence hunting and fishing on navigable waters within federal lands. Since subsistence taking of wildlife involves fisheries, this decision could impair wildlife management.

Reluctance to assert federal jurisdiction over activities on navigable rivers within federal conservation systems, including designated wild and scenic rivers, threatens the future of these public lands and resources.

Transportation Corridors

The creation of transportation and utility corridors in the national parks and other conservation system units in Alaska is strictly regulated in Title XI of ANILCA. That title was enacted to protect the conservation purposes for which the national parks, preserves and monuments were created.

A key element of Title XI is an orderly, comprehensive procedure for locating only necessary access routes on conservation system lands, while thoroughly assessing adverse impacts and feasible alternatives, and adopting appropriate mitigation measures for the protection of the lands and wildlife values. Access to private inholdings (like mining claims) within or effectively surrounded by conservation system lands is also provided for in Title XI.

This carefully crafted statutory scheme ANILCA is threatened by the State of Alaska's insistence that an older, completely unregulated, method for securing access within national parks—"R.S. 2477"—displaces Title XI's requirements.

Revised Statute (R.S.) 2477 is an old federal law that was in effect from 1886 until 1976, when it was repealed upon enactment of the Federal Land Policy and Management Act (FLPMA). R.S. 2477 was one sentence long, simply stating that rights-of-way "for the construction of highways over public lands not reserved for public uses are hereby granted." While R.S. 2477 has been repealed by the more modern concepts of federal land management in FLPMA, valid rights-of-way established before the time of its repeal in 1976 are expressly reserved by FLPMA.

Hitching itself to this reservation of establishing rights-of-way, the State of Alaska, pressed by mining interests, has asserted that the historical existence of even a foot tract or dog sled trail across a national park or monument in historical times guarantees the unregulated expansion of such a trail to a highway of modern proportions, and the transportation of all kinds of vehicles, including heavy machinery and equipment for use in modern mining operations. Finally, the state and the miners claim R.S. 2477 transportation corridors can be established regardless of the resulting damage to or incompatibility with park values.

Neither the state nor the miners have been successful yet in imposing an R.S. 2477 highway on a national park or monument in Alaska, but the new Governor of Alaska, Walter J. Hickel, has let it be known that he intends to pursue the creation of an R.S. 2477 highway specifically to provide access for mining corporations within the flagship of Alaska's parks: Denali National Park. R.S. 2477 thus may become the focus of a major battle in the second decade of ANILCA's existence.

4. Mining

High prices and discoveries of large deposits have spurred a resurgence in Alaska's mining industry, posing a present and growing threat to the wilderness qualities and management of Alaska's conservation system units.

Problems are threefold:

1) *Resource degradation.* Mining operations have serious environmental consequences: massive habitat destruction, frequently in riparian corridors, and serious water quality degradation. Environmental advocates have waged a long battle to force state and federal agencies to play a more active role in regulating the industry. Major improvements have been achieved, but more is still necessary, particularly in the areas of reclamation and restoration of unreclaimed sites.

2) *Access.* Access to mining claims is guaranteed, which frequently means road building. The Gates of the Arctic and Noatak National Parks, the Fortymile Wild and Scenic River, and several areas in the Tongass National Forest are threatened by access roads.

3) *Inholdings.* Patented mining claims are private inholdings which can be used for any purpose. They are prime candidates for incompatible development such as hotels and tourist resorts, as happened in Denali National Park in 1990. In this instance, guaranteed access to the inholding poses additional problems. The National Park Service interpreted ANILCA to mean the public would have to be excluded from the park road if safety problems arose as a result of increased traffic to reach the new resort.

The agencies must to monitor the industry more vigorously to minimize environmental impacts and assure complete reclamation. They need additional regulatory authorities to cope with inholding problems. The Park Service has condemnation authority, but has been prevented from exercising it. Larger Land and Water Conservation Fund appropriations are needed to acquire inholdings.

In addition to mining threats inland, a new threat is emerging on the coast: offshore dredge mining for gold, already begun in Norton Sound off the coast of Nome. These operations dredge the ocean floor in shallow offshore areas, process the dredged sediments with cyanide to leach gold, and dump the tailings into the ocean. The release of mercury and other heavy metals to the water column allows toxins to enter the food chain and accumulate in the tissues of the fish and wildlife of the region, including those species taken by local residents.

**THE PRECEDING PAGES
WERE TREATED AS A UNIT
IN THE ORIGINAL FILE**

Business

BOSTON GLOBE • MONDAY, MAY 6, 1991

Exxon, Arco tax ruling raises conflict question

By William P. Coughlin
GLOBE STAFF

For three years, Alaska's powerful Department of Natural Resources' oil and gas division delayed a decision on what size tax break to give Exxon Corp. and Arco-Alaska Inc. for their "discovery" of a rich oil deposit in 1988 on Alaska's North Slope.

State officials claim the delay involved technical assessment and "unanswered questions" about when the discovery well actually was drilled, and by whom.

But on March 6, the department, which regulates Alaska's vast oil and gas reserves and its fragile wilderness, quietly ruled that Arco-Exxon should get an oil well tax bonanza estimated to be worth between \$75 million and \$100 million for the company.

Such tax breaks, called "royalty tax rate reductions," are considered incentives for companies to explore for oil. In this case, the break cuts the tax to the company from 12.5 percent to 8 percent per barrel. The break covers any oil taken for 10 years from all wells drilled on the jointly-owned 2,500-acre lease — not just from their single "discovery" well, as usually is the case.

The tax break, considered generous, came only one week before Exxon, the US government and the state agreed to settle for \$1.1 billion all civil and criminal suits stemming from the 1989 Exxon Valdez spill.

Both a federal judge and Alaska's legislature later rejected parts of the settlement, and on Friday, Exxon Corp. and the State of Alaska formally withdrew from the deal, killing what would have been the largest settlement of an environmental-damage case in US history. That set the stage for a criminal trial. But Alaska Gov. Walter J. Hickel said he was unsure if the state, Exxon and federal government would try to negotiate a new civil settlement.

The timing of the tax decision has raised questions about negotiations between the state and Exxon-Arco be-

EXXON, Page 20

Alaska's Exxon-Arco tax ruling raises interest-conflict question

■ EXXON

Continued from Page 18

hind the scenes. Environmentalists question the roles played in the tax break decision by Alaska's attorney general, Charles Cole, and the state's commissioner of Natural Resources, Harold O. Heinze. Both have come under fire from environmentalists and others who claim there may be conflict of interest charges Heinze and Cole adamantly deny.

In particular, activists single out Heinze, who is a former president of Arco-Alaska Inc.

He was named to his state post in December by his friend and former business partner, Gov. Hickel.

Cole, meanwhile, acknowledged in a recent interview that until recently he owned what he described as "miniscule" financial interests in oil leases with both Arco and Exxon on Alaska's North Slope and elsewhere in the state.

Both men acknowledge their former industry ties, but denied that their regulatory decisions might have been influenced by them. The tax decision for Arco-Exxon was issued through Heinze's Natural Resources Department, after being approved by Cole's law division.

Environmentalists and others are angered at the tax break decision and the officials who made it.

Anne Rothe, head of Alaska's Regional National Wildlife Federation at Anchorage - which opposed the oil-spill settlement as "wholly inadequate" - criticized both it and the timing of the March 6 Arco-Exxon tax break.

"It takes a great leap in faith to accept the idea this (tax reduction) is sheer coincidence..." she said when

informed of the tax break. Rothe said that at public hearings held across Alaska on the Exxon settlement, "Citizens everywhere testified they are opposed to it... The only people in favor are Charles Cole and Harold Heinze. And Cole, presenting it to our Legislature, has done it in an arrogant manner. He says in effect: 'take it or leave it.'"

Another critic of both the tax break and Valdez settlement is Prof. Rick Steiner of the University of Alaska, who has studied the Alaska spill's impact, and who has been close to principals during the settlement talks.

"When anyone with financial interest in something is given a financial break in taxes... through that person's public office, it could be... conflict of interest," he said.

A House committee source close to the now-collapsed Exxon settlement and to federal investigations of oil industry affairs, said Heinze had a "clear conflict" because of his role with Arco and as Alaska's resources commissioner, with authority to make spill damage restoration decisions.

Both Cole, who was a major architect of the Exxon settlement, and Heinze, say they have had no conflict of interest as state officials. Heinze said "there is no connection" between Alaska's tax break for Arco-Exxon and the former \$1.1 billion Exxon settlement.

A key Cole assistant, Mark Worcester, who helped check the legality of the tax reduction decision, also insisted there was "no connection" between the settlement and tax break.

Cole said he and Worcester saw "no appearance of impropriety" in the tax deal or its timing, and Cole said he saw no impropriety in having shared a small North Slope lease with both Arco and Exxon.

Heinze said that while he was aware the tax break decision was being made, he did not get involved in it, and left it to his subordinate, James Eason, a former Arco geologist who heads Heinze's oil and gas division at the natural resources de-

partment. It was Eason who signed the tax break decision.

Heinze said that as commissioner he "absolutely did not influence" Eason's decision to grant the royalty reduction.

"I would not have entered that decision, so as to avoid any conflict of interest," Heinze said. "When I was appointed in December, I acknowledged I had stock options with Atlantic Richfield (Arco), and I openly said I cannot be involved in decisions relative to Arco."

Heinze also said that since being appointed, he converted his Arco stock options and sold his portfolio, which was reported by an Alaska paper to be 28,000-plus shares worth \$2.9 million.

Asked if it might appear to be a conflict of interest that as the state's natural resources commissioner and as former president of Arco-Alaska, he now controls the state oil and gas office that issued a huge royalty tax reduction for Arco and Exxon,

EXXON

Heinze said, "No, certainly not. I'm not worried about it a bit..."

Meanwhile, Cole admits to having shared small percentages of Alaska oil leases with Arco and Exxon. "They were miniscule shares." They produced neither oil nor profits, he said. While Arco and Exxon date their discovery claim at their McIntyre No. 8 well to March, 1963, they recently said production will be delayed until 1983. This is because of equity ownership disputes between themselves and a third McIntyre lease owner, British Petroleum, said Arco spokesperson, Susan Andrews.

The Arco-Exxon well was drilled into the giant, little-known deposit called McIntyre Field, next to Prudhoe Bay. It is the largest oil deposit found in America in 10 years, and is the nation's third biggest. Specialists say 800 million to 850 million barrels

of crude are recoverable from its 800 million barrel deposit. Others say 400 million barrels may be recoverable.

Confirm.

L. Croxton

Brd. of Game

5-1-91



Alaska Native Brotherhood

Camp Number 2

320 West Willoughby Avenue, Suite 100
(907) 586-2049

Juneau, Alaska 99801

April 30, 1991

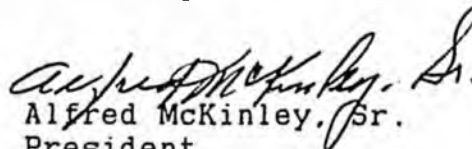
The Honorable Cliff Davidson
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Cliff:

Please vote "No" on the confirmation of Loren Croxten to the Board of Fish and Game on grounds that Mr. Croxten is one of the plaintiffs in McDowell vs. U.S. This case is an attempt to repeal Section VIII of ANILCA.

Thank you for your consideration.

Sincerely,


Alfred McKinley, Sr.
President

cc: Robert Willard



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3718

April 26, 1991

Loren Croxton
P.O. Box 1410
Petersburg, Alaska 99833

Dear Mr. Croxton:

The House Resources Committee has scheduled a confirmation hearing Wednesday, May 1 between 3 and 5p.m. to consider your appointment to the Board of Fisheries.

We have received your resume. However, please feel free to provide any additional materials or documents for the committee's review.

Please contact us if you have any additional questions or concerns. Our phone number is 465-2487 and our facsimile number is 465-3444.

With best regards,

Cordially,

A handwritten signature in cursive script that reads "Cliff Davidson".

Representative Cliff Davidson
Chairman

CD/hb

Res

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 8, 1991

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

In accordance with AS 39.05.080 and Article III Sections 25 and 26 of the Alaska Constitution, I submit the following name for legislative confirmation of appointment to the position noted:

Board of Fisheries
Croxtan, Loren - Petersburg
Term began 4/4/91 Expires 1/31/93

Res

The resume for this appointment is attached.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

Attachment

Loren Croxton
P.O. Box 1410
Petersburg, Ak.

April 5, 1991

Resume

I was born on March 13, 1919 in Fort Bidwell, California, attended the public schools in Lakeview, Oregon and received a Bachelor of Science Degree in Fish and Wildlife Management from Oregon State University.

I served as a combat medic aboard vessels of the Pacific fleet for thirty-seven months during World War II and was awarded five campaign ribbons and shared in two unit citations.

My wife, Lesley, our daughter, and I have lived in Alaska for thirty-two years. Since Lesley and I retired in 1980, we have lived in Petersburg. Mary, an artist, lives in Anchorage.

My career has been that of a wildlife biologist. I accepted employment with the newly-formed Alaska Department of Fish and Game in early 1960 after completing two years of graduate studies in Fish and Wildlife Science at the University of Alaska in Fairbanks.

During the following years I resided in Ketchikan, Juneau and Anchorage and held the following positions within the Department of Fish and Game:

Wildlife Field Biologist.
Regional Supervisor, Division of Game, Anchorage
Director, Division of Game
Deputy Commissioner for Sport Fish and Game.

Subsequently, I was employed by the U. S. Fish and Wildlife Service as the Deputy Regional Director, Alaska Region.

Since my retirement in Petersburg, I have served as Chairman of the Advisory Committee to the Alaska Board of Fisheries and the Board of Game for seven years.

As the chairman of that Committee, I have been a member of the Southeast Regional Fish and Game Advisory Council, whose primary function has been to monitor the implementation of subsistence on federal lands in Alaska for the Secretary of the Interior.

Confirm.

L. Smith

AO & G

Commission

5-8-91

Resume of Lonnie C. Smith



Education

I graduated from Texas Tech University at Lubbock, Texas; August 1956 with a B.S. degree in Petroleum Engineering.

Experience

Following graduation from college, I was employed by Gulf Oil Corporation, U. S. in Oklahoma and New Mexico for 13 years in various production and engineering positions. I worked as roughneck, roustabout, well tester, engineering trainee, field petroleum engineer production foreman, and senior petroleum engineer doing reservoir and unitization work.

I accepted a petroleum engineering position with the Alaska Division of Oil and Gas (Department of Natural Resources) in September 1969. In January 1977 I gained a temporary promotion to Chief Petroleum Engineer until June 1977 (5 months). From June 1977 until August 1978 I was senior staff petroleum engineer. In August 1978 I was permanently promoted to Chief Petroleum Engineer; and in January 1979 I was appointed to a six year term as one of three Commissioners to the Alaska Oil and Gas Conservation Commission, retaining the same duties and responsibilities as with the Chief's position which was to supervise the Commission's engineering and field inspection staff. In January 1985, I was reappointed to a second six year term as a Commissioner.

I have now worked for the State for over 21 years and have a total of 34 years petroleum industry experience.



State of Alaska
ombudsman

Duncan C. Fowler

November 6, 1990

Lonnie Smith, Commissioner
Dave Johnston, Commissioner
Alaska Oil and Gas Conservation Commission
3001 Porcupine Drive
Anchorage, Alaska 99501

RE: Ombudsman Complaint A90-0317
(Final Findings and Recommendations)

Dear Commissioners Smith and Johnston:

This is the final report of my investigation of the complaint received in February 1990 against the Alaska Oil and Gas Conservation Commission. The report describes the allegations, investigative activities, final findings and recommendations. Because of the interest in this issue, a copy of the report will be sent to the Office of the Governor, members of the Alaska Legislature, interested citizens and members of the press.

For your convenience, the following brief outline states the principle issues investigated as well as my final findings and recommendations.

ALLEGATIONS AND FINDINGS

The complaint consists of two allegations:

(1) The commission has acted unreasonably in progressively reducing the oil and gas well inspection program to a level which compromises the investigative and regulatory function of the commission.

Finding: Partially Justified.

(2) The commission has acted unfairly in its reprimand of the inspection staff supervisor, Michael Minder, for writing an annual report critical of the current level of well inspections.

Finding: Justified.

SUMMARY OF THE INVESTIGATION

Mr. Minder's report, written in memo form, stated the commission had witnessed only 27% of the blowout prevention (BOP) equipment tests during 1989. This was contrasted with an 85% rate when there were five inspectors employed by the commission. The report gave the statistics of other tests witnessed and stated, "A lack of manpower together with budgetary constraints have reduced our exposure both on the North Slope and particularly, in the Cook Inlet fields."

Reply to:

- P.O. Box 102636
Anchorage, AK 99510-2636
(907) 563-3673
(800) 478-2624
- P.O. Box W0
Juneau, AK 99811-3000
(907) 465-4970
(800) 478-4970
- P.O. Box 74358
Fairbanks, AK 99707
(907) 452-4001
(800) 478-3257

Mr. Minder was told not to have the report typed and to retrieve rough drafts given to the inspectors. When he failed to comply, he was reprimanded in writing and relieved of all supervisory duty.

THE ALASKA OIL AND GAS CONSERVATION ACT (AS 31.05) describes the commission; its powers and duties, and its ability to set regulations and enforce its orders.

The Alaska Oil and Gas Conservation Commission was established in 1978, as an independent, quasi-judicial body within the Executive Branch to ensure that oil and gas drilling, production, reservoir depletion and metering operations are in compliance with applicable statutes. The Department of Commerce provides administrative and budgetary oversight to the commission but is not involved in commission policy matters.

Each of three commissioners is appointed by the governor and confirmed by the legislature to a six-year term. Terms may be successive without limit. *Re-appointed?*

Authority is given to the commission to regulate the development and production of oil and gas in order to prohibit the physical waste of crude oil and natural gas, protect the correlative rights of owners and provide for the maximum recovery of oil and gas.

The commission presently regulates 1,551 producing oil wells and 133 producing gas wells in the state, and processes approximately 200 drilling permits and 1,000 well repair and other permits per year. Approximately five new wells are expected to be drilled this year.

In January 1986, the commission assumed responsibility from the Environmental Protection Agency (EPA) for the Underground Injection Control (UIC) program. This program is designed to protect underground sources of drinking water. There are presently 569 wells in the program. The EPA requires each well to be inspected prior to injection and again every four years.

The commission's regulations are found at 20 AAC 25 of the Alaska Administrative Code. The regulations describe the types of tests which the operators must do and which tests are subject to witness by the commission. The commission has broad powers to prevent the escape of oil or gas, or the pollution of fresh water supplies, as well as prevent blowouts, cavings, seepages and fires.

The commission's regulations conclude:

The commission will in its discretion, exercise its statutory power to enter and conduct on-site investigations and inspections at reasonable times of facilities, equipment, practices, records, or operations for the purpose of ensuring compliance with the requirements of this chapter.

If it is determined that the requirements of this chapter are not being met, the commission will order remedial work or take other action it considers necessary.

C.V. (Chat) Chatterton, commission chairman since 1982, resigned during the course of this investigation due to illness. Mr. Chatterton died on October 14, 1990. A third commissioner has not yet been appointed.

In Mr. Chatterton's opinion, the oil and gas statute "prohibiting physical waste," was written to address economic, rather than environmental, issues. He stated during the investigative interviews:

AS 31.05, provides the commission with neither the specific authority for; nor does it set forth as a duty, the inspection of blowout prevention equipment installed on drilling rigs in Alaska.

Mr. Chatterton described the statute as providing only "tenuous authority," for the inspection program. He states the level of inspections is a discretionary determination made by the commission and the current staff of three inspectors is adequate.

Following budget cuts in 1986, the inspection staff decreased from five to three and has remained at that level.

Chat Chatterton agreed that the reduced number of inspectors resulted in fewer field tests being witnessed. He did not dispute the figures in Mr. Minder's memo, but states the commission maintains public files and did not want a memo or other document in which the commission "condemns ourselves" available to the press or the public.

Commissioner Lonnie Smith agrees with Mr. Chatterton that Mr. Minder broadened and increased the inspection program beyond the scope of the commission's responsibility and beyond its budget.

Mr. Smith says, "The commission has not been much for putting things in writing." The only written directive is a memo listing eight types of inspections to be done in order. The memo does not define the percentage of tests to be witnessed, the frequency of inspections or the division of the workload. The present investigator level made it impossible to complete all items on the list. The commission responded that it was Mr. Minder's responsibility to determine the methods to increase program effectiveness.

Mr. Smith states the inspection program is welcomed by the oil industry. The high pressure under which Alaskan wells operate and severe climatic conditions make a strong field presence advisable.

Commissioner Dave Johnston, appointed in January 1989, states each commissioner's vote is equal but Mr. Chatterton was "an extremely strong personality," who often resisted abrupt change. Mr. Johnston describes the commission as needing change in many areas including management, staff morale, equipment and office maintenance.

Mr. Johnston states Mr. Chatterton should not be solely blamed for the decline in the inspection program. More important is the 40% reduction in the commission's operating budget over the past nine years.

Mr. Johnston made several suggestions for improving the inspection program: expanding computer capability for gathering data; prioritizing the work load; and hiring enough inspectors to normalize the work hours and field rotation.

Former Commissioner Harry Kugler confirmed that with five inspectors, the commission witnessed approximately 85% of all field tests. He believed Mr. Chatterton must have been misquoted in telling the oil companies to be on their

honor. He stated the commission is a regulatory agency and monitoring the industry is a primary commission function.

Russell Douglass and Blair Wondzell, staff engineers, rely on inspection data to varying degrees. Mr. Douglass stated Mr. Smith was in the best position to decide the number of inspectors needed. Mr. Wondzell described the present number of inspectors as adequate.

Michael Minder states he brought many of the inspector's frustrations to the commissioners' attention, but was not given the authority to effect change. The regulations require the oil companies to notify the commission of critical tests; the companies expect the commission to send an inspector to the field and requested Mr. Minder give them scheduling information. The inspection staff was inadequate to fully comply with even the first item of priority work and Mr. Minder was unable to tell the oil companies when other work could be definitely scheduled.

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The commission handouts, last revised in 1987, are misleading to the public. They describe various tests and inspections as being both important and regularly performed. Many of these activities have been reduced to a marginal level and some are not being done at all. During this investigation parts of the handout have been updated and the new summary is included with the final report.

Other state departments, including Environmental Conservation, Labor and Natural Resources have various regulatory functions on the oil rigs. All of them rely heavily on the commission. None have the staff, expertise or responsibility for testing or inspecting subsurface equipment. Bill Van Dyke, petroleum manager for the Department of Natural Resources (DNR), Division of Oil and Gas summarizes the position of these agencies:

I certainly think some agency should do the inspections of the oil rigs, and the commission is in a logical position to do so. If specific practices and equipment are important enough to be identified in the commission's regulations, then they should be enforced and inspected.

Representative Kay Brown, director of DNR's Division of Oil and Gas from 1982 to 1986, states the commission could make better use of its personnel and has other budget options than cutting the inspection staff.

Two federal agencies also regulate oil and gas wells in Alaska. The U.S. Bureau of Land Management has oversight for approximately 150 wells on federal land. The U.S. Minerals Management Service oversees off-shore wells in federal waters. These agencies witness 100% of the blowout prevention tests in Alaska. Both agencies agree a high visibility in the field is critical to continued safe operation:

With any less than a 50% inspection rate, you don't stay on top of things and the operators get lax. The Bureau's goal nationally is to witness 85% of the BOP tests and

100% of all well plugging and abandonment operations.
Safety valve tests are a third priority.

Canada's oil and gas industry shares many operational and climatic similarities with Alaska. For this reason inquiry into the function and procedure of the Energy Resources Conservation Board (ERCB), Alberta, is particularly applicable to this investigation.

William G. Remmer, manager of Field Operations reports that 100% of critical, high flow, high pressure or unusually deep wells are inspected and all critical tests witnessed. This criteria also applies to all wells in environmentally sensitive areas. A minimum of two inspections are done on each new well.

The ERCB procedures used in reducing the test failure rate on blowout equipment from a high of 43% to the present 6.4% are fully described by Mr. Remmer and include heavy emphasis on industry awareness of the agencies requirements, involvement of industry representatives in self-regulation and acknowledgement of problem areas.

Enforcement by the agency is strong and a rig may be shut down for noncompliance. Companies and operators continuing to have problems are subjected to increased inspections and even closer scrutiny.

In California, regulatory enforcement has been returned to the state. The Department of Conservation, Division of Oil and Gas maintains six field offices. Inspectors witness 100% of initial BOP tests and well abandonment operations. Quarterly reports by district provide detailed statistical analysis of all tests, inspections and results.

The report also discusses the position the Department of Commerce took in reporting to the news media that it had independently examined the adequacy of the inspection program.

ANALYSIS

If the commission continues in its present form, modern effective management and a team building approach is needed. Rotation of the chairmanship should also be considered.

Any question regarding the "tenuous authority" of the commission to regulate in areas of human safety or environmental integrity must be removed by the governor and the legislature. The commission's position that it has unlimited discretionary latitude in reducing the inspection program is untenable. Public awareness and concern must be reflected in its regulatory agencies. Increased vigilance over industry is needed even as increased self regulation is sought.

Through measurable criteria, including numerical and statistical goals, the commission must become more accountable than it is at present. Reinstating quarterly and annual reports would provide industry, government and the public with measurement tools necessary to evaluate the performance of the commission.

By the regulatory standards established in Canada, California and other states, Alaska falls far short of providing a viable regulatory presence in field safety. It is evident that three inspectors is inadequate. The number of documented hours worked is excessive. The inspectors are unable to cover emergencies and receive inadequate direction in setting priorities. Field reports by the inspectors are, by

necessity, cursory and lacking in critical analysis. There is too little time for training even though the field is rapidly changing.

Those gains in industry compliance and cooperation achieved through a strong field presence are in danger of eroding with declining surveillance. Although budget reductions have been severe, the commission has been lax in requesting new positions or equipment. The commission has not strongly documented either its budgetary needs or the expected results of a larger budget.

Investigation supports the conclusion that the commission has knowingly allowed both the level and kind of inspections to decline over an extended period of time. Mr. Minder's annual report objected to the decline. This memo and others he wrote continually brought the results of this decline to the commission's attention.

Although Mr. Minder should not have distributed a draft of the report to the inspection staff, there is no further evidence of wrongdoing on Mr. Minder's part. Mr. Minder's job description required him to bring this information to the commissioners' attention and he acted within his job description in demanding to have the memo typed and submitted to his supervisor and the other commissioners.

During this investigation the suggestion was raised that the commission's regulatory functions be transferred to another agency. That decision would necessarily consider many functions of the commission not addressed by this investigation. The recommendations will assist the commission in its present form and should assist policy makers considering other options.

RECOMMENDATIONS AND FINDINGS

During the investigation, Mr. Johnston and Mr. Smith began identifying commission programs to be strengthened and began drafting written priorities and expectations for the inspection program. The commissioners were candid and cooperative during this investigation and agreed with many of the recommendations.

The recommendations and the agency response to each follows:

- (1) I recommend that the Alaska Gas and Oil Conservation Commission develop a comprehensive mission statement which defines the role and statutory responsibility of the agency.

Agency Response:

We believe such a mission statement is clearly articulated in the commission's budget submittal for FY'92, as well as set out in the governing statutes and regulations of the commission. That statement follows:

"The Alaska Oil and Gas Conservation Commission is an independent quasi-judicial agency set up by the Legislature to enforce the Alaska Oil and Gas Conservation Act (AS 31.05). The commission oversees oil and gas drilling, development and production, reservoir depletion and metering operations on all lands subject to the state's police powers. The commission acts to prohibit the physical waste of crude oil and natural gas, to protect the correlative rights of mineral interest owners, and to obtain the maximum ultimate

recovery of oil and gas that is prudently possible. The commission levies fines for violations of the statutes, regulations or orders of the commission, and will seek injunctive relief to stop continuing violations.

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- (2) I recommend that the Alaska Gas and Oil Conservation Commission establish measurable goals and objectives to assist the administration and the staff in fulfilling the mission statement and the agency's responsibilities.

Agency Response:

Again, we will turn to our FY'92 budget submittal to provide a basis for meeting this recommendations. The commission included nine objectives and performance measures in its budget. We will examine these standards in light of your report and make appropriate revisions, if necessary. At a minimum, extra detail will be provided to aid the staff in determining how these objectives and performance measures are to be achieved.

- (3) I recommend that the Alaska Gas and Oil Conservation Commission develop accurate internal standards to aid in measuring the performance of individual staff and the agency as a whole.

Agency Response:

Performance standards already exist for all staff. However, we will immediately commence a review of the current standards for each employee, and make changes where needed. This review will be done in consultation with the employee. Each employee will be asked to review his or her standards, and will be encouraged to provide suggestions and comments or to seek clarification as appropriate. Our goal will be to provide each employee with realistic, understandable and achievable standards within six months. These standards will then be used to gauge employee performance for annual evaluation or disciplinary purposes.

- (4) I recommend that the Alaska Gas and Oil Conservation Commission promote personnel policies which encourage all staff to provide constructive criticism and suggestions to improve agency functioning.

Agency Response:

Informally, this is already being done, and positive results are being obtained. For example, as we move closer to computer automation, all staff are being encouraged to consider ways to improve their office functions through computerization; training will be provided where appropriate. Also, the petroleum inspection staff have already made recommendations for ways to improve the program, and they will be further consulted as we progress.

This openness policy will extend to staff meetings, which will be held more frequently to explain commission activities and policy decisions. Staff will also be encouraged to put suggestions in writing and to provide background information along with their analysis of the problem. The commissioners will reply in kind as appropriate. This policy will be formalized at the conclusion of this investigation.

- (5) I recommend that the Alaska Gas and Oil Conservation Commission provide a formalized grievance process in which staff may receive an impartial review of any negative personnel action by an objective third party within the agency.

Agency Response:

This vehicle is already in place for our general government bargaining unit employees. Our exempt staff, on the other hand, are covered by the state's personnel rules.

To the extent that it is possible, however, we will use our existing structure to achieve an objective third party. We will issue an internal written policy that states if an employee has a grievance he or she will be asked to deal directly with the immediate supervisor. If the problem is not resolved at that level, then the employee will be encouraged to bring the problem to the attention of the commissioners. If the immediate supervisor is one of the commissioners, then the other two commissioners will be asked to address the problem.

- (6) I recommend that the Alaska Gas and Oil Conservation Commission revise the FY'92 budget request using "Zero Based" budget techniques to determine the agency's actual needs as defined by the mission statement, state law and current regulations. Use that information to finalize the budget submitted for the governor's consideration and discussions with the legislature.

Agency Response:

The commission submitted its FY'92 budget to the Department of Commerce per the department's instructions and policies prior to receiving this report. In that budget, the commission requested two increments. The first increment is for \$242,600. It will allow the commission [to] hire an additional two inspectors, provide another vehicle for their use on the North Slope, and pay for travel, per diem and training costs. The second increment is for \$30,000. It will fund necessary building maintenance, such as provide new paint and carpeting and sewer and heating repair. Money will also be directed toward securing a ground maintenance contract.

Over the course of the coming year, as we examine each program implemented by the commission, we will also examine funding requirements. Revisions to the budget will be requested when and where appropriate.

- (7) I recommend that the Alaska Gas and Oil Conservation Commission re-examine the agency's actions toward Mr. Minder in light of the findings and recommendations of this investigation.

Agency Response:

The commission relies heavily on its supervisory staff to structure as good a program as possible given its limited funding. It is now clear that Mr. Minder should have received additional supervisory training before being given program responsibility. Unfortunately this was not done, and the commission must assume responsibility for this failure. But, returning Mr. Minder to supervisory capacity at this time is not an appropriate remedy to this problem.

Instead the commission will give Mr. Minder expanded responsibility to develop a computer tracking program to use in the petroleum inspection program. In addition, he will be targeted for supervisory training, as well as program development and communication instruction.

Moreover, the entire staff will be set up on a training schedule, which will allow all employees to have some training in those areas where a need exists. The commission will also contact the Energy Resources Conservation Board in Alberta to obtain additional information about their inspection program. We also plan to become more involved with the Interstate Oil Compact Commission (IOCC), and have already attended a recent meeting of the IOCC executive committee.

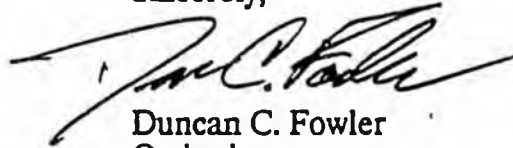
The findings and recommendations cited above will now remain the findings and recommendations of record in this case.

November 6, 1990

You have agreed to implement the recommendations to varying degrees. Additional changes and measurable standards applicable to the inspection program have yet to be fully identified. Further, such changes await additional funding to enable full implementation. Based on the commission's commitment to strengthen the inspection program and improve its personnel management system, I find the disposition of this case to be partially rectified at this time.

I appreciate the candid and cooperative attitude maintained by the commission throughout this investigation. The additional information provided in your written response to the preliminary report was most helpful. Please do not hesitate to contact Assistant Ombudsman Diane Shriner or me if you have questions or comments regarding the final report.

Sincerely,



Duncan C. Fowler
Ombudsman

DMS:pjc
Enclosure



State of Alaska
ombudsman

Duncan C. Fowler

PRESS RELEASE
OFFICE OF THE OMBUDSMAN
November 6, 1990

For more information call: Ombudsman Duncan Fowler
465-4970 (in Juneau)
(800) 478-4970 (toll free)

Subject: Oil and Gas Conservation Commission investigation

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Despite being the top oil-producing state in the country, Alaska's regulation of oil-field safety is lagging far behind that of other states and neighboring Canada, according to an investigation released by the Office of the Ombudsman today.

The 35-page investigation of the Alaska Oil and Gas Conservation Commission found that budget and staff reductions hurt the credibility of the commission's oil and gas well inspection program and compromised the investigative and regulatory function of the commission.

In the report, Ombudsman Duncan Fowler found: "By the regulatory standards established in Canada, California and other states, Alaska falls far short of providing a viable regulatory presence in field safety."

The report also found the commission acted unfairly in its reprimand of the inspection staff supervisor, Michael Minder, who wrote a memo critical of the current level of well inspections.

Minder's memo warned the commission that reducing the number of inspectors from five to three was having a serious effect on some safety programs. Only 27 percent of the blowout prevention equipment tests during 1989 were witnessed by commission inspectors. That compared to an 85 percent rate when there were five inspectors on the job.

"A lack of manpower together with budgetary constraints have reduced our exposure both on the North Slope and particularly in the Cook Inlet fields," Minder said in his memo.

The commission's reaction was to tell Minder not to have the report typed and to retrieve rough drafts given to the inspectors. When he failed to comply, he was reprimanded in writing and relieved of his supervisory duty.

The Alaska Oil and Gas Conservation Commission was established in 1978 to regulate the development and production of oil and gas and to ensure compliance with inspection and safety statutes. It is an independent arm of the Alaska Department of Commerce and Economic Development, which provides

administrative and budgetary oversight, but is not involved in commission policy matters. Members of the commission are appointed by the governor and confirmed by the legislature to six-year terms. Terms may be successive and without limit.

The three-member commission and staff of 18 are responsible for regulating 1,551 producing oil wells and 133 producing gas wells in Alaska. The commission also processes about 200 drilling permits and 1,000 well repair and other permits each year. About five new wells are expected to be drilled this year. The commission also has responsibility for the Underground Injection Control program, designed to protect underground sources of drinking water.

Despite this high degree of responsibility, the commission has suffered a 40 percent reduction in its operating budget in the past nine years. According to the commission, this led to the reduction of staff and the decreased visibility of inspectors.

Commission inspectors reported finding such problems as incorrectly installed equipment and even safety equipment incapable of functioning. Rig crews rely on the inspectors to order corrections in case the operator chose to ignore unsafe conditions. Inspectors were even unable to respond to requests by oil companies for scheduling information on when an inspector could be sent to the field to witness critical tests.

In contrast, the two federal agencies that regulate oil and gas wells on federal land in Alaska, the U.S. Bureau of Land Management and the U.S. Minerals Management Service, have a goal of witnessing 85 percent of blowout prevention tests on its wells and 100 percent of all well plugging and abandonment operations.

In Canada, 100 percent of the critical, high-flow, high-pressure or unusually deep wells are inspected and all critical tests witnessed, according to William Remmer, manager of field operations for the Energy Resources Conservation Board in Alberta.

The ombudsman report also looked at regulatory enforcement in California where the state has six field offices in the Department of Conservation, Division of Oil and Gas. State inspectors in California witness 100 percent of initial blowout prevention tests and well-abandonment operations.

The ombudsman investigation found that gains in industry compliance and cooperation achieved through a strong field presence are in danger of eroding because of declining surveillance. It concluded that the commission has knowingly allowed the level and kind of inspections to decline over an extended period of time.

Although budget reductions have been severe, the commission has been lax in requesting new positions or equipment. The commission has not strongly documented either its budgetary needs or the expected results of a larger budget, the ombudsman report concluded.

But in its response to the ombudsman's preliminary report, the commission defended its actions saying it was merely responding appropriately to budget cutbacks.

According to a letter from commissioners David Johnston and Lonnie Smith, the commission never intentionally wanted to reduce its inspection program and

In Mr. Chatterton's opinion, the oil and gas statute "prohibiting physical waste," was written to address economic, rather than environmental, issues. He stated during the investigative interviews:

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- (3) I recommend that the Alaska Gas and Oil Conservation Commission develop accurate internal standards to aid in measuring the performance of individual staff and the agency as a whole.

Agency Response:

Performance standards already exist for all staff. However, we will immediately commence a review of the current standards for each employee, and make changes where needed. This review will be done in consultation with the employee. Each employee will be asked to review his or her standards, and will be encouraged to provide suggestions and comments or to seek clarification as appropriate. Our goal will be to provide each employee with realistic, understandable and achievable standards within six months. These standards will then be used to gauge employee performance for annual evaluation or disciplinary purposes.

- (4) I recommend that the Alaska Gas and Oil Conservation Commission promote personnel policies which encourage all staff to provide constructive criticism and suggestions to improve agency functioning.

Agency Response:

Informally, this is already being done, and positive results are being obtained. For example, as we move closer to computer automation, all staff are being encourage to consider ways to improve their office functions through computerization; training will be provided where appropriate. Also, the petroleum inspection staff have already made recommendations for ways to improve the program, and they will be further consulted as we progress.

This openness policy will extend to staff meetings, which will be held more frequently to explain commission activities and policy decisions. Staff will also be encouraged to put suggestions in writing and to provide background information along with their analysis of the problem. The commissioners will reply in kind as appropriate. This policy will be formalized at the conclusion of this investigation.

- (5) I recommend that the Alaska Gas and Oil Conservation Commission provide a formalized grievance process in which staff may receive an impartial review of any negative personnel action by an objective third party within the agency.

Agency Response:

This vehicle is already in place for our general government bargaining unit employees. Our exempt staff, on the other hand, are covered by the state's personnel rules.

To the extent that it is possible, however, we will use our existing structure to achieve an objective third party. We will issue an internal written policy that states if an employee has a grievance he or she will be asked to deal directly with the immediate supervisor. If the problem is not resolved at that level, then the employee will be encouraged to bring the problem to the attention of the commissioners. If the immediate supervisor is one of the commissioners, then the other two commissioners will be asked to address the problem.

- (6) I recommend that the Alaska Gas and Oil Conservation Commission revise the FY'92 budget request using "Zero Based" budget techniques to determine the agency's actual needs as defined by the mission statement, state law and current regulations. Use that information to finalize the budget submitted for the governor's consideration and discussions with the legislature.

Agency Response:

The commission submitted its FY'92 budget to the Department of Commerce per the department's instructions and policies prior to receiving this report. In that budget, the commission requested two increments. The first increment is for \$242,600. It will allow the commission [to] hire an additional two inspectors, provide another vehicle for their use on the North Slope, and pay for travel, per diem and training costs. The second increment is for \$30,000. It will fund necessary building maintenance, such as provide new paint and carpeting and sewer and heating repair. Money will also be directed toward securing a ground maintenance contract.

Over the course of the coming year, as we examine each program implemented by the commission, we will also examine funding requirements. Revisions to the budget will be requested when and where appropriate.

- (7) I recommend that the Alaska Gas and Oil Conservation Commission re-examine the agency's actions toward Mr. Minder in light of the findings and recommendations of this investigation.

Agency Response:

The commission relies heavily on its supervisory staff to structure as good a program as possible given its limited funding. It is now clear that Mr. Minder should have received additional supervisory training before being given program responsibility. Unfortunately this was not done, and the commission must assume responsibility for this failure. But, returning Mr. Minder to supervisory capacity at this time is not an appropriate remedy to this problem.

Instead the commission will give Mr. Minder expanded responsibility to develop a computer tracking program to use in the petroleum inspection program. In addition, he will be targeted for supervisory training, as well as program development and communication instruction.

Moreover, the entire staff will be set up on a training schedule, which will allow all employees to have some training in those areas where a need exists. The commission will also contact the Energy Resources Conservation Board in Alberta to obtain additional information about their inspection program. We also plan to become more involved with the Interstate Oil Compact Commission (IOCC), and have already attended a recent meeting of the IOCC executive committee.

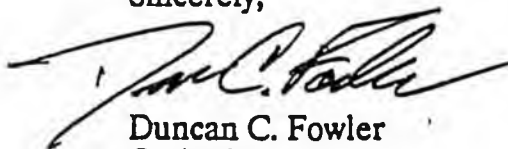
The findings and recommendations cited above will now remain the findings and recommendations of record in this case.

November 6, 1990

You have agreed to implement the recommendations to varying degrees. Additional changes and measurable standards applicable to the inspection program have yet to be fully identified. Further, such changes await additional funding to enable full implementation. Based on the commission's commitment to strengthen the inspection program and improve its personnel management system, I find the disposition of this case to be partially rectified at this time.

I appreciate the candid and cooperative attitude maintained by the commission throughout this investigation. The additional information provided in your written response to the preliminary report was most helpful. Please do not hesitate to contact Assistant Ombudsman Diane Shriner or me if you have questions or comments regarding the final report.

Sincerely,



Duncan C. Fowler
Ombudsman

DMS:pjc
Enclosure

ALASKA OIL AND GAS CONSERVATION COMMISSION

PRESENTATION TO THE WORKING GROUP

FEBRUARY 19, 1991

TABLE OF CONTENTS	Page
Overview of Statutory Responsibilities and Functions	1
History	3
Key Issues and Points of Information	5
Budget History	8
Statistics	9
Personnel Chart	10

ALASKA OIL AND GAS CONSERVATION COMMISSION

Overview of Statutory Responsibilities and Functions

The Alaska Oil & Gas Conservation Commission is an independent, quasi-judicial agency of the State of Alaska. It is established under the Alaska Oil and Gas Conservation Act, Title 31 of the Alaska Statutes; its regulatory authority is outlined in Title 20, Chapter 25 of the Administrative Code.

The Commission acts to prohibit the physical waste of crude oil and natural gas, ensure the maximum ultimate recovery, and protect the correlative rights of persons owning oil and gas interest in lands subject to Alaska's police powers. It also administers the Underground Injection Control (UIC) program for oil and gas wells in Alaska, and oversees metering operations to determine the quality and quantity of oil and gas produced in the state. The Commission holds hearings and/or adjudicates decisions, which require the combined expertise of geology and reservoir and petroleum engineering.

Physical waste can occur at the surface from the failure of surface and subsurface equipment or below ground from inappropriate reservoir management practices. Surface waste is prevented by reviewing each drilling proposal to ensure proper well design (i.e., casing/tubing program, cement program, casing setting depth, etc.), well control equipment (i.e., mud system, diverter, blow out prevention equipment, etc.) hydrogen sulfide detection equipment, well logging program, production practices, plugging and abandonment procedures, and to check for shallow geohazards and over-pressure zones. The Commission's field inspection staff then verify that operations are conducted in accordance with approved procedures and regulations.

Waste below ground has the potential for even greater impact to the state's economy as it directly determines the amount of oil and natural gas that will be recovered. It is prevented by ensuring proper reservoir management practices, and hinges on Commission decisions about well spacing, completion techniques, production rates, injection fluid type and rates, injection well pattern, gas/oil/water ratios, and pressure maintenance efforts. Findings and conclusions of the Commission are rendered in pooling rules and conservation orders.

Maximizing ultimate recovery goes hand-in-hand with preventing waste, but also requires detailed understanding of the physical parameters of the reservoir (i.e., porosity, permeability, stratigraphy, faulting,

reservoir pressure and drive mechanism, etc.), and its production performance over time (i.e., production decline curve analysis).

Protecting correlative rights (or the right of opportunity) is generally accomplished by establishing drilling units and by requiring the unitized operations of pools and plans of development.

UNDERGROUND INJECTION - DISPOSAL

The UIC program requires the Commission to verify the mechanical integrity of injection wells, determine appropriate injection zones and overlying confining strata, determine the presence or absence of freshwater aquifers and ensure their protection, and prepare quarterly reports of both in-house and field monitoring for the U. S. Environmental Protection Agency.

The Commission's metering functions verify the accuracy of crude oil sales meters used for royalty and severance tax determinations. In the field, Commission engineers and inspectors monitor water drawing and calibration of volumetric provers, and witness proving operations. In the office, meter factor calculations and fluid volume calculation are verified to ensure that correct temperature and pressure factors have been used.

In addition, the Commission also acts as Alaska's jurisdictional agency for the Natural Gas Policy Act as administered by the Federal Energy Regulatory Commission (FERC) and for qualifying enhanced recovery operations under the Windfall Profits Tax Act for the U. S. Treasury.

The Commission requires reports, data and material from operators ranging from drilling, testing and completion reports, production and injection volumes, well logs, cuttings, cores, maps, cross-sections, pressure and material balance reports, GOR reports, ownership and unitization agreements and development plans. Certain of these data are held confidential for a minimum of two years.

ALASKA OIL AND GAS CONSERVATION COMMISSION

History

The Alaska Oil and Gas Conservation Act (1955) created the Alaska Oil and Gas Conservation Commission. It was composed of the Governor of the Territory of Alaska, the Territorial Commissioner of Mines, and the Territorial Highway Engineer. Rules and regulations governing Commission activities became effective on October 1, 1958.

Under the State Organization Act of 1959, the Oil and Gas Conservation Commission was abolished, its function and authority transferred to the Department of Natural Resources, Division of Mines and Minerals. A group within the department was designated to hold hearings and issue decisions on oil and gas matters. This group was the Alaska Oil and Gas Conservation Committee which consisted of the Director of the Division of Mines and Minerals (Chairman), the State Petroleum Geologist, the State Petroleum Engineer, and the Deputy Commissioner of the Department of Natural Resources.

In 1968 the Division of Oil and Gas was created within the Department of Natural Resources. The new division arose from the Petroleum Branch of the Division of Mines and Minerals. The Alaska Oil and Gas Conservation Committee was placed within the new division, and consisted of the Director, Chief Petroleum Geologist and Chief Petroleum Engineer.

In 1976 the word "conservation" was added to the division's title, and it became the Division of Oil and Gas Conservation.

With the advent of production from Prudhoe Bay in 1977, the Legislature became concerned that there was the appearance of potential for a conflict of interest with the Department of Natural Resources, an owner of oil and gas rights, also acting as the regulator of other owners of oil and gas rights. To obviate its concern, the Legislature amended AS 31.05 by Chapter 158, SLA 1978 to restore the Commission, effective January 1, 1979, as an independent quasi-judicial agency within the executive branch of the state. Initially, the new Commission was housed within the Department of Natural Resources, but in 1980 it was transferred to the Department of Commerce and Economic Development.

The Commission continues to function as the regulatory agency overseeing the underground operation of the Alaska oil industry on private and public lands and waters. Its responsibilities include

regulation drilling and production of oil and gas to ensure that physical waste does not occur, protecting the correlative rights of mineral interest owners, and managing the Class II Underground Injection Control (UIC) program for oil and gas wells in Alaska as authorized by the U. S. Environmental Protection Agency on June 19, 1986.

The Commission compiles and maintains a data bank of drilling, production and reservoir statistics, including information on oil production, associated gas production, non-associated gas production, and injection volumes on an individual well, pool and field basis. Other data includes drilling permits, well histories, well logs, and public hearings testimony. Recently, the Commission acquired a new computer system which will be used to monitor oil and gas reservoir depletion in Alaska. The reservoir surveillance computer system will also allow the Commission to provide other state agencies with detailed reservoir information, including production decline estimates.

ALASKA OIL AND GAS CONSERVATION COMMISSION

Key Issues and Points of Information

Short Range:

As a preliminary matter, the Commission must stress that its role is regulatory, not policy setting. Issues facing the Commission, for the most part, are in response to events related to the exploration and development of the state's oil and gas resources.

1. New Commission Management: On August 1, 1990, the Commission's chairman since 1982 retired. Commissioner David W. Johnston was appointed the new chairman and Russell A. Douglass, formerly senior petroleum engineer was appointed commissioner on November 26, 1990. Governor Hickel reappointed Lonnie C. Smith to his third term as commissioner on January 23, 1991. The Commission will work closely with the new administration and legislature to ensure the best interests of the state are protected.
2. Field inspection program: Last year the Commission was investigated by the Office of the Ombudsman, who issued a report critical of the state's petroleum inspection program. The report concluded that the Commission had acted unreasonably in progressively reducing the oil and gas well inspection program to a level which compromises the investigative and regulatory functions of the Commission. Based upon our commitment to strengthen the inspection program and improve personnel management, the Ombudsman found the disposition of the case to be partially rectified.

Subsequent to the Ombudsman's investigation, Representative Cliff Davidson requested the Division of Legislative Audit to do a performance audit of the Commission. That audit is currently ongoing.

3. Underground Injection Control (UIC) Program: The Commission is currently involved in discussions with the U.S. Environmental Protection Agency (EPA) concerning the types of fluids that can be injected in a Class II well for either disposal or enhanced oil recovery purposes. Disagreement centers on the need for and extent of fluid sampling requirements, and interpretation of the Safe Drinking Water Act (SDWA) and the Resource Conservation

and Reclamation Act (RCRA). Resolution of the matter is anticipated during 1991.

4. Litigation: Litigation has arisen over Conserv. Order #254. The order established a 640-acre drilling unit for the Mike Pelch #1 well (formerly Cannery Loop #2). The owner of the Mike Pelch well objects to CO #254 because it did not force pool the interests of the mineral owners within the drilling unit. The Commission concluded that forced pooling was not yet appropriate because no evidence was presented at the hearing to show that voluntary efforts to reach an equitable agreement had failed. Production from the well may not occur until a voluntary agreement is reached or, if voluntary efforts fail, until the Commission holds a public hearing and issues an order involuntarily integrating the interests of the mineral owners.

Long Range:

1. Surface Commingling of Production: As new, marginal fields on the North Slope are brought closer to development, additional attention will be drawn to issues surrounding the surface commingling of production from separate reservoirs. The advantage of commingling is the sharing and full utilization of production facilities, the downside is the possibility of less certainty for the state in determining if the separate reservoirs are being managed properly. The departments of Revenue and Natural Resources will also be concerned because of royalty and revenue implications. Determining suitable well testing and allocation methods will be a key in resolving commingling issues.
2. Pooling Rules: The Commission will be holding pooling rules for the Walakpa gas accumulation and the Sag Delta North oil accumulation in March. We anticipate establishing pooling rules for Pt. McIntyre, Niakuk, and W. Sak reservoirs during the next two to three years. Revisions to existing pooling orders also will likely occur for certain Cook Inlet fields.
3. Bonding: Currently, the Commission requires a bond (\$100.0/\$200.0) of each operator to offset some of the liability for lack of performance, proper abandonment, or repair of wells causing waste. These bond amounts may no longer be sufficient to cover costs of remedial work.

Bonding problems may also arise from bankruptcy proceeding of several small Alaska operators. The Commission will attempt to protect the bonds (certificates of deposit) from creditor distribution under the proceedings. It is likely that the Commission will be forced to use the bonds, along with additional funds, to plug and abandon wells drilled by these persons.

Legislative Issues:

Aside from confirmation proceedings and the move to DNR, the Commission does not foresee the need for any near term legislative action nor does it anticipate any legislative issues arising during the immediate future that would directly involve it.

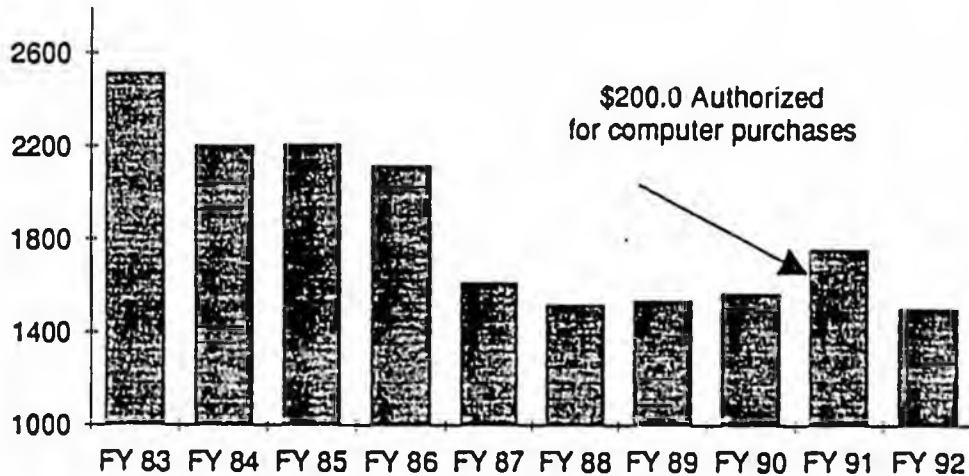
ALASKA OIL AND GAS CONSERVATION COMMISSION

Budget History

The following table and chart summarizes the Commission past budgets, which have been reduced 40 percent since 1983. The increase in equipment money in FY'90 and FY'91 was for the purchase of a reservoir surveillance computer system.

APPROPRIATED MONIES

<u>FY</u>	<u>100</u>	<u>200</u>	<u>300</u>	<u>400</u>	<u>500</u>	<u>TOTAL</u>	<u>Staff</u>
'83	1518.8	120.2	847.6	23.6	4.0	2514.2	27
'84	1411.6	102.1	665.1	21.7	3.0	2203.5	25
'85	1508.5	194.2	477.7	20.5	6.4	2207.3	26
'86	1548.1	193.0	348.9	21.7	5.4	2117.1	26
'87	1362.4	98.0	135.4	18.1	0.0	1613.9	25
'88	1280.2	98.0	127.4	13.0	0.0	1518.6	23
'89	1307.7	88.0	127.4	13.1	0.0	1536.2	23
'90	1271.3	72.5	161.8	13.1	50.0	1568.7	22
'91	1310.0	72.5	161.8	13.1	200.0	1757.4	21
'92	1314.2	49.6	126.7	13.1	0.0	1503.6	20



ALASKA OIL AND GAS CONSERVATION COMMISSION

Statistics

Application for Sundry Approvals (Form 10-403)

1987	731	approved
1988	991	approved
1989	1,017	approved
1990	907	approved
1991	45	approved

Permits to Drill (Form 10-401)

1987	137	approved
1988	158	approved
1989	133	approved
1990	173	approved
1991	18	approved

Conservation Orders Approved

1987	1	Area Injection Order
1987	5	Disposal Injection Orders
1987	1	Aquifer Exemption Order
1987	13	Conservation Orders
1987	1	Conservation File
1988	4	Conservation Orders
1988	1	Conservation File
1989	1	Disposal Injection Order
1989	1	Aquifer Exemption Order
1989	9	Conservation Orders
1990	16	Conservation Orders
1991	6	Conservation Orders
1991	1	Storage Injection Order

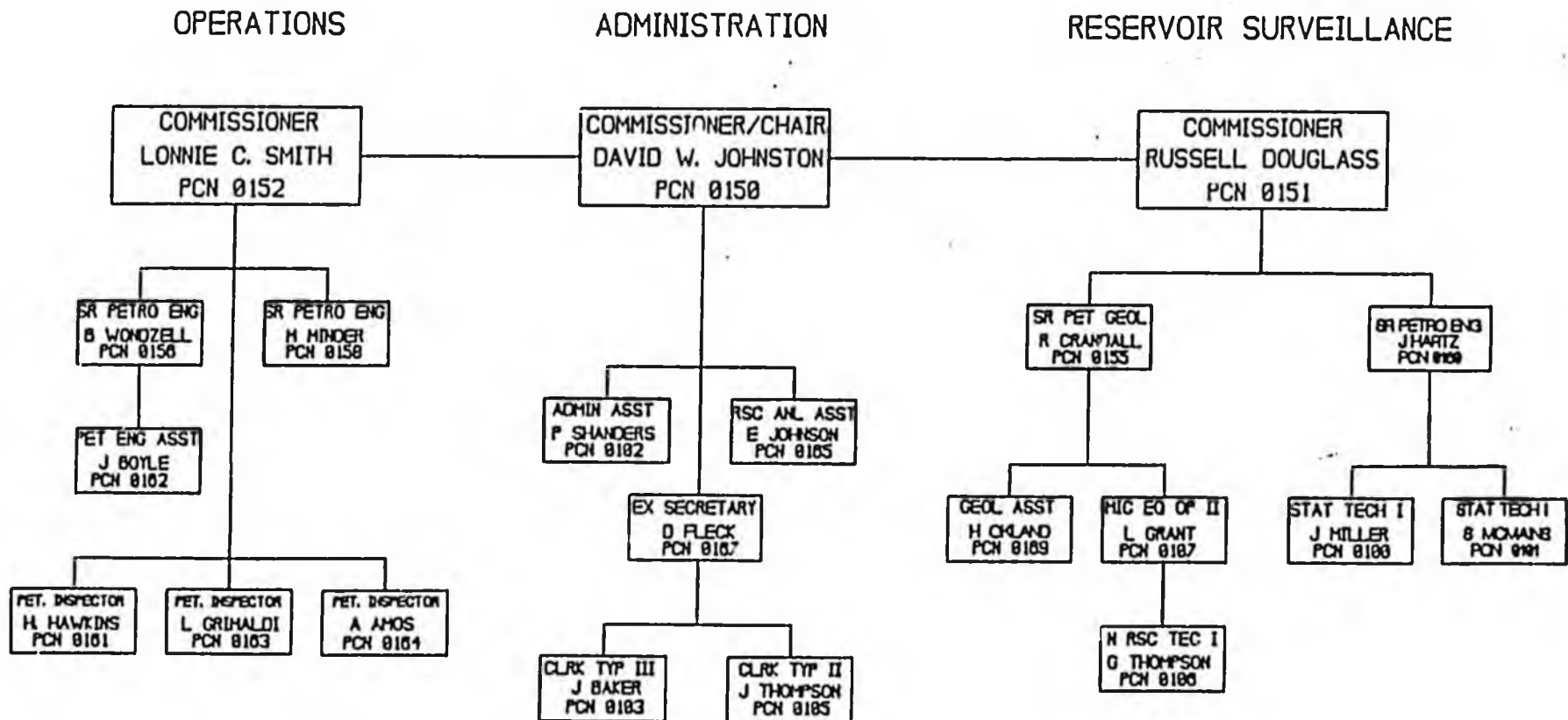
Public Hearings Held

1987	4 plus 1 pre-hearing
1988	0
1989	2
1990	4

ALASKA OIL AND GAS CONSERVATION COMMISSION

ORGANIZATIONAL CHART

FEBRUARY 1991



Alaska lags behind in oil-field safety

Budget cutbacks hurt commission's inspection program

Despite being the top oil-producing state in the country, Alaska's regulation of oil-field safety is lagging far behind that of other states and neighboring Canada, an ombudsman investigation found.

The 35-page investigation of the Alaska Oil and Gas Conservation Commission found that budget and staff reductions hurt the credibility of the commission's oil and gas well inspection program and compromised the investigative and regulatory functions of the commission.

The case also demonstrated how critical examination and cooperation with ombudsman recommendations can help an agency identify areas for improvement. The outcome of the investigation also illustrated the effectiveness of Alaska's new Whistleblower's statute.

When it was over, the ombudsman investigation had helped the agency redefine its mission while protecting the interests of the person who made the complaint.

Established in 1978, the three-member Alaska Oil and Gas Conservation Commission and staff of 18 are responsible for regulating 1,551 producing oil wells and 133 gas wells in Alaska. The commission also processes about 200 drilling permits and 1,000 well repair and other permits each year.

Despite these important responsibilities, the commission had suffered a 40 percent reduction in its operating budget over the past nine years. According to the commission, this led directly to the reduction of staff and the decreased visibility of inspectors.

During this cutback period, inspectors in the field reported finding serious problems such as incorrectly installed equipment and safety equipment that was incapable of functioning. Inspectors were even unable to respond to requests by oil companies for an inspector to be sent to the field to witness critical tests.

The ombudsman investigation contrasted Alaska's inspection program with federal inspection programs as well as those in California and Canada. It found that gains in industry compliance and cooperation achieved through a

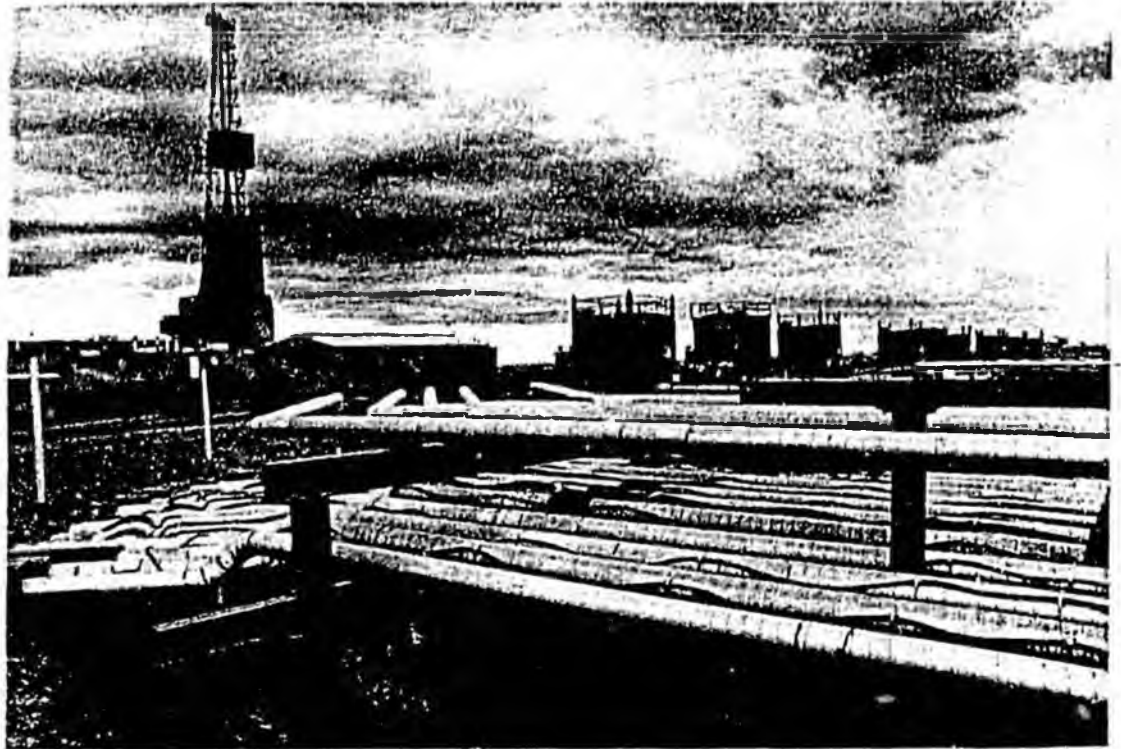


Photo by Mark Kelley/Jones Empire

The Alaska Oil and Gas Commission is responsible for regulating 1,551 producing oil wells and 133 gas wells in the state.

strong field presence are in danger of eroding because of declining surveillance by the state.

Although budget reductions were severe, the commission had been lax in requesting new positions or equipment. The commission did not strongly document either its budgetary needs or the expected results of a larger budget, the report concluded.

After including commission comments and responses in the final report, Ombudsman Duncan Fowler recommended that the commission clarify its regulatory role over oil and gas activity in Alaska, strengthen its inspection program and improve its personnel management system. It also suggested that reinstating quarterly and annual reports would provide the oil industry, government and the public with some measurement tools to evaluate the performance of the commission.

While some of the recommenda-

tions would require additional funding, the commission agreed, in large part, to implement the recommendations in the report.

The report also found the commission acted unfairly in its reprimand of the inspection staff supervisor, Michael Minder, who wrote a memo critical of the current level of well inspections.

Minder's memo warned the commission that its reduction in the number of inspectors was having a serious effect on some oil-field safety programs. The commission's reaction was to tell Minder not to have the report typed and to retrieve rough drafts given to the inspectors. When he failed to comply, he was reprimanded in writing and relieved of his supervisory duties. He then called the ombudsman's office.

While he was in the precarious position of complaining about the actions of his bosses, Minder was protected by AS 39.90.100, the Whistleblower Act.

People who file complaints with the ombudsman's office or who give evidence and information during an investigation are covered. This act states that a public agency may not discharge, threaten, or otherwise discriminate against an employee, a contractor or a citizen because the person participates in an ombudsman investigation.

In a Nov. 8, 1990 story about the ombudsman investigation in the Anchorage Daily News, Minder said he has no regrets:

"I felt I had a responsibility," Minder said of blowing the whistle. "I feel there's certain ethics a person has in a job he assumes, and a stewardship, not just toward the individuals he is working with, but to the organization. I could have kept my mouth shut. I had everything to lose and nothing to gain. And maybe that's why I did win - not win, but get things turned around. Because I had nothing to gain. Now I feel good about it, and I'd do it again."

Confirm.

P. Buist

Big Game

... Services

Board - 3/25/92

Peter R. Buist

ADDRESS: Box 71561, Fairbanks, Alaska 99707
(Residence: 4 1/2 Mile Old Steese Hwy)

BORN: February 15, 1950

SPOUSE: Janice Buist, Recruiter, Fairbanks Memorial Hospital

EDUCATION: Dual degree, B.S. - Forestry, SUNY College of Environmental Science and Forestry, B.S. - Biology, Syracuse University. 1968-1972

ACTIVITIES: Boy Scouts of America - Rank of Eagle in 1965 (currently a Scoutmaster), 4-H (Forestry and Horse projects) Rank of Top Hand, 1966, hunting, photography, fishing, trapping.

EMPLOYMENT:

Jan. 1991 to Present. Natural Resource Officer II, Alaska Dept of Natural Resources, Northern Region, Operations Section. Adjudication of lease applications, preference rights, land exchanges, special projects. Supervisor - Nancy Welch.

1986-1991. Natural Resource Officer II, Alaska Dept of Natural Resources, Northern Region, Information Section. Primary responsibility for information counter and public room. Additional duties in public relations, media appearances and records management. Additional duties seasonally as the State's spokesman in wildland fire management. Supervisor - Nancy Welch

1979-1986 Natural Resource Officer II, Alaska Dept of Natural Resources, Northern Region, Information Section. Supervisor of Information Section (up to 6 employees) including public information, public relations and records management. Additional duties as the State's spokesman in wildland fire management. Supervisor - Bill Copeland/Jerry Brossia.

1977-1979 Land Management Officer II, Alaska Dept of Natural Resources, Northcentral District, Water Section. Responsible for adjudication, administration and field inspection of all material sales on state land in northern Alaska, including the Prudhoe Bay Development Area. Additional duties working with issuance of water rights, navigability issues. Supervisor - Meg Hayes.

1977 (seasonal) Forest Warden, Alaska Department of Natural Resources, Alaska Division of Lands (currently, Division of Forestry) Northcentral District. Presuppression and prevention program development; issuance of burn permits for Railbelt Area north of Cantwell. Supervisor - Les Fortune.

1976 (seasonal) Equipment Operator. Bureau of Land Management, Division of Fire Control (currently, Alaska Fire Service). Equipment operation, vehicle and driver dispatch, light

maintenance. Supervisor - Randy Smith

1975-1976 (seasonal) Trapper, self employed.

1975-1991 (seasonal) Registered Guide-Outfitter. Clearwater Outdoor Services. This is a business owned and operated by myself. It is a tourist business, primarily hunting, hosting 5-15 clients per season. I generally supervise 4-8 people, including cooks, guides, packers and pilots.

1972-1975 Active Duty, U.S. Army, Operations Sergeant, Ft Wainwright, AK. Researched and wrote Environmental Assessments for Military Maneuvers as the military liaison with the public land management agencies. Worked with BLM and USFS on Joint Timber Inventory. Supervisor - Major Phillip Walbom.

1971-1972 (seasonal) Park Ranger, National Park Service, Delaware Water Gap National Recreation Area, Bushkill, PA. Program development and administration of environmental education center and vocational farm/school. Additional duties in law enforcement, wildland fire management, traffic control, etc. Supervisor - Ray Fauber.

1970 (seasonal) Foreman. RCR Farms, Branchville, NJ. Supervisor - Dr. Robert Rost, DVM.

1968 (seasonal) Trail Maintencenceman, National Park Service, Yellowstone, WY. Trails layout, construction and maintenance in backcountry areas. Supervisor - Buster Hughes

PUBLISHED: Alaska's Wildlife, New York Conservationist, Alaska Magazine, North American Hunter, Conservation Educator.

BOARDS:

Alaska Guide Licensing and Control Board. Appointed by Governor Cowper, April 1988.

Governor's Task Force on Guiding and Game. Appointed by Governor Cowper, July 1988.

Alaska Wildlife Federation (past statewide President)

Alaska Trappers Association (past President, 2 terms)

Fairbanks Advisory Committee (to Bds of Fisheries and Game) 5 terms

MEMBERSHIPS:

Boy Scouts of America Tanana Valley Sportsmans Association
 Audubon Society - Arctic Chapter Pope and Young Club
 Foundation for North American Wild Sheep
 Alaska Professional Hunters Association
 National Rifle Association

Confirm.

S. Entsminger

Big Game...

... Board

3-25-92

RESUME OF SUSAN ENTENINGER
MILE 91 TOK CUTOFF, VIA TOK, AK 99790

A) PROFESSIONAL LICENSES

1982 - present Alaska Fur Dealers License
1976 - present Alaska Business License (Wilderness Taxidermy '76-'85),
(Wilderness Creations '85 -present) partnership with Frank Enteninger
1983, '84, '86, '89, '90, '91 Herring Beach Seine Permit Norton Sound
1983-'84 Roe & Kelp Permit, Bristol Bay
1981-'84 Commercial Fishing Crew members license
1973-present All Hunting, Fishing & Trapping license

B) EDUCATION

1) Formal

1988, '90 Video Editing classes Prince William Sound Community College
1985 University of AK Ext. Ser. computer class
1977&'80 University of AK-Fairbanks journalism class
1965-'69 Newport High School, Newport, PA
1957-'65 Newport Union School, Newport, PA

2) Informal

1977 -present. I am a trapper with my husband. We successfully have trapped wolves, marten, beaver, muskrat, mink, wolverine and fox. I've worked with a known experienced wolf trapper to learn more about the methods of taking wolves. We live near Mentasta Village and have learned many interior Athabascan ways. I trapped muskrats and hunted with my native friends. I've helped with native potlaches. I've made skin garments for the people of Mentasta, a wedding dress for one and many skin dresses for native dancers and contestants in competition. I've lived without electricity since 1975 gaining an appreciation for a unique Alaskan lifestyle. Utilizing game for food and living away from people has shown me what a huge dependence we have upon natural resources. For the benefit of all, I care deeply that we use the best stewardship for our resources, now and in the future.

1973 to present. I've hunted and traveled throughout Alaska, including the North Slope, Brooks Range, Alaska Peninsula, Southeast, Western Alaska and the Interior. I've been successful in taking Dall sheep, moose, caribou, goats, Sitka black-tailed deer, grizzly, black bear musk-ox and small game. My family and I hunt for food and the outdoor experience. My respect for wildlife is genuine. We share game meat with our native friends when we have extra. From my farm experience in PA, I've learned to utilize every edible game part including head meat, innards, and bones for soup broth. Our family eats grizzly and black bears. I render the fat to use in frying, breads, cakes, and cookies. We have a large garden which we put up about all of our own vegetables. All winter, we are out running our traplines. My husband and I spend approximately three months a year afield. Frank, my husband, has studied wildlife in Alaska since 1962 for his taxidermy work and more recently for his bronze sculptures. I feel fortunate to have learned the wilds from a veteran. We taught our two sons this lifestyle.

1961-'73 I learned to hunt in Pennsylvania for small game, water fowl, and deer. My father started me hunting at age ten. He taught me respect of wildlife and utilization to it's fullest.

1961-'70 Junior member of NRA Rifle Club, Newport, Pa. I recieved my hunter safety training, competed in small bore still target shooting, and competed with larger caliber rifles at running deer shoots. I earned awards for best shot in the club twice, was rated Sharpshooter (7 awards), and took all female competitive running deer shoots.

1951-73 Born and raised on a dairy farm where my parents taught me how to hunt and how to utilize every edible part of animals. We used pig casings to stuff sausage, pig stomach to roast and all bones including deer were boiled off for soup stock.

C) COMMUNITY SREVICE POSITIONS

1987- 3/'91. Board member on the Alaska Outdoor Council

1985-present. Board member Tok Shooters Association

1979- present Founder & Member of Slana Alaskans Unite Currently board member.

1982-present Representative for the Tok Shooter Association and Slana Alaskans Unite to the Alaska Outdoor Council. Though our local clubs are not in total agreement with AOC, particularly concerning resolution of the subsistence issue, I believe representation is very important. With the increase anti-hunter pressure we must have some organization fighting for hunting, fishing, and trapping for all.

1980-1989 Election Chairman for Mentasta Voting Precinct.

1979-present Beginning founder and member of Slana Alaskans Unite

In, 1965, I was elected to represent the organization on the wolf control issue.

1989-present - treasurer of SAU

1979-1989 Member, Tok Cutoff-Nabesna Road Fish and Game Advisory Committee.

1976-'83 Chairperson, Tok Alaskans Unite Steering Committee. Main thrust of Tok Alaskans Unite was to insure that Eastern Interior residents were not adversely effected by d-2 legislation and subsequent federal regulations as they applied to hunting, fishing, trapping, and access in the Wrangell-St. Elias Monument, later Park and Preserve. Entailed extensive travel, including several trips to Washington DC working with Senators and Representatives.

1970-'73 Sunday School Advisor and teacher

1968-'69 President Newport High School Senior Class

1960's 4-H leader, Church Youth Group Leader, President of local NRA Club including other offices

D) EMPLOYMENT HISTORY

1976-present Self-employed. Partner in Wilderness Creations & Taxidermy, Inc. Flesh hides and prepare skins for mounting. Make forms, assist in casting forms sculptured by Frank. Keep business records of income and expenditures, post books, file, order supplies, and handle correspondence. Expanded business in 1978 to include fur sewing. Trap own furs and purchase others. Prepare furs, create patterns, and sew hats, mittens, parkas, mukluks, and ruffs plus novelty items. Initially sewed all by hand, recently with a treadle fur sewing machine. Travel extensively throughout Alaska to sell inventory. This includes spending a great deal of time at bazaars and manning a booth at the Anchorage Fur Roney. 1983, '84, '88,-present Beachseine herring in Norton Sound, seasonal.

1981-'84. Seasonal- Crew member on commercial fishing boats Heidi II and Amy Lee in Bristol Bay and Norton sound. Worked drift gillnet for salmon and herring including picking fish, delivering catch to tenders, with duties 20 hours per day during the peak. Picked kelp with roe.

1985, '88, '89 Summer volunteer work for four days at a time on a well used sheep lick. Assisted State Sheep biologist, Wayne Heimer, Ak Dept of Fish and Game to count and classify sheep.

1980 (April to June) Secretary- Veco, Inc. Prudoe Bay. Secretary to foreman of a heavy equipment maintenance shop.

1975, '80, '81 Seasonal -Worked as camp cook for registered guides in both central and eastern Brooks Range. Flashed capes and performed camp chores to assure comfort of clients.

1975-76 Form Maker - Northland Taxidermy, Fairbanks. Flashed animals and made paper-mache forms.

1975-77 Waitress - Club 11, Fairbanks, Ak.

1971-73 Bank Teller- Dauphin Deposit and Trust Co., Harrisburg, PA.

1968-73 Waitress work at several diners and a nightclub .

1951-73 Born and raised on a dairy farm southcentral Pa. At age six, my father started me out carrying milk from the barn to the milkhouse. The older I became, the more work duties I assumed. I helped with the milking one week on and one week in the house doing dishes for a family of seven. (I preferred barn work) I helped clean stables, haul manure, feed cows, throw hay, straw & silage. Each summer I helped with haying, I ran tractors, haybailers, pitched hay bails from wagons to elevators, stacked hay in the hayloft. I helped with silage cutting. I drove tractors and forked silage into elevators. We bailed three crops of hay and one crop straw. We worked long hours. I gathered and washed eggs from our chickens until they were sold in 1959. I helped mom with her garden. We put up all our own vegetables. We grew large quantities of corn and potatoes. My parents taught me the realities of life. We learned to work to earn a living. We learned that vegetables come from hard work of a gardener, meat from slaughtering animals, milk from a cow, and eggs from a chicken.

E) ORGANIZATIONS

Life Member of the National Rifle Association. Associate Member of North American Hunting Club, Foundation of North American Wild Sheep, Tok Shooters Association, and Slans Alaskans Unite. Trustee Alaska Fish and Wildlife Conservation Fund.

F) HOBBIES

Hiking, photography, video editing, carpentry, gardening, trap & silhouette shooting. Hunting, fishing and trapping are my way of life and my love, not just a hobby.

Confirm. T.

Scarborough

Big Game

... .. Board

3-25-92

Mc. 1212

THOMAS N. SCARBOROUGH
CONSULTING ENGINEERS AND LAND SURVEYORS
1676 TAROKA DRIVE
FAIRBANKS, ALASKA 99709
(907) 479-6602

AMPLIFIED RESUME

EDUCATION

1960 to Present

B.S. in Civil Engineering, 1960
South Dakota State University
Miscellaneous:
Professional seminars for
construction, quality control,
contract administration,
construction claims, land surveying
value engineering, management and
supervision.
Arctic Engineering 1 and Control
Surveys, University of Alaska
Registered Civil Engineer, State
of Alaska, No. 1857-E
Registered Land Surveyor, State
of Alaska, No. 3205-S

PERSONAL

Born: 25 August 1938, Pierre, S.D.
Appearance: Height 5'7", Weight 180 lbs.
Married: 1962, Judy A. Scarborough
Children: Two; Daughter, Joan age 28,
Son, Brian age 27
Health: Excellent, no physical limitations
Residence: Owns home near Fairbanks
Hobbies: Hunting, fishing, do-it-yourself
projects

Professional Affiliations American Society of Civil
Engineers, American Society of
Professional Engineers, Alaska
Society of Professional Land
Surveyors,

Other Affiliations Alaska Wildlife Federation and
Outdoor Council, Tanana Valley
Sportsmen's Association, National
Rifle Association, Totem Park
Church of The Nazarene

(2)

Amplified Resume, Thomas N. Scarborough cont.

EXPERIENCE

September 1960 to June 1970

Design and construction management with U. S. Army Corps of Engineers. Six years experience in Alaska.

July 1970 to December 1971

Project Manager for Private Mechanical (general) contractor, Fairbanks, Alaska

January 1972 to Present

Owner of Scarborough & Associates, Consulting Engineers and Land Surveyors:

Responsible for administration of all engineering, surveying, and administration functions of firm.

Scope of work performed includes: Cadastral and construction land surveying; subdivision of state and private lands; highway and airport layout; review of contract documents for design completeness and compliance with local codes; onsite water and waste water system design and evaluations; construction claim consultation, preparation and review; shop drawing review; quality control; project management; and environmental research.

Confirm.

T. ELIAS

Brd. of Fish

4-1-92

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RESUME OF THOMAS M. ELIAS

I WAS BORN JANUARY 19TH. 1949 IN ST. PAUL. MN.

EDUCATION;

GRADE SCHOOL	PRSPERITY HEIGHTS	ST. PAUL, MN.
JUNIOR HIGH	SACRED HEART	ST. PAUL, MN.
HIGH SCHOOL	HILL HIGH SCHOOL	ST. PAUL, MN.
COLLEGE	MANKATO STATE UNI.	MANKATO, MN.

BS DEGREE IN SOCIOLOGY

WORK HISTORY

1971 OWNER OF THE DRAKE BAR IN NICOLLETT. MN. BEFORE I GRADUATED FROM COLLEGE. OWNED THE BAR FOR THREE YEARS. I STARTED TAXIDERMY AS A HOBBY IN 1970 WHILE TENDING BAR AND GOING TO SCHOOL. IN 1974 I MOVED BACK TO ST. PAUL AND WORKED FOR MY FATHER FOR A WHILE IN HIS SEWING MACHINE BUSINESS WHILE BUILDING MY TAXIDERMY BUSINESS PART TIME. IN 1976 I WENT INTO TAXIDERMY FULLTIME IN PRIOR LAKE, MN. I STAYED THERE FOR THREE YEARS BEFORE MOVING TO AITKIN, MN. IN 1979. WHILE IN AITKIN I HAD A FULL TIME TAXIDERMY SHOP AND ALSO TAUGHT TAXIDERMY AT THE INTERNATIONAL SCHOOL OF TAXIDERMY IN NISSWA. MN. IN 1979 I WAS ELECTED PRESIDENT OF THE MN. TAXIDERMY GUILD AND HELD THAT POSITION UNTIL I MOVED TO ALASKA IN 1983. I MOVED TO ALASKA TO PURCHASE HUNTER FISHER TAXIDERMY AND AM NOW RESIDING IN ANCHORAGE. WHILE IN ALASKA I BECAME INVOLVED IN THE ALASKA SPORTFISHING ASSOCIATION. I WAS ELECTED PRESIDENT OF THE ASA IN 1985 AND CURRENTLY HOLD THAT OFFICE TODAY.

HUNTER FISHER TAXIDERMY INC. HAS BEEN AN ALSAKAN COMPANY FOR 28 YEARS SPECIALIZING IN FISH MOUNTING. I ALSO OWN ARTISTIC ANGLERS IN NISSWA, MN. WHICH IS MY GRAPHITE REPRODUCTION COMPANY.

I FEEL I WOULD BE A GOOD REPRESENTATIVE ON THE BOARD OF FISHERIES BECAUSE OF MY INVOLVEMENT IN THE ALASKA SPORTFISHING ASSOCIATION AND THE COOK INLET FISHERIES COALITION, WHICH I HELPED TO FORM.

I WOLUD WELCOME THE CHANCE TO INTERVIEW AT ANY TIME FOR THIS POSITION.

SINCERELY;

T. M. Elias

THOMAS M. ELIAS