


ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7193 HOUSE RESOURCES

STATE OF ALASKA
House of Representatives
District 27

Representative Cliff Davidson
Chairman
House Resources Committee



Box V, Juneau, AK 99811
(907) 465-2487
Box 746, Kodiak, AK 99615
(907) 486-8250

TO: House Resources Committee members
FROM: Representative Cliff Davidson 
DATE: 31 March, 1992
SUBJECT: House Bill 566 - Exxon Valdez educational endowment

As part of House Bill 411 which appropriates the \$50 million in Exxon Valdez settlement money, \$3 million is currently allocated to the Alaska Science and Technology Foundation for the purpose of educational grants to promote environmental awareness and monitoring and for related marine pollution and coastal habitat education.

House Bill 566 has been broadly supported by education groups, tourism groups and others. In order for the \$3 million endowment included in HB 411 to be implemented, House Bill 566 must pass as well.

The need for the endowment created by HB 566 has become quite evident over the past few weeks. Many individuals have expressed an interest in assisting smaller scale educational programs and citizen-based educational programs over large projects. This is also in keeping with the relatively small sums of money potentially generated by a \$3 million dollar endowment. As such, I have prepared a draft CS for the committee's consideration today that reflects those concepts.



KCHU
Terminal Radio, Inc
PO Box 467 • Valdez, Alaska 99686 • (907) 835-4665 • FAX 835-2847

Representative Cliff Davidson
Capitol Building, Room 108
Juneau, Alaska 99811

March 2, 1992

Dear Representative Davidson,

I would like to offer the thanks of the KCHU, Valdez Board of Directors and membership for your sponsorship of HB 411. KCHU is also very pleased to have the opportunity to provide input to the bill. Most important and pertinent here was the provision for the funding of educational projects. Section 6 of the bill includes funding for "grants for environmental education projects related to the Exxon Valdez oil spill and coastal studies". Public information is the sine qua non of any plan for public involvement in the activities of the Trustees Council for the Exxon Valdez Settlement. An informed public makes good decisions and public radio is an integral part of Alaska's information network.

Since March 1989, the numerous social, environmental and political effects of the spill have consumed a sizeable portion of the time and energy of the Valdez/Cordova, Homer and Kodiak public stations. The story continues to be of primary interest to the residents of affected areas. Through the services of the Alaska Public Radio Network, a steady stream of oil spill news and information has been made available to virtually all interested Alaskans. Some, however, still do not have such access. Last week, I received a request from Gail Evanoff of Chenega Bay Corporation for access to KCHU and public radio.

Unfortunately, due to substantial cuts in State of Alaska funding for public broadcasting, the ability of local stations and of the network to respond to requests for service from isolated communities and to provide essential information has been considerably reduced. The residents of Chenega Bay are the most spill impacted population and get no public radio signal. They have little access to news of the trustees or the activities of the Legislature or the Governor that closely affect their lives. Yet the need for public information and public education remains very high.

Community licenced radio stations in spill-impacted areas have been the primary provider of oil spill information and education, to the very limit of their resources, for almost three years. This coverage has been very costly and early on nearly bankrupted KCHU. The cost to the other stations is a burden that becomes daily more difficult to carry. KCHU, Valdez, KMXT, Kodiak, KDBI, Homer and APRN continue to be the logical vehicle for the collection and dissemination of this information. They are also a legitimate recipient of funding through this legislation.

The activities of the Trustees Council and the proposed public advisory group that will aid the trustees are not big news outside of spill affected areas. This is no longer a glamorous story commanding national and international attention. But to folks like the residents of Chenega Bay and Cordova, of English Bay and Homer, news of the settlement and restoration process is vital. What is decided in this process will, in large measure, determine their quality of life for years to come. The residents of spill affected areas need direct access to the decision making process and public radio, properly funded, can and will provide that access.

Three million dollars has been earmarked in HB 411 for education. Please consider the allocation a portion of those funds, \$500,000, directly to public radio in Valdez, Homer, Kodiak and to the Alaska Public Radio Network, which links the other 25 stations across the state. During the spill, the greatest limitation to news coverage was the lack of a satellite uplink facility in Valdez, making coverage of breaking events difficult and greatly degrading the audio quality of the reports. APRN has been working to acquire a mobile satellite uplink. Federal funds have been secured for the project pending appropriate matching money. We would recommend that \$50,000 be allocated for purchase of the uplink, supporting equipment and installation. The uplink project directly benefit the spill-impacted areas and could be quickly deployed in response to other emergencies, in Prince William Sound, or elsewhere in the state.

The remainder of the allocation, \$450,000, would be conveyed to the three individual stations based on the degree to which their area has been directly affected by the spill, by the clean-up and by ongoing environmental, social and political concerns. These funds would be reserved for news coverage and educational reporting in environmental, natural resource and oil spill interest areas. Structured as endowments, these disbursements and accrued interest would be parcelled out over a period of no less than five years for oil spill, environmental and natural resource reporting. \$250,000 would go to KCHU, Valdez and \$125,000 each to KBBI, Homer and KMXT, Kodiak. A small portion of the KCHU endowment, \$10,000, would be used to install a translator in the village of Chenega Bay.

In summary; the \$500,000 appropriation would be divided between the Alaska Public Radio Network and the three public stations in the spill-affected areas with \$50,000 for APRN, \$200,000 for Valdez and \$125,000 for both Kodiak and Homer. The funds for APRN will be used as matching monies for a federal grant to purchase mobile satellite uplink. The disbursements to the three stations will be in the form of endowments to provided news and educational reporting for oil spill, natural resource and environmental issues.

Representative Davidson, the stations of the Alaska Public Radio Network stepped in to provide superlative coverage of the March 24th, 1989 oil spill. In the months and years since, these same stations have continued to keep the citizens of Alaska informed of the many, many complex issues arising from the spill. But, our ability to effectively cover this ongoing and important story has been greatly diminished. 95% of Alaskans have access to public radio. There is simply no better way to reach all those who need to know. Please help us to continue doing the kind of job that listeners and voters all over the state have come to expect.

Sincerely,



James Winchester
General Manager



BIRD TREATMENT AND LEARNING CENTER

P.O. BOX 230496

ANCHORAGE, ALASKA 99523

The Bird Treatment and Learning Center would like to be considered for a portion of the funds allocated in HB411, specifically those funds which provide for environmental education projects related to the Exxon Valdez oil spill. We are requesting \$200,000. to match existing funds to secure complete ownership of the property overlooking Potter's Marsh in Anchorage, for the future home of our permanent facility. This site will give us an opportunity to add a broad variety of environmental education topics into our existing educational program that are not currently available through any single source in Alaska. Through joint efforts with the Alaska Department of Fish and Game, our facility can be the location for the State Hunter Education and Wildlife Education Programs, which currently have no specific location due to budget cutbacks in their departments. Another exciting development as a result of our close association with the Alaska Department of Fish and Game will be the extension of the existing boardwalks through Potters Marsh to our facility. This will allow us to provide educational walking tours on the diverse range of animal, plant and bird life represented in this Alaskan habitat to many thousands of residents and visitors. For more extensive programs, our facility will house an auditorium capable of seating approximately 100 people. Exhibit space will include permanent educational exhibits, as well as short term exhibits from other environmental education organizations on current topics of public interest. The facility will also house the medical and rehabilitation wing of the organization. These areas will not be open to public tour however special groups will observe surgeries and special procedures. In addition it will be used to train volunteers on specific procedures and interns will be invited to spend time at Bird TLC as part of their exposure to avian medicine. Additional fundraising efforts are underway from a variety of sources to secure funds to build the facility.

A brief summary of each of our program areas is included for your information. Please contact me at the Bird TLC office (562-1852) or at home (349-3552) if you have any questions relating to this proposal. This is in no way inclusive of all the services we provide to the community or Alaska's resident and migratory bird populations, but rather a small glimpse at the goals of the Bird Treatment and Learning Center. Birds are a valuable barometer of the state of our environment. The legislature by supporting the Bird Treatment and Learning Center will be supporting a better tomorrow for us all.

Thank you,

Linda D. Simmons
Executive Director, Bird TLC

PURPOSE OF BIRD TLC-

The Bird Treatment and Learning Center (Bird TLC), a member-supported, Alaskan non profit organization, was organized by James R. Scott, D.V.M. to provide primary medical care for wild birds and educational opportunities for people. Dr. Scott had been treating Alaska's wild birds for thirty years as an extension of his veterinary practice in Anchorage. It became clear in 1988 that the time was right to formally organize these efforts. Since that time, the organization has grown and expanded its scope. During the Valdez Oil Spill, we treated twenty seven Bald Eagles critically affected by the spill. In June of 1990 we returned nine of these rehabilitated eagles to Cordova's skies. The exposure generated by this involvement accelerated the normal growth of Bird TLC. Today we are treating more birds than ever, educating many more students and other groups with environmental education programs, and are expanding our efforts statewide to communities such as Valdez, Cordova, Nome and Kotzebue.

EDUCATIONAL PROGRAMS-

Alaska is teeming with bird life, including 405 different species of resident and migratory birds. This abundance of bird life also provides us with a wide variety of species to treat. In 1991 we treated 837 birds of 90 different species. Some birds, due to the severity of their injuries, can never be returned to the wild, and are classified as non-releasable. Bird TLC, by federal permit, carefully chooses a variety of educational candidates from among these birds. After a specific training program for both volunteer handler and bird, educational presentations are begun, and the bird becomes a valuable teacher in ways we alone could never accomplish.

All ages, from pre-school to adults have benefitted from our programs. The impact of seeing a wild birds up close, of feeling the air from their wingbeats, for many is powerful inspiration. We are proud beyond measure of the lights we have lit in the eyes and the imaginations of the many children who have shared this experience. By expanding our reach to communities throughout the state we will be able to bring the varied cultures and traditions together in a common understanding of the importance of our environment in our lives today and for the future.

MEDICAL CARE AND REHABILITATION-

Bird TLC is unique in that, unlike many centers which treat only limited or specific species, we treat all wild birds. This broad approach to avian care makes the information gathered at Bird TLC very valuable. Bird TLC's release rate is over 65%. Affording us the best success of all, to share the moment of freedom to soar in Alaska's skies once again. Through a strong communication network, we share this data with centers all over the world. Since the 1989 oil spill we have shared knowledge learned at Bird TLC with Australia, California, New York, Washington and countries in the Middle East. Currently research is being done at Bird TLC to develop new treatment procedures for Avian Pox in bald eagles, a disease rarely seen in the lower 48 but common in Alaska about which very little is known. This information is being shared with educational institutions in the lower forty-eight, in an effort to reduce the eagle deaths due to this painful and debilitating disease. The world of avian medicine is growing at an incredible rate, and we are proud to be at the cutting edge of that growth. Interns working with us in the future, learning new and innovative medical and surgical techniques will help facilitate that growth. We know from history that medical procedures developed for animal medicine offer new insights into human medicine.

IMPACT ON TOURISM-

Visitors to our state have also been able to take advantage of the chance to experience nature in this unique way. Throughout the summer, weekly programs given at the Alaska Public Lands Information Center in Anchorage have become a very popular attraction for visitors. These educational programs not only treat the audiences to a close look at Alaska's avian wonders, but also provides us with a forum to sell the uniqueness of Alaska.. Many visitors who have experienced our programs have become members of our organization and are supportive of our efforts.

VOLUNTEER SUPPORT-

Bird TLC has over six hundred members. This program inspires people to give their very best, from the artist, to the architect, from the fisherman to the filmmaker, from the magazine editor to the educator; many have shared their special talents. Monthly membership meetings provide a variety of educational programs to further expand our base of knowledge. The volunteers who support this organization are truly dedicated and remarkable. This organization truly is supported on their backs, and from their pockets. Dr. Scott has said, "We all benefit from helping something from the wild", and we see this benefit every day in the eyes of those who are touched by realizing the quality of our environment tomorrow is in our hands today.

STATEWIDE OUTREACH-

Our impact is not limited to the Anchorage area alone. Birds are now brought to us from many sources throughout the state: Alaska Department of Fish and Game, U.S. Fish and Wildlife Service, schools and individuals, among others. One example of this positive trend is a bird brought to us from Russian Mission, Alaska. This Peregrine Falcon, an endangered species, was found by school children that had been studying about birds. Efforts are now being made to take the rehabilitated bird and an environmental education program for the entire school back to Russian Mission. The event will culminate with the release of the Peregrine and a community celebration. These children will feel great pride in saving the life of this endangered bird. The message is clear: watching any bird released to fly free again touches a strong psychological chord in each of us. These are lessons that go beyond schoolbooks and dollars; these are lessons that have lasting, positive effects for us all.

PWS Nature Center

December, 1991

Prince William Sound Community College (PWSCC) and Valdez Fisheries Development Association (VFDA) have granted permission for use of the crooked creek hatchery building. Our contact for the college is Linda Bowman of the business office. Paul McCollum is our VFDA contact.

What is needed:

Find out from VFDA how long we can use facility, in 1990 Jason Wells said at least two years.

What are the codes and regs and does the building meet these, what improvements needed? Can we get a certificate of occupancy from city?

The center needs a core group to take this project on and give direction to the center manager and to solicit support of the idea locally and to have fundraisers.

Some suggestions:

Get letters of support locally from: museum representative, visitor center, school principals, elderhostel coordinator, college president

Avoid overlap with existing exhibits. What are the museum's plans for the future? Do they have any materials to loan from their archives?

If we can't get funding for center, can we plan an exhibit at the museum?

Odds and Ends:

We may need a Fish and Wildlife permit to display animal mounts, there is an application in the Nature Center files.

need a logo designed for brochures, etc..

Outline Staff duties, create a schedule in order to figure out people hours needed per week, create an application for staff and volunteers.

EXHIBIT IDEAS

The hatchery building is divided into two rooms. The larger, back room is 15' X 17', the front room, where the entrance is located is 7 1/2' X 15'. The back room will be the main display area with 3 walls to hang displays on as well as a large center space for a double sided panel display or a terraria or 3-D type of display. The wall adjoining the front and back room is a windowed area which can have a low lying exhibit for children

below it in the back room. The front room will serve as sales area as well as a space for an aquarium. Free literature pertaining to outdoor activities will be available in this room.

Exhibits will cover topics such as local flora and fauna.

Ideas: Wetland ecology, geology, recycling, household wastes, alternative energy sources, pollution, use a variety of media including wall and counter displays, terraria, live tanks and videotape.

*Wetlands residents

*Local birds mounted for display (on loan by Elem school?)

*mural from oil exhibit with facts about pictured flora and fauna

*Marine pollution - trash, oil pollution, Exxon Valdez spill - tracking map with samples and photos of oil and non-oil trash.

*wild flower display - photos and/or pressed flowers with some interesting facts. Vases with current flowers in bloom.

*Glacier display - 3-D model or large photo describing features such as crevasses, moraine, fish tank with glacier ice and hands on samples such as rocks, glacial flour,

*Recycling and household hazardous waste photos or materials which are thrown away and can be recycled or reused. Items made from recycled products such as paper, homemade paper from junk mail, rag rug, containers from common household wastes and a list of alternative items or a wooden wheel fashioned after the ADEC waste wheel.

*Hatchery display - by Valdez Fisheries

*Salmon display- mounted salmon, poster depicting life cycle aquarium with live salmon?? (PWSCC can loan an aquarium. talk to Bob Benda, VFDA mounted salmon?)

*Touch me display - rocks (not too heavy), bones, skulls, horns, urchins, sea stars, for children

*Child size exhibit recreate a seashore setting, graphics, painting, forest, hands on display,

*Alternative energy - hydro and/or solar power set up with explanation

Valdez Fisheries display about the hatchery. Willing to work with us about salmon displays. Cover salmon life cycle, possibly mounted salmon, can give technical advice about aquariums.

The following groups have expressed interest in loaning items for display: PWSCC aquarium, Valdez Fisheries hatchery exhibit, mounted salmon, USFWS travelling display, North Pacific Rim Corporation, Hermon Hutchins Elementary School mounted animals (Brendon Larson). See correspondence file for further information.

FUNDING:

Funds will be generated by grants, visitor donations and merchandise sales. Items such as T shirts, books, buttons, and posters will be sold.

Grants- check files for guidelines. Send for guidelines from foundations listed in the educational section of the grant directory. May want to hire someone to write grants?

Donation sources: Pat Londo for taxidermied animals. Stores for materials that are made from recycled materials or household cleaners like baking soda and vinegar. Sears or other retail store (have contacted local retailers, Rexall was willing to buy and markup 10%) for TV and VCR donation, offer to put a plaque on with their name as donor.

VOLUNTEERS:

PWSCC, High school art students, naturalists, research a plant or animal and write text for a photo or painting.

Senior center- host, maintain flower pots

People to help with painting and maintenance (VFDA has offered supplies and help), make displays and write grants
display ideas

BUDGET

Contact musuem may be able to give us idea of costs for exhibits.
see attached

HB

571

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 571 (Res)

Revision Date: _____ Department Affected: Environmental Conservation
 Title: Use of the OHSRRF BRU: Spill Prevention & Response
 Component: Spill Planning & Management
 Sponsor: (H) Res.
 Requestor: (H) Res. COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER OHSRRF						
FUND SOURCE: 1052	*	*	*	*	*	*
TOTAL						

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)
 *Estimating the cost to the Oil and Hazardous Substance Release Response Fund is impossible at this time. The Department does not have any information as to how often fishing gear is fouled by oil, nor the cost of that gear.

Prepared By: Janice Adair Phone: 465-5010
 Division: Commissioner's Office Date: May 2, 1992
 Approved by Commissioner: *Janice Adair*
 Agency: Environmental Conservation Date: May 2, 1992

Co-Chair
Health, Education and
Social Services Committee

Resources Committee

Legislative Budget and Audit

Special Committee
on Oil and Gas

Alaska State Legislature



Representative Patrick J. Carney

During Session
State Capitol
P.O. Box V
Juneau, Alaska 99811
(907) 465-2186

During Interim
P.O. Box 87-1746
Wasilla, Alaska 99687
(907) 373-2518

Position Paper

Rep. Pat Carney

HB 571

This legislation is introduced as a result of a constituent who suffered a loss of two fishing nets due to an oil spill. The Department of Environmental Conservation took a sample of the oil and was not able to determine where the oil originated.

I feel that the 470 fund is the appropriate fund to turn to for compensation for losses due to oil spills where the spiller cannot be identified. This legislation is designed to replace fishing gear and is not intended to pay for lost fishing time.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE CARNEY

TO: HB 571

Page 2, line 28, after "water":

Insert "or, if the gear loss or fouling occurs outside state water, the loss or fouling occurs in conjunction with a fishery activity that is authorized by the Board of Fisheries and to the gear of a vessel that is registered under the laws of the state"



UNITED FISHERMEN OF ALASKA

211 4th Street, Suit 112
Juneau, AK 99801
907-586-2820
Fax# 907-463-2545

April 28, 1992

MEMBER ASSOCIATIONS

Alaska Crab Coalition
Alaska Independent Fishermen's
Marketing Association
Alaska Longline Fisherman's
Association
Alaska Trollers Association
Bering Sea Fishermen's Association
Bristol Bay Driftnetters Association
Concerned Area 'M' Fishermen
Cook Inlet Aquaculture Association
Copper River Fishermen's Cooperative
Cordova District Fishermen United
Kenai Peninsula Fishermen's Association
North Pacific Fisheries Association
Northern Southeast Regional
Aquaculture Association
Peninsula Marketing Association
Petersburg Vessel Owners Association
Prince William Sound
Aquaculture Association
Prince William Sound Seiners Association
Seafood Producers Cooperative
Southeast Alaska Seiners
Southern Southeast Regional
Aquaculture Association
United Cook Inlet Drift Association
United Southeast Alaska Gillnetters
Western Alaska Cooperative
Marketing Association
Area K Seiners Association

Representative Cliff Davidson
Chairman, House Resources Committee
House of Representatives
Post Office Box V
Juneau, Alaska 99811

RE: HB 571

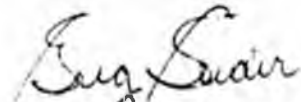
Dear Representative Davidson:

It is our belief that the amendment to the Oil and Hazardous Substance Release Response Fund, which would assist fishermen whose gear was lost or fouled by the release of an oil or hazardous substance party unknown, addresses a very real problem which has occurred in the fishing industry.

Representative Carney has proposed an amendment to HB 571 on page 2, line 28, after "water" to insert: "or, if the gear loss or fouling occurs outside the state water, the loss or fouling occurs in conjunction with a fishery activity that is authorized by the Board of Fisheries and to the gear of a vessel that is registered under the laws of the state." UFA would support the broadening of this act provided the amendment proposed is adopted.

Thank you for the opportunity to comment on this proposed legislation.

Very truly yours,


Greg Seider
Executive Director

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FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. HB 585

Revision Date: _____ Department Affected: Natural Resources
 Title: Create Mt. Eyak State Park BRU: _____
 Component: _____
 Sponsor: House State Affairs
 Requestor: House Resources COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:	-					
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rep. Cliff Davidson, Chairman Phone: 465-2487
 Division: House Resources Date: May 7, 1992
 Approved by Commissioner: Rep. Cliff Davidson, Chairman *[Signature]*
 Agency: _____ Date: May 7, 1992



Alaska State Legislature

HOUSE RESOURCES COMMITTEE

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3715

HOUSE RESOURCES COMMITTEE LETTER OF INTENT FOR

HOUSE BILL 585, "AN ACT ESTABLISHING MT. EYAK STATE PARK."

It is the intent of HB 585 to create the Eyak State Park in name for the purpose of promoting tourism in the Cordova and Prince William Sound without obligating either the Department of Natural Resources or the Division of Parks to the creation of any new personnel positions or the implementation of any new capital projects in this regard.

This does not preclude the Department of Natural Resources or the Division of Parks from the creation of new personnel positions--or to transfer of existing ones--to the Eyak State Park in the future. And it does not preclude said department and said division in the future from developing capitol projects in the Eyak State Park. Such expansions of responsibilities of said department and said division would be the result of future negotiations between them and other third parties, such as the city of Cordova.

A handwritten signature in cursive script, appearing to read "Cliff Davidson".

Rep. Cliff Davidson, Chair
House Resources Committee
April 30, 1992

Alaska State Legislature



Chairman
State Affairs
Committee

Legislative Council

Transportation
Committee

During Session
State Capitol
P.O. Box V
Juneau, Alaska 99811
(907) 465-4859

During Interim
P.O. Box 2463
Valdez, Alaska 99686
(907) 835-2111

Representative Eugene Kubina

SPONSOR STATEMENT

Sponsor: Representative Gene Kubina
Subject: House Bill
Date: 27 April 1992

HB 585 is intended to create the Eyak State Park out of state lands near Cordova that have been utilized for decades as recreation lands by the local community, as well as visitors to the area. This proposed park is the site of a series of trails that were built in the '30s by the Civilian Conservation Corps (CCC). Beginning at the base of Mt. Eyak and extending by two routes to the summit, the trails take visitors up to a panoramic view of Prince William Sound, the surrounding mountains, and the Copper River Delta.

It should be emphasized that the proposed Eyak State Park, located on Eyak Mountain above the community of Cordova, contains no known mineral deposits or significant tracts of harvestable timber.

Further, it is not the intent of this bill to add any additional positions to the Division of Parks. Solely by the act of creating a state park near Cordova, the community would be helped to diversify its tourism potential in the following manner:

- 1) The community would qualify for volunteers to help with the park via the Division of Parks extensive volunteer program.
- 2) Tourists often plan their itinerary around the location of state parks, making Cordova and the surrounding area additionally attractive.

— DISTRICT SIX —

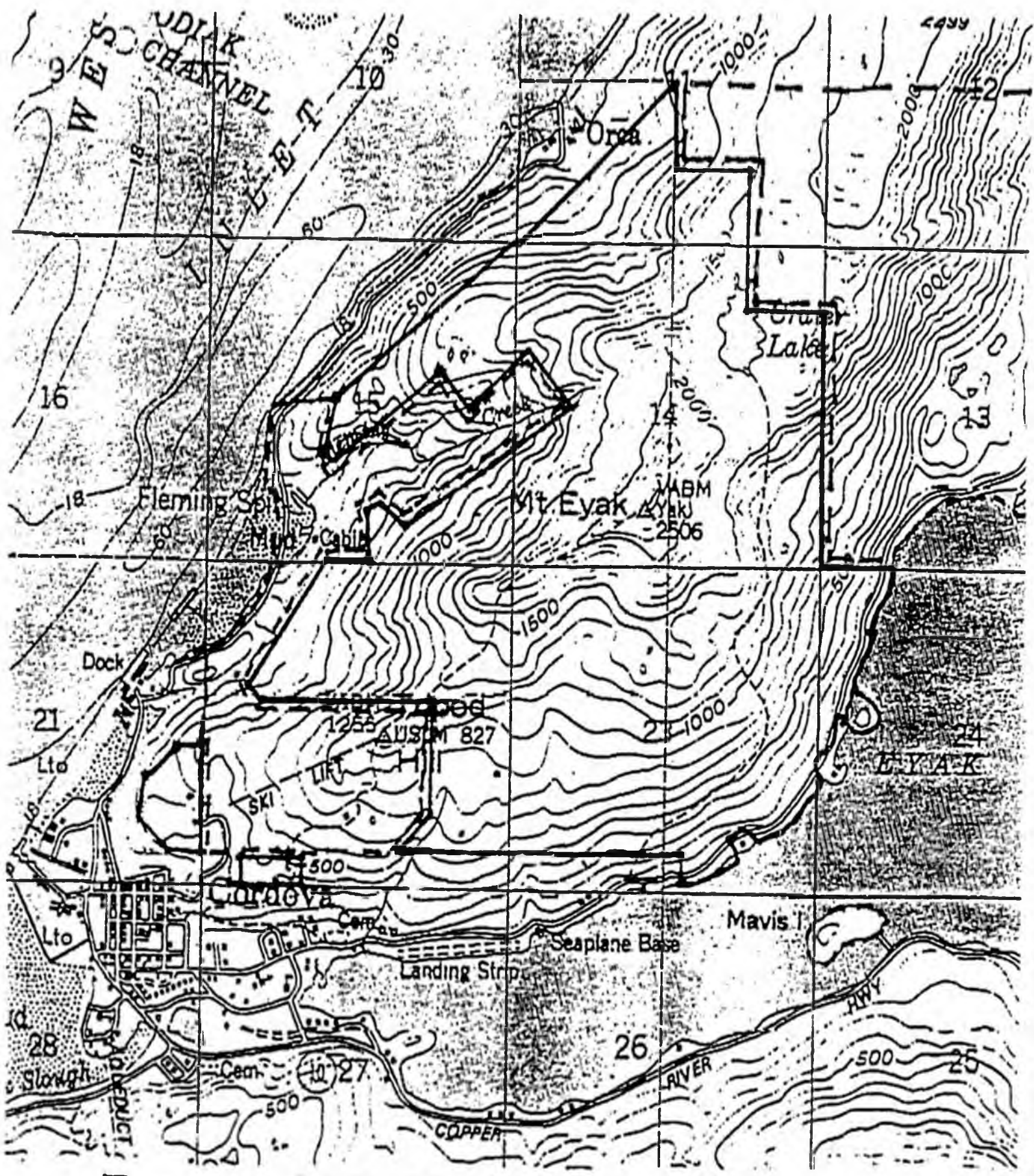
• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •





The creation of the Mt. Eyak State Park through House Bill 585 will be a simple yet effective way for the state government to help promote tourism in this region. Further, if access to Prince William Sound via Cordova and Whittier is made easier in the future, Mt. Eyak State Park would be an integral part of the comprehensive recreational planning for this part of the state.

Finally, under the proposed approach, which places an emphasis on volunteerism and community support, the state would be helping to resurrect a policy that vanished years ago when budgets were awash in petrodollars.

The state would give Cordova an opportunity for growth and development by a simple change in land status. The rest would be up to the people of the community and the region.



Proposed Mt. Eyak State Park

Proposed Park  Detailed Addition 

CITY OF CORDOVA



April 22, 1992

Representative Cliff Davidson, Chairman
House Resource Committee
Capitol Building, Room 108
Juneau, Alaska 99811

Re: HB 585 - The Establishment of Mt. Eyak State Park

Dear Representative Davidson:

The Mt. Eyak area has been a traditional and historic summer recreation and winter ski area since the founding of Cordova. Scandinavian railroad workers established the Sheridan Ski Club and ski area which continues to this day. A rope tow was fabricated, trails and cabins were built and maintained, and there was a ski jump in town!

The close proximity of the mountain to town and the sweeping vistas afforded there, draw many hikers and other summer recreationalists. Sydney Laurence was so impressed, he hiked to the summit of Mt. Eyak in 1909 to paint his first landscape in Alaska.

The Civil Conservation Corps built trails as well as a cabin in the forest and meadows on the flank of Mt. Eyak that faces Eyak Lake.

The City of Cordova acquired one of the first chair lifts in America when it was replaced at Sun Valley and constructed a downhill ski area on land leased from the State.

Currently managed for the City by the Sheridan Ski Club, the area has been slowly developing expanded facilities and recreational opportunities and is a popular area for both local residents and visitors.

Now, unfortunately with the inevitable decline of oil royalties, State funds available to municipalities have begun to decline and will continue to diminish. Cordova's ability to raise revenue has likewise diminished. For two years in a row, no funds have been able to be budgeted for Cordova's City Parks Commission.

If the parcel of State land surrounding the ski area lease was to be redesignated as Mt. Eyak State Park, many things would be accomplished.

Henceforth, every map produced will show a State Park in Cordova. Many, if not most tourists plan their trips around State and National Parks, monuments, and recreation areas. A great deal of perpetual advertising and marketing will occur at no cost.

Thousands of volunteers travel at their own expense to participate in the Alaska State Parks volunteer program. Cordova's volunteer force is fishing during the summer months when needed development should seasonally occur. Access to the State Volunteer Program would allow the development and operation of facilities to provide for year-round world class tourism and recreation.

With no fiscal obligation from the State, we can prepare for and promote economic diversification through the tourism industry, which we could not otherwise accomplish without this partnership with the State.

The existing management intent of the State's Prince William Sound Area Plan is to retain these lands for public use and recreation. There are no mineral, oil or gas deposits and the lands are steep and a poor timber resource. No existing use will be restricted and potential development is allowed.

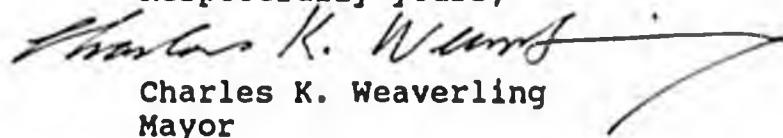
The creation of Prince William Sound as a world-class tourism and recreation designation is a stated aim of the Administration. The creation of Mt. Eyak State Park would be a step in achieving that aim and has the support of DNR, State Parks, our regions delegation, the Mayor and City Council of Cordova, the Planning Commission, Parks Commission, the Sheridan Ski Club and the Prince William Sound Tourism Coalition.

I am always pleased (if not flabbergasted as well) when I find the relatively unique situation of a proposal that has such broad support at all levels.

I sincerely hope the honorable members of the House and Senate and their appropriate committees feel the same pleasure and confidence as I, to wholeheartedly support this Bill and the establishment of Mt. Eyak State Park.

I would be pleased to answer any questions you may have regarding this Bill, or provide any reference materials you may wish.

Respectfully yours,


Charles K. Weaverling
Mayor

Cordova City Council
Agenda of 4/1/92

CORDOVA CITY COUNCIL

CORDOVA, ALASKA

RESOLUTION 92-15

A resolution in support of establishing a State Park in Cordova, Alaska.

WHEREAS, establishing a State Park in Cordova is an idea which has been discussed frequently over the past few years, and

WHEREAS, this idea has broad community support and has been endorsed by various civic groups, and

WHEREAS, establishing a State Park in Cordova is a priority item in the 1991 Overall Economic Development Plan and is part of the City's strategy to assist the tourism industry and diversify the local economy, and

WHEREAS, the benefits to the visitor industry associated with having a State Park here include free "marketing" for Cordova, development of a local attraction to keep visitors in town, assistance with developing campgrounds, boat ramps and other facilities, and assistance in promoting Cordova itself as a destination point for visitors, and

WHEREAS, other benefits a State Park designation would provide include increased availability of volunteer labor, funding for park projects, and eligibility for various types of grants for park projects, and

WHEREAS, a State Park is consistent with the Governor's vision for Prince William Sound as a world class recreation area, and

WHEREAS, a State Park is an integral part of the Cordova Parks Plan and would increase the recreational opportunities for all Cordova residents, and

WHEREAS, the Mt. Eyak/Crater Lake area and the State lands adjacent to and west of the Heney Range were discussed as areas having excellent potential for a State Park at a recent workshop attended by members of the Cordova City Council, the Sheridan Ski Club, and the Cordova Planning Commission.

NOW THEREFORE BE IT RESOLVED, that the Cordova City Council finds that establishing a State Park here will enhance the quality of life for Cordova residents and help diversify the local economy, and

BE IT FURTHER RESOLVED, that the Cordova City Council endorses the concept of establishing a State Park in the Mt. Eyak and Heney Range areas, and

BE IT FURTHER RESOLVED, that the Cordova City Council will work closely with the Alaska Department of Natural Resources to make the park a reality beginning with negotiations for a lease extension on the Mt. Eyak Recreation Area (State ADL #57396) and securing agreements by which the ski area could be expanded in the future.

PASSED AND APPROVED THIS 1st DAY OF April, 1992.



Charles K. Weaverling, Mayor



D. Lynda Plant, City Clerk

CORDOVA PARKS COMMISSION

CORDOVA, ALASKA

RESOLUTION 92-01

A resolution in support of establishing a State Park in Cordova, Alaska.

WHEREAS, establishing a State Park in Cordova is an idea which has been discussed frequently over the past few years, and

WHEREAS, this idea has broad community support and has been endorsed by various civic groups, and

WHEREAS, establishing a State Park in Cordova is a priority item in the 1991 Overall Economic Development Plan and is part of the City's strategy to assist the tourism industry and diversify the local economy, and

WHEREAS, the benefits to the visitor industry associated with having a State Park here include free "marketing" for Cordova, development of a local attraction to keep visitors in town, assistance with developing campgrounds, boat ramps and other facilities, and assistance in promoting Cordova itself a destination point for visitors, and

WHEREAS, other benefits a State Park designation would provide include increased availability of volunteer labor, funding for park projects, and eligibility for various types of grants for park projects, and

WHEREAS, a State Park is consistent with the Governor's vision for Prince William Sound as a world class recreation area, and

WHEREAS, a State Park is an integral part of the Cordova Parks Plan and would increase the recreational opportunities for all Cordova residents, and

WHEREAS, the Mt. Eyak/Crater Lake area and the State lands adjacent to and west of the Heney Range were discussed as areas having excellent potential for a State Park at a recent workshop attended by members of the Cordova City Council, the Sheridan Ski Club, and the Cordova Planning Commission, and

WHEREAS, a State Park has been discussed at a number of previous Parks Commission meetings.

NOW THEREFORE BE IT RESOLVED, that the Cordova Parks Commission finds that establishing a State Park here will enhance the quality of life for Cordova residents and help diversify the local economy, and

BE IT FURTHER RESOLVED, that the Cordova Parks Commission endorses the concept of establishing a State Park in the Mt. Eyak and Heney Range areas, and

BE IT FURTHER RESOLVED, that the Parks Commission strongly encourages the Cordova City Council to formally endorse this idea and to see that the necessary steps are taken to make this community goal a reality.

PASSED AND APPROVED THIS 25th DAY OF MARCH, 1992.

Penny Oswald
Penny Oswald, Chair

Walt Welch
Attest

March 26, 1992

Sheridan Ski Club
P.O. Box 2446
Cordova, Ak 99574-2446

City of Cordova
P.O. Box 1210
Cordova, Ak 99574-1210

To the Cordova City Council;

The Sheridan Ski Club supports the idea of a State Park in Cordova. A State Park will benefit Cordova in its plans to increase tourism and to open up the area to more people by providing and maintaining facilities.

We want to work with the City of Cordova and the State of Alaska in negotiating the boundaries of the state park as they relate to the Tripod Recreational Area on Mt. Eyak to insure that the ski area is protected.

We would like to extend the lease with the state for the Tripod Recreation Area for an additional 50 years prior to the state status change. We would also like to see language included granting an easement up the mountain for any future expansion of the ski area with a pommel lift.

We look forward to working with you on this project.

Sincerely;

Penelope E. Oswald, Secretary

Mike Anderson, *for Mike Anderson*
President, Sheridan Ski Club

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 585

Revision Date: 28-Apr-92 Department Affected: Natural Resources
 Title: Mt. Eyak State Park BRU: Parks & Outdoor Recreation
 Components: Parks Management
 Sponsor: House State Affairs
 Requestor: House Resources COMPONENT SERIAL NO. 452

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	6.0	6.0	7.0	8.0	8.0	8.0
TRAVEL	3.0	3.0	3.0	4.0	4.0	4.0
CONTRACTUAL	40.0					
SUPPLIES	3.0	4.0	4.0	4.0	4.0	4.0
EQUIPMENT	2.0	2.0	2.0	2.0	2.0	2.0
LAND&STRUCTURES						
GRANTS.CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	54.0	15.0	16.0	18.0	18.0	18.0

CAPITAL	0.0	65.0	500.0	200.0	0.0	0.0
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REVENUE						
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	54.0	80.0	516.0	218.0	18.0	18.0
FEDERAL FUNDS						
OTHER						
Funding Source:						
TOTAL	54.0	80.0	516.0	218.0	18.0	18.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: AJ Meiners Phone: 762-2616
 Division: Parks and Outdoor Recreation Date: 28-Apr-92

Approved by Commissioner: Harold C. Heine Date: 28-Apr-92
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note Description for HB 585

The costs in the attached fiscal note are to prepare a park management plan for Mt. Eyak State Park. The plan will be prepared under contract with two months of a park ranger II funded to supervise the contract and plan development. Actual contracting for the plan may be done by the City of Cordova.

In FY-94, site planning and construction engineering will be done for the developments recommended in the management plan. This work will be contracted. Two months of a park ranger II is funded to supervise this effort.

In FY-95, \$500.0 is proposed for facility develop. An additional \$200.0 is proposed for development in FY-96. From that year the operating budget funding for park staff is \$18.0.

Upon completion of a negotiated agreement with the City of Cordova for management of this area, the state's costs would be reduced to zero.



**PRINCE WILLIAM SOUND TOURISM COALITION
RESOLUTION 92- 1**

A resolution in support of establishing a State Park in Cordova, Alaska.

WHEREAS, establishing a State Park in Cordova is an idea which has been discussed frequently over the past few years, and

WHEREAS, this idea had broad community support and has been endorsed by various civic groups, and

WHEREAS, establishing a State Park in Cordova is a priority item in the 1991 Overall Economic Development Plan and is part of the City's strategy to assist the tourism industry and diversify the local economy, and

WHEREAS, the benefits to the visitor industry associated with having a State Park here include free "marketing" for Cordova, development of a local attraction to keep visitors in town, assistance with developing campgrounds, boat ramps and other facilities, and assistance in promoting Cordova itself as a destination point for visitors, and

WHEREAS, other benefits a State Park designation would provide include increased availability of volunteer labor, funding for park projects, and eligibility for various types of grants for park projects, and

WHEREAS, a State Park is consistent with the Governor's vision for Prince William Sound as a world class recreation area, and

WHEREAS, a State Park is an integral part of the Cordova Parks Plan and would increase the recreational opportunities for all Cordova residents, and

WHEREAS, the Mt. Eyak/Crater Lake area and the State lands adjacent to and west of the Honey Range were discussed as areas having excellent potential for a State Park at a recent workshop attended by members of the Cordova City Council, the Sheridan Ski Club, and the Cordova Planning Commission, and

WHEREAS, the Cordova City Council found that establishing a State Park in Cordova will enhance the quality of life for Cordova residents and help diversify the local economy, and

WHEREAS, the Cordova City Council has endorsed the concept of establishing a State Park in the Mt. Eyak and Honey Range areas in Resolution 92-15,

NOW THEREFORE BE IT RESOLVED, that the Prince William Sound Tourism Coalition supports the establishment of a State Park in Cordova, Alaska.

PASSED AND APPROVED THIS 1ST DAY OF MAY, 1992.

Marilynn Heddell

Marilynn Heddell, Chair

HCR

8

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

March 10, 1991

TO: Representative Cliff Davidson, Chair, House Resources Committee

FROM: Representative Mike Navarre *Mike*

SUBJECT: Sponsor Statement for HJR 25 & HCR 8, resolutions relating to the Exxon Valdez settlement data.

.....

House Joint Resolution 25 and House Current Resolution 8 are essentially the same in content. The only difference in the resolutions is in the last paragraph where directions are given to whom is to receive the resolutions. The Uniform Rules of the Alaska State Legislature in Rule 49 . pecifies the type of resolution and the appropriate manner in which the resolution is to be handled.

The essence of both resolutions is to require that the economic and scientific data collected from the studies of Exxon Valdez tragedy be released. It is unthinkable that some entity, individual, or organization would desire to lock-up data from an ecological mishap. The economic and scientific data is relevant and needed to avoid future mishaps or, if another mishap does occur society will be better able to handle the diasters aftermath.

Why does the Legislature need to ensure the release of the scientific and economic data from the Exxon spill?

1. Other entities that may litigate in the future may find the data useful.
2. To ensure proper resource management the data would be useful in determining the evolutionary happenings in the waters of Alaska.
3. Both the U.S. Congress and the Alaska Legislature need to know the effects on the marine environment, in order to determine the future of drilling and transport of oil in the Alaskan environment.
4. Long term policy involving the use double-hull tankers.
5. Release of the data to only Exxon should be unacceptable.
6. The public paid directly or indirectly for these studies, therefore it is unacceptable not to allow public access to the data generated as a result of the Exxon spill.

DISTRICT 5

34824 K-Beach Road • Soldotna, Alaska 99660 • (907) 262-7848



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ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

7. To properly continue the restoration of Prince William Sound and other areas of the State data on what has been accomplished needs to be available.

It is difficult to see the downside of these two resolutions, but in order to be overly cautious one could consider the potential legal exposure that the State may have. The balance between blocking access and open information to any data in a free society must be carefully weighed as to its outcomes.

DISTRICT 5

34824 K-Beach Road • Soldotna, Alaska 99603 • (907) 262-7842

20

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HCPR

31

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HCR 31

Revision Date: _____ Department Affected: _____

Title: Relating to the extension of the Alaska Railroad to Canada. BRU: _____

Sponsor: Rep. M.W. Miller Component: _____

Requestor: House Resources COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rep. Cliff Davidson, Chairman Phone: 465-2487

Division: House Resources Date: May 20, 1991

Approved by Commissioner: Rep. Cliff Davidson, Chairman

Agency: _____ Date: May 20, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

Revision Date: 5/8/91
Title: Relating to the extension of the Alaska
Railroad to Canada.

Department Affected: DOT&PF
BRU:

Sponsor: M. W. Miller
Requestor: Transportation

Component:
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	250	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

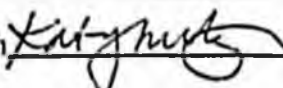
GENERAL FUNDS	250	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	250	0	0	0	0	0

POSITIONS

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Katy McHugh 

Phone: 465-3900

Division: Special Assistant to Commissioner _____

Date: May 13, 1991

Approved by Commissioner: 
Frank G. Dupin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: May 13, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

HJR

21

State of Alaska

Committees

CO-CHAIR, HOUSE JUDICIARY
E-CHAIR, HOUSE LABOR AND COMMERCE
HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES



P.O. BOX V
JUNEAU, ALASKA 99811
(907) 463-4712
463-4968/4986
(SESSION)
914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

TO: Representative Bill Hudson
Chair, House Special Committee on Oil and Gas

FROM: Representative Max Gruenberg *MAX*

DATE: February 11, 1991

RE: Scheduling HJR 21, "Endorsing in principle,
legislation to authorize oil and gas leasing on the
coastal plain within the Arctic National Wildlife
Refuge, but opposing provision of that legislation
that would decrease the state's royalty share from
that development."

I would very much appreciate it if you would schedule HJR 21,
the ANWR resolution, for a hearing as soon as it is possible.

This resolution encourages development of ANWR while retaining
Alaska's full 90 percent royalty. This resolution is very
similar to the resolution that was introduced two year ago.
It is sponsored by 31 members of the House.

If you have any questions, please contact me or my Legislative
Assistant, Mark Handley at ext. 4968.

Thank you.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: HJR 21

Revision Date: _____
 Title: Endorsing... legislation authorizing oil & gas leasing... within Arctic National Wildlife Refuge...
 Sponsor: Representative Gruenberg
 Requestor: Representative Gruenberg

Department Affected: None
 BRU: _____
 Component: _____

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director
 Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850
 Date: 2/20/91

Approved By: Warren W. Endicott, Executive Director
 Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 2/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & impacted Agency(ies).

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:

VETERANS' AFFAIRS (RANKING MEMBER)
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SELECT COMMITTEE ON INDIAN AFFAIRS

United States Senate

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120 Trading Post Road Suite 15
KENAI AK 99611
(907) 283-5808

109 Main Street
KETCHIKAN AK 99901
(907) 225-8880

January 18, 1991

Dear Colleague:

On January 14, 1991 we introduced S. 109, The Arctic Coastal Plain Public Lands Leasing Act of 1991. This bill would authorize the Secretary of the Interior to lease the public lands of the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) in Alaska for oil and gas exploration, development, and production.

We believe passage of this bill is vitally important to the people of the United States. Our nation now imports nearly 50% of the oil it consumes. This transfusion of foreign oil is dangerously high -- fully one-half of this nation's trade deficit can be attributed to the importation of foreign oil. Our continuing dependence on other countries to meet our energy needs dictates that American consumers and the U.S. economy will remain hostage to volatile energy prices and unstable suppliers. For example, homeowners in the Northeast don't need to be reminded about the perils of purchasing heating oils during these turbulent times.

The current situation in the Persian Gulf also serves as a painful reminder of the dangers of excessive dependence on imported oil. This nation has long recognized the importance of this oil rich region of the world and has been forced to defend foreign oil reserves while we have not even fully explored our own domestic production capabilities. And now we have the new dimension of 420,000 U.S. troops in the Persian Gulf. These troops have been put in harms way to combat naked aggression and keep oil flowing to the West. Each of my colleagues must reflect on what actions this body will take to meet our responsibility to the people of the United States to establish energy independence.

Without continued exploration and development of promising domestic areas, the situation will only get worse. Every major oil field in the United States is declining. Energy conservation, energy efficiency, and development of alternative energy sources are all important, but are not by themselves sufficient to solve the energy problems we face today or over the next twenty to thirty years.

We must have continued domestic oil production. The Coastal Plain of ANWR is the single most promising onshore area for the

discovery of significant oil reserves in the United States. Experts believe it could be the third largest American oil field ever discovered. But we'll never know unless we look.

In addition to domestic energy security, economic benefits and employment opportunities would flow to every State from opening ANWR. Net economic benefit has been estimated by the Department of the Interior to be \$78 billion.

We do not have to choose between arctic oil development and environmental protection. Production technology has proven that Arctic oil development can be conducted in an environmentally sound manner with minimal impact on fish and wildlife resources of the Coastal Plain. As each new Alaska field has gone into production the "footprint" of development has gotten smaller. Alaska's Endicott field, for example, currently the sixth largest domestic oil field, occupies a mere 55 acres of surface territory and produces 110,000 barrels per day.

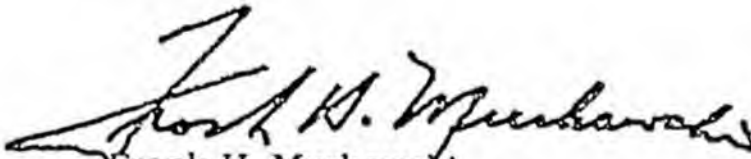
We all share a concern that we not leave too large a "footprint" in pursuing domestic energy production. But as the Wall Street Journal recently noted, "opening up a small sliver of Alaska's tundra for oil exploration simply recognizes that the welfare of human beings should also be a factor in environmental policy." Opening up ANWR would impact just such a "sliver" of Alaska's Coastal Plain. ANWR constitutes a total of 19 million acres, roughly the size of the State of South Carolina. It already contains 8 million acres of designated wilderness, an area larger than the State of Massachusetts. Of the remaining 11 million acres of ANWR, over 9.4 million acres are in non-wilderness normal refuge management. The Coastal Plain which we seek to open to oil and gas leasing makes up only 8% of the total refuge and under current development projections, less than 1% of the refuge would actually be impacted by oil development. This is an area smaller than Dulles International Airport (approximately 12,500 acres).

Those who oppose opening the Coastal Plain to oil leasing contend that ANWR oil reserves would only provide a 200 day supply of oil for our nation. This statement does not reflect reality. Oil does not simply spring from the ground all at one time; it takes years to extract and produce oil from major fields. Under similar theoretical assumptions Prudhoe Bay, the largest domestic oil field, which has been producing for twenty years, would only provide a 600 day supply of oil. The fact is the potential oil reserves of the ANWR Coastal Plain could be the third largest American oil field ever and supply needed domestic oil for the next twenty years.

We have enclosed for your information a copy of S.109 as well as a Fortune article entitled "Let's Hunt for Oil," a Wall Street Journal editorial entitled "Oil and Caribou Can Mix," and a Washington Post column entitled "Wildlife or Oil." Each of these articles supports the reasonable exploration and development of ANWR and we believe will foster informed debate on the ANWR issue.

We urge your support of The Arctic Coastal Plain Public Lands Leasing Act of 1991 and would be pleased to add you as a cosponsor of this important legislation. Your staff can contact Alan Steinbeck in my office at 4-3923, or we would be pleased to brief you personally to provide additional information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank H. Murkowski". The signature is fluid and cursive, with a large initial "F" and "M".

Ted Stevens
United States Senator

Frank H. Murkowski
United States Senator

Date: 1/14/91

••• STATEMENT •••
SENATOR FRANK H. MURKOWSKI

③

ARCTIC COASTAL PLAIN PUBLIC LANDS LEASING ACT OF 1991
102ND CONGRESS

Mr. President, I rise today on behalf of the senior Senator from Alaska and myself to introduce the Arctic Coastal Plain Public Lands Leasing Act of 1991. This bill would amend the Minerals Leasing Act of 1920 to authorize the Secretary of the Interior to lease the public lands of the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) on the North Slope of Alaska for oil and gas exploration, development, and production.

At the same time, this bill would require that all oil and gas exploration, development, production, and transportation activities would be conducted in an environmentally sound manner.

I believe the passage of this act is vitally important to the people of the United States.

I ask my colleagues to reflect for a moment and consider the United States as a body, a living human body. Visualize for a moment different sectors of our nation as different parts of the body. Agriculture, fishing, mining, and forestry are the foods the body consumes. Industry and manufacturing turn those foods into powerful muscles. Air, land, and sea transportation are the bones that support the body. Education, creative

(A)

FHM/ACS: 1/14/91

agencies, and government are the mind. Mr. President, in America today, oil is the blood.

Oil moves the food that we eat and the clothes that we wear.

Oil powers our mills and factories.

Oil heats our offices and homes.

Oil moves us to our work and to our play.

Can you imagine our nation without oil?

Without oil, we would cease to function.

Let me now state an indisputable and disconcerting fact—United States oil production is in deep decline. Every major oil field in the United States is declining. In my own state of Alaska, the Prudhoe Bay Field, which supplies 24% of our nation's oil production is declining at a rate of 10% per year. Department of Energy projections state that a decline of 10% per year will result in a shut down of the Trans Alaska Pipeline System within ten years.

Because of declining domestic oil production and continued high oil demand, nearly one-half of our nation's oil supply must be imported. This transfusion of foreign oil is excessive and we have become overly dependant on other countries to solve our energy problems. Imported oil accounts for nearly one-half of our annual trade deficit, and imports from Japan accounts for most of the remaining half.

FHM/ACS: 1/14/91

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I do not need to dwell on the dangers of excessive imports of foreign oil and dependence on other countries.

Last week, the fervent chant "No blood for oil!" echoed off the walls of this chamber. I understand the concern behind the sentiment. However, the best way to address the dangers of a war over oil is not through disruptive protest, but through increased domestic oil production and other domestic energy saving measures to reduce our chronic dependence on foreign oil.

The Alaska delegation has advocated opening the ANWR Coastal Plain for more than a decade now—it didn't take the aggression of Saddam Hussein and the threat to the world oil supply for us to recognize that our country is overly dependent on foreign oil.

Congress' failure in the past to act on ANWR exploration leaves the United States in a position of not knowing the extent of the oil reserves of the Coastal Plain. We have soldiers in the Persian Gulf defending foreign oil reserves when we don't even know the extent of our own oil reserves.

Mr. President, don't we have a responsibility to those soldiers and their families to do all that we can to explore and develop our own country's oil potential and reduce our country's dependence in the Persian Gulf?

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Alaska is not alone in the view that this is the time to open the Coastal Plain. There is a growing national awareness that the time is right to allow oil and gas exploration, development, and production in the Coastal Plain.

In 1987 Charles Krauthammer wrote in the Washington Post.

"There may soon be dead Americans in the Persian Gulf. And in the final analysis, when Americans die there, they die for oil. Domestic American oil production is declining. The Prudhoe reserves will be gone within 10 to 20 years. The Arctic National Wildlife Refuge holds the promise of replacing that flow."

On January 9, 1991, Wall Street Journal editorial titled "Oil and Caribou Can Mix" states,

"...opening up a small sliver of Alaska's tundra for oil exploration simply recognizes that the welfare of human beings should also be a factor in environmental policy."

The cover article of the January 28, 1991 issue of Fortune magazine is entitled "It's Time to Drill Alaska's Refuge." The cover article states,

"America needs more domestic energy. The risks of exploring the Arctic wildlife preserve are far fewer—and the potential rewards vastly greater—than most people realize...Eskimo leader Jacob Adams says, 'There's enough refuge.'"

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[Mr. President, I ask unanimous consent to have these three articles entered into the record in their entirety.]

Mr. President, my colleagues may ask, "How much refuge is there?". ANWR is 19 million acres, the size of the State of South Carolina. It already contains 8 million acres of designated wilderness. This is larger than the State of Massachusetts. Over 9.4 million acres of the refuge are in non-wilderness normal refuge management. The Coastal Plain which we seek to open to oil and gas leasing makes up only 8% of the total refuge and under current development projections, less than 1% of the refuge would actually be impacted by oil development. This is an area smaller than Dulles International Airport!

I also agree that the risks of exploring in ANWR are fewer and the potential rewards are greater than people realize. I am concerned that this is true even within the Senate. Therefore, I will soon be speaking every week in morning business on this topic. I will present "The ANWR Series." This will be a series of floor statements about the refuge, its environment, its people, the oil and gas potential, the extent and impact of possible development.

If large reserves of oil are found in the Coastal Plain, it would have a dramatic effect on the economy of the United States. We spent some \$50 billion on imported oil last year. Consider the boost to the American economy if we could reduce that by half and invest it in American energy production. It could create thousands of jobs and stimulate many sectors of our economy.

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Those who oppose opening the Coastal Plain to oil leasing contend that ANWR oil reserves would only supply a 200 day supply of oil for our nation. This statement does not reflect the real world situation. Oil doesn't just spring from the ground. It takes years to extract and produce oil from major fields. Under similar theoretical assumptions Prudhoe Bay, the largest domestic oil field, which has been producing for twenty years, would only supply a 600 day supply of oil. The fact is the potential oil reserves of the ANWR Coastal Plain could be the third largest American oil field ever and supply needed domestic oil for the next twenty years.

Exploration, development, and production of the potential oil reserves of the ANWR Coastal Plain alone will not solve our nation's energy problems. We must strive for more energy conservation. We must increase our energy efficiency. We must continue to develop alternative energy sources.

But conservation, efficiency, and alternative sources are not yet sufficient to solve the problems we face today or over the next twenty to thirty years.

These are important actions and worthy goals for the future. They are fundamental steps of a long-term process to prepare for the day when we have no more oil.

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America needs continuing domestic production of oil and gas. The Coastal Plain of ANWR is the single most promising onshore area for the discovery of significant oil reserves in the United States.

Mr. President, the environmentally sound oil and gas leasing of the Coastal Plain of ANWR has the support of the entire Alaska delegation, the Governor and people of Alaska, and the President of the United States.

Hard working families from one end of this country to the other support it.

It is time for the Congress to act.

Mr. President, I am pleased to submit the Arctic Coastal Plain Public Lands Leasing Act of 1991.

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102nd CONGRESS

1st Session

S. 109

To amend the Mineral Lands Leasing Act of 1920 to authorize the Secretary of the Interior to lease, in an expeditious and environmentally sound manner, the public lands within the Coastal Plain of the North Slope of Alaska for oil and gas exploration, development, and production.

IN THE SENATE OF THE UNITED STATES

Mr. Murkowski (for himself and Mr. Stevens) introduces the following bill:

A BILL

To amend the Mineral Lands Leasing Act of 1920 to authorize the Secretary of the Interior to lease, in an expeditious and environmentally sound manner, the public lands within the

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Coastal Plain of the North Slope of Alaska for oil and gas exploration, development, and production.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That this Act may be cited as the "Arctic Coastal Plain Public Lands Leasing Act of 1991".

CONGRESSIONAL FINDINGS

Sec. 2. As the basis for the declaration of policy and authorizations set forth in subsequent provisions of this Act, the Congress finds that--

(a) the United States' domestic crude oil production is in substantial decline and dependence upon unreliable foreign sources of oil has grown to an excessive and unacceptable level;

(b) the ability of the United States to compete effectively in an international economy is jeopardized by an excessive dependence on foreign oil;

(c) excessive dependence on foreign oil threatens national security, imposes severe risks to the lives of United States service men and women, and creates unacceptable costs to the national defense;

(d) production from the Prudhoe Bay oil fields on Alaska's North Slope, which now constitutes 24 per centum of the

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Nation's total domestic crude oil production, has begun to decline at approximately 10 per centum per year;

(e) Without additional significant crude oil input to the Trans Alaska Pipeline System, pipeline shutdown will occur within ten years and will result in lost oil reserves of at least 1.0 billion barrels of crude oil;

(f) in 1980, Congress directed the Secretary of the Interior to study the oil and gas potential and the fish and wildlife resources of the 1.5 million acres of public land in the Coastal Plain;

(g) reports prepared by the Department of the Interior and other Federal, State, and private groups clearly indicate that the lands within the Coastal Plain constitute the most outstanding onshore oil and gas prospect in the United States with potential reserves in place estimated to be from 4.8 to 29.4 billion barrels of crude oil;

(h) the results of twenty years of operations at Prudhoe Bay provide compelling evidence that carefully planned and executed oil and gas exploration, development, production, and transportation on the public lands is compatible with the North Slope's fish and wildlife resources and the needs of subsistence users of those resources; and

(i) the long, ten or more years, lead time required for development of one or more major new North Slope oil fields requires a prompt decision by Congress on the future use of the public lands within the Coastal Plain.

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DECLARATION OF POLICY

Sec. 3. (a) The Congress declares that it is in the national interest of the United States to:

(1) permit exploration, development, production, and transportation of the oil and gas resources within the public lands of the Coastal Plain, which is--

(A) located to the east of Prudhoe Bay, an area where intensive oil exploration, development and production has been conducted in an environmentally sound manner, and

(B) served by an existing crude oil pipeline and tanker transportation system;

(2) authorize an exploration and development program for the oil and gas resources of the public lands of the Coastal Plain which has the support of the State of Alaska, the North Slope Borough, the Village of Kaktovik, and other local governments in Alaska, and the Inupiat Eskimo people of the North Slope, and which will serve the vital interests of the Nation, including--

(A) national security, by providing dependable new sources of domestic oil production outside of the control and influence of the Organization of Petroleum Exporting Countries or other countries subject to internal or regional political instabilities;

(B) the interests of American consumers, by expanding domestic sources of reasonably priced gasoline.

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diesel, jet fuel, heating oil, and other crude oil products;
and

(C) the national economy, by improving the balance of trade through reductions in foreign oil imports, by generating new economic activity, by creating new jobs, and by reducing the Federal deficit through increased tax, competitive bonus bid and royalty revenues.

(b) The Congress hereby declares that it is the policy of the United States that--

(1) exploration, development, production, and transportation of the oil and gas resources of the public lands within the Coastal Plain, the Nation's foremost prospect for the discovery of new giant and super-giant oil fields, should be authorized and should proceed with dispatch; and

(2) such activities should be conducted in a manner consistent with the protection of the fish and wildlife resources and environment and the needs of the area's subsistence users which utilize the public lands of the Coastal Plain.

COASTAL PLAIN

Sec. 4. The Mineral Lands Leasing Act of 1920, 41 Stat. 437, as amended, is further amended by adding a new subchapter X at the end of chapter 3A--Leases and Prospecting Permits (30 U.S.C. 181) to read as follows:

"SUBCHAPTER X--COASTAL PLAIN LEASING

"AUTHORIZATION FOR LEASING OF THE COASTAL PLAIN

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"Sec. 288. (a)(1) The Congress hereby authorizes and directs the Secretary of the Interior, through whatever agency of the Department he deems appropriate, to take such actions as are necessary to establish and promptly implement a competitive oil and gas leasing program that will assure the expeditious exploration, development, production, and transportation of the oil and gas resources of the public lands of the Coastal Plain.

"(2) This authorization includes, incorporates, and supplements the provisions of the Mineral Leasing Act of 1920 and other existing Federal laws on oil and gas leasing, exploration, development, and transportation on public lands, and grants such new legislative authority as is necessary to enable the Secretary to authorize and permit all such activities as are required to achieve the expeditious exploration, development, production, and transportation of the oil and gas resources within the public lands of the Coastal Plain. These authorizations include all activities associated with and required in the exploration, development, production, and transportation of the oil and gas resources of the public lands within the Coastal Plain, and include, but are not limited to, the authorization and granting of rights-of-way, permits, leases, use permits and such other authorizations as are necessary to facilitate exploration, development, production and transportation of oil and gas resources on the public lands within the Coastal Plain.

"(3) The Coastal Plain leasing program required by subsection (a) shall include the following elements:

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"(A) The first lease sale shall be conducted within twelve months of the date of enactment of this Act.

"(B) The Secretary is authorized to grant to the highest responsible qualified bidder or bidders by competitive bidding, under regulations promulgated in advance, oil and gas leases on unleased public lands within the Coastal Plain. Such regulations may provide for the deposit of cash bids in an interest-bearing account until the Secretary announces his decision on whether to accept the bids, with the interest earned thereon to be paid to the Treasury as to bids that are accepted and to the unsuccessful bidders as to bids that are rejected. The bidding shall be conducted as determined by the Secretary pursuant to bidding systems included in section 205(A)(1) (A) through (H) of the Outer Continental Shelf Lands Act, as amended, of 1978 (43 U.S.C. 1331).

"(C) An oil and gas lease issued pursuant to this Act for public lands within the Coastal Plain shall be for a lease tract consisting of a compact area and not exceeding more than two thousand five hundred and sixty acres, as the Secretary may in his discretion determine.

"(D) Each lease shall be issued for an initial period of up to ten years and shall be extended for so long thereafter as oil and gas is produced in paying quantities from the lease or unit area to which the lease is committed or as drilling or reworking operations as approved by the Secretary are conducted thereon.

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"(E) In the conduct of competitive lease sales under the authority provided by this Act, the Secretary shall seek to maximize the revenue paid to the Treasury, but in doing so shall make reasonable efforts to conduct lease sales in a manner which will enable independent oil and gas producers, acting alone or in combination with other independent producers, to have a competitive opportunity to successfully bid on leases granted under the authority of this Act.

"(4) This Act shall be considered the primary land management authorization for all activities associated with exploration, development, and production of oil and gas on public lands within the Coastal Plain. No land management review shall be required except as specifically authorized by this Act.

"(5) Activities undertaken pursuant to this section shall include or provide for such conditions, restrictions, and prohibitions as the Secretary deems necessary or appropriate to mitigate reasonably foreseeable significant adverse effects on fish and wildlife and their habitat pursuant to subsection 288(b) of this Act.

"(6) The Secretary is authorized to permit, subject to reasonable rules and regulations, on public lands within the Coastal Plain all activities described in subsection 288(a) which are conducted by the owners of private lands within and/or adjacent to the public lands within the Coastal Plain.

"(7) All receipts from sales, rentals, bonuses, and royalties on leases issued pursuant to this Act shall be deposited into the Treasury and allocated in accordance with applicable law.

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"OTHER LEASING PROVISIONS AND CONSIDERATIONS

"(b)(1) Prior to conducting a competitive oil and gas lease sale pursuant to section 288(a), the Secretary shall promulgate such stipulations, rules, and regulations as he determines are necessary and appropriate to ensure that oil and gas exploration, development, production, and transportation activities undertaken in the public lands within the Coastal Plain are conducted in a manner to achieve the reasonable protection of the fish and wildlife resources, environment, and subsistence users which utilize the public lands within the Coastal Plain.

"(2) The "Coastal Plain Resource Assessment" (April 1987) prepared by the Secretary pursuant to section 1002(h) of the Alaska National Interest Lands Conservation Act of 1980 (Public Law 96-487) and the legislative environmental impact statement incorporated into the Coastal Plain Resource Assessment pursuant to the National Environmental Policy Act of 1969 (Public Law 91-190) shall satisfy all legal requirements under those laws with respect to any action taken to develop rules and regulations and procedures for a competitive oil and gas leasing program or to conduct particular lease sales on the public lands within the Coastal Plain. No further studies, reports, or assessments shall be required before the Secretary or other appropriate Federal officials may take such action.

"(3) Nothing in this Act shall be construed to affect the applicability of the National Environmental Protection Act of 1969 to phases of oil and gas development, production, and transportation conducted subsequent to initial leasing and exploration. Consistent

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with the general authority of the Secretary as described in subsection 288(a) of this Act, all Federal and State environmental laws of general applicability to oil and gas operations and permitting shall continue to be applied.

"IMPACT AID

"(c) The Secretary, after consulting with the Governor of Alaska and the North Slope Borough Assembly and Mayor, is authorized and directed to provide such impact aid, planning advice, and other appropriate assistance to communities on the North Slope and elsewhere in Alaska as is required to ensure the availability of public services needed to accommodate oil and gas exploration, development, production, and transportation on the public land within the Coastal Plain.

"DEFINITIONS

"(e) For purposes of this Section--

"(1) The term 'Secretary' means the Secretary of the Interior; and

"(2) The term 'Coastal Plain' means those public lands identified in section 1002(b)(1) of the Alaska National Interest Lands Conservation Act of 1980 (Public Law 96-487).".

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**

OF ALASKA

For Immediate Release
February 21, 1991

Contact: Bill Woolf
(202) 224-3619

Energy Secretary: "ANWR Most Important Element" Of Strategy

WASHINGTON, D.C. -- Energy Secretary Admiral James Watkins told Senator Frank Murkowski (R-Alaska) Thursday that opening Alaska's Arctic National Wildlife Refuge (ANWR) to oil and gas leasing is "the most important element" in funding alternative fuel and other conservation-oriented programs in the national energy strategy announced Wednesday by President Bush.

Watkins' comments came in testimony before the Senate Energy Committee while responding to questions from Murkowski, who is the ranking Republican member of the Committee's Public Lands subcommittee.

Murkowski also questioned Watkins on how the federal government plans to deal with revenue-sharing from ANWR development. Watkins indicated the document released Wednesday assumes there will be no revenue-sharing with Alaska, but, he said, "I can tell you also that I believe this is the area where we will have to work with you and the Congress."

Murkowski, along with other Alaskan members of Congress and Governor Wally Hickel, has strenuously opposed changing the current revenue-sharing law, which would give the State of Alaska 90 percent of all revenues. A bill introduced by senators Bennett Johnston (D-Louisiana) and Malcolm Wallop (R-Wyoming) would reduce the Alaska share to 50 percent, and the federal Office of Management and Budget has argued that the federal government should keep 100 percent of the money. Watkins appeared to be hinting that the Administration is still considering some accommodation.

(more)

ANWR Most Important
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February 21, 1991

Watkins said he expected the legislative language his Department plans to release soon will be consistent with the strategy document, then told Murkowski: "This legislative package does not mean the end of the world. We want to reach a harmonious agreement."

In a clear reference to a meeting between Murkowski and President George Bush on Tuesday of this week, Watkins continued, "I cannot predict how influential you've been with this legislation. If you are not satisfied with the final package, we will have a lot of work to do."

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NEWS

DON YOUNG CONGRESSMAN FOR ALL ALASKA

For Immediate Release

February 19, 1991

Contact: Steve Hansen (202) 225-5765
Press Secretary

Congressman Young Receives White House Briefing On National Energy Policy

Washington, D.C. - Alaska Congressman Don Young today met with President George Bush and members of the Administration for a White House briefing on the new national energy policy.

Attending the meeting were Bush, White House Chief-of-Staff John Sununu, Secretary of the Interior Manuel Lujan, Secretary of Energy James Watkins, Director of the Office of Management and Budget Richard Darman, Senators Frank Murkowski (R-Alaska), Malcolm Wallop (R-Wyoming), Bennett Johnston (D-Louisiana) and Young (R-Alaska).

Senator Ted Stevens (R-Alaska), who is traveling in the Persian Gulf, asked Young to relay his concerns directly to the President.

"Overall, it was a good meeting and I think the President has come up with a good proposal," Young said after the 45-minute meeting. "I've been calling for a national energy plan for many years and I think the Bush Administration has a good start toward striking a balance between resource development and energy conservation programs."

However, Young expressed concern about a revenue-sharing provision in the plan which would give the federal government a 100 percent share of revenues from oil development in the Arctic National Wildlife Refuge (ANWR).

"I expressed my strong opposition to the ANWR revenue-sharing provisions and the reasons why I want Alaska to receive a 90-10 revenue split," Young said. "Alaskans have known about the potential problems with the

revenue split for some time. This is nothing new as everyone has seen ANWR as a major revenue producer and we know we must fight hard to protect our stake.

"Despite our differences at this time, I'm confident that President Bush will work with Alaskans to see that we're treated fairly."

Young has introduced legislation in the U.S. House of Representatives calling for a 90-10 revenue split for Alaska from ANWR development. Young, the Ranking Republican on the House Interior Committee, has more than 100 co-sponsors of his bill.

"I'm pleased that this Administration has come forward with a national energy plan and a proposal to open ANWR to oil and gas development," Young said. "And even though we're far apart in terms of how the ANWR revenues should be allocated, I strongly feel that we should start moving forward with legislation to open ANWR and take care of the details as we move along.

"The Administration's position is that the nation needs the revenues to fight the deficit problem. I explained that we have a statehood compact with the federal government and we want a 90-10 split for Alaska."

Young also expressed his concerns about the national wetland policy, which he said must be created in a fashion that recognizes the unique needs and circumstances of Alaska.

(Alaska Congressman Don Young is the Ranking Republican on the U.S. House Committee on Interior Affairs and a senior member of the Merchant Marine and Fisheries and Post Office and Civil Service committees. He is now serving his 10th term as Alaska's lone member in the U.S. House of Representatives.)

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MEDIA MEMO



OFFICE OF SENATOR FRANK MURKOWSKI
709 Hart Senate Office Building
Washington, D.C. 20510

CONTACT:

Bill Woolf
(202) 224-9311

February 19, 1991

Murkowski and Bush meet on ANWR

Senator Frank Murkowski and Congressman Don Young met with President Bush and his top energy advisors for approximately 1 1/2 hours Tuesday afternoon, to discuss the Administration's proposed national energy strategy. The Administration plan, to be revealed later this week, calls for leasing the coastal plain of the Arctic National Wildlife Refuge (ANWR), but recommends that the Federal government receive 100% of the revenues from the leasing fees and from oil and gas royalties if petroleum is found there. Murkowski said he and Young took the opportunity to brief the President personally on why Alaska feels that the Administration revenue plan violates the Alaska Statehood Act.

Murkowski issued the following comment:

"I'm very disappointed in the Administration proposal. It's yet another example of an old story, where the Office of Management and Budget counts 100% of the anticipated ANWR revenues when it prepares budget documents, then uses those figures to drive policy.

"I spent about an hour and half with the President, and I think he now has a much clearer understanding of why Alaska has problems with OMB'S approach. It's just not acceptable. Alaska has a compact with the Federal government that calls for 90% of the revenues to go to Alaska, and any change to that is a violation of our contract. The President was receptive, and indicated he would try to find a way to achieve something more acceptable to Alaskans.

"ANWR itself remains the cornerstone of a realistic energy policy for this country, and anyone interested in a truly comprehensive policy knows it."

"We have to remember there is still a long way to go before any bill becomes final, and the Senate will be examining several proposals including my own bill calling for 90 % of the revenues to go to the State. My position is unchanged. Alaska should continue pushing for all that it is entitled to, it should be willing to bargain hard if that is needed, and it should be prepared to take the issue to court if necessary."

Those attending the meeting in the Oval Office included the President, Senator Murkowski, Congressman Young, White House chief of staff John Sununu, Interior Secretary Manuel Lujan, Energy Secretary James Watkins, OMB Director Richard Darman, Senate Energy Committee Chairman Bennett Johnston (D-LA), and the ranking minority member of the Senate Energy Committee, Senator Malcolm Wallop (R-WY).

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MEDIA MEMO



OFFICE OF SENATOR FRANK MURKOWSKI
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CONTACT:

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February 5, 1991

MURKOWSKI SAYS ENERGY BILL "BLACKMAILS" ALASKA

Senator Frank Murkowski of Alaska said today that oil leasing provisions for the Arctic National Wildlife Refuge (ANWR) backed by the chairman and ranking member of the Senate Energy and Natural Resources Committee "blackmail" Alaska. The provisions are in a comprehensive energy-policy bill introduced today by senators Bennett Johnston (D-Louisiana) and Malcolm Wallop (R-Wyoming). Although Murkowski noted the bill has many good points, he vowed to fight a clause that would drop ANWR leasing if the State of Alaska sued the government for a larger share of ANWR revenues. Current law is for 90% to go to Alaska, but the new bill would create a 50-50 split.

Murkowski comments...

"The Johnston-Wallop measure is a step toward a badly needed comprehensive energy policy, and environmentally sound exploration and development of ANWR is its cornerstone.

"ANWR is the key to initiatives that environmentalists have demanded for years: things like alternative energy and new conservation measures. But the environmental community needs to understand that stripping ANWR out of this bill would make the entire package collapse. If that occurs, they will bear the responsibility for killing the national energy strategy.

"ANWR must be a part of the package, but I cannot support the present language on ANWR. It violates Alaska's compact with the federal government by calling for a 50-50 revenue split instead of the 90-10 division now in effect, but even worse, it has a blackmail clause that would totally strike the ANWR authorization if Alaska seeks a judicial review of the revenue split.

"It's an unconscionable attack on Alaska's rights as a state. It is an affront to all Alaskans and in my opinion it is probably unconstitutional.

"It's like Alice's adventures in Wonderland, where the Red Queen said, 'Sentence first- verdict afterward.' This is saying, 'If you win, you lose!'

"I remain dedicated to seeing ANWR become a part of the nation's strategy, but I will vigorously fight against the blackmail clause and for Alaska to receive its full share of ANWR revenues."

Energy Bill "Blackmails" Alaska
February 5, 1991

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Background...

- Leasing ANWR could generate up to \$3.3 billion over the next 5 years, according to the Office of Management and Budget.
- Government believes ANWR could be the United States' third-largest onshore oil field ever. Development could yield up to 1.5 million barrels of oil per day for 20-30 years. The net overall national economic benefit could reach almost \$80 billion, with a net benefit to the Alaska state economy of \$7- to \$10 billion.
- Dept. of Energy estimates there is a 46% chance of finding significant oil and gas deposits.
- Oil from ANWR would both reduce dependence on foreign oil and the outstanding trade deficit. Currently, the U.S. imports approximately 50% of its oil needs. At a 1989 cost of \$45 billion, imported oil accounts for 40% of the total U.S. trade deficit.
- Production from all current U.S. fields is dropping, and now stands at 7.3 million barrels per day, the lowest in 26 years. Alaska's Prudhoe Bay field currently provides 24% of the total U.S. production, but is declining at 10% per year.
- ANWR is 19 million acres overall, of which 8 million acres, or 42%, is designated wilderness. Slightly over 1.5 million non-wilderness acres would be subject to exploration. The total expected "footprint" of any developed oil fields would be only 12,500 acres, or just .07% of the total acreage in the refuge.

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Stevens may fight ANWR bill

By DAVID WHITNEY - 5/1991
Daily News Reporter

WASHINGTON — Sen. Ted Stevens on Monday said he will oppose federal legislation to allow oil drilling in the Arctic National Wildlife Refuge if the state and federal governments cannot settle a multimillion-dollar argument over how to share revenues from the refuge.

"I am not in a rush to get legislation passed at any price," Stevens said. "I see no reason to be part of a national energy rush that doesn't care about Alaska."

Under current law, the state

would get 90 percent of revenues from the refuge and the federal government 10 percent, but Congress and the Bush administration want the state share reduced to 50 percent.

Refuge development bills approved by House and Senate committees in earlier congressional sessions called for a 50-50 split and contained "blackmail" provisions that, if the state challenged the distribution in court and won, would automatically withdraw the authorization to drill the refuge's coastal plain. Merely filing a suit would halt all leasing activity

in the refuge until a final court decision was reached, presumably by the U.S. Supreme Court.

Stevens' concern is that if Congress had to reconsider a leasing bill after the state won a lawsuit on the revenue split, new features would be added to a successor bill penalizing the state.

"I don't intend to support an ANWR bill if it is going to be reviewed by the courts," Stevens said Monday.

The difference between a 40

Please see back Page STEVENS

STEVENS: ANWR bill not certain

Continued from Page A-1

percent share and a 50 percent share is a fortune.

President Bush's new budget forecasts refuge lease-sale revenues of \$1.9 billion in 1993 and \$1.2 billion in 1995. If Alaska were to get 90 percent of the revenue as the statehood act specifies, the two sales would deliver about \$2.8 billion to Juneau. At 50 percent, the state's share would be only about \$1.5 billion.

Stevens' comments Monday were the first in which he said he would act to kill a development bill unless the state and the federal government reached an understanding on how the money would be divided. Because of Senate rules allowing a single senator to put a hold on a bill headed for the floor, Stevens' threat is one he may be able to carry out.

The hard line and willingness to wait represent a change in position for Stevens. He considered an immediate push for Senate action on a refuge development bill after Iraq's Aug. 2 invasion of Kuwait because he felt there would be "gas lines by Christmas." But he didn't try for a bill, because informal polling of Senate offices showed he would probably lose.

But Monday, Stevens said he is willing to hold out for the best deal the state can cut with the federal government — and that will take some time.

"I think we are in for a long battle," said Stevens, who was re-elected in November. "I am pleased I have six more years to contemplate it."

By claiming all the refuge lease money for itself, the Bush budget made clear that the administration is in no mood to turn over more than a billion dollars in leasing income to Alaska. And, after a meeting Monday morning between Alaska Gov. Walter Hickel and Interior Secretary Manuel Lujan, the state and federal governments appeared no closer to agreement on the split.

Lujan, at a press conference releasing the budget, conceded the administration would get 100 percent of the money. But he said the administration would settle for half.

Hickel, who has maintained that Alaska is entitled to 90 percent, said he is willing to accept less money if the state gets federal land or something else of equal value in trade. But he said he wouldn't even go along with that unless it were put to a vote in Alaska and the state gave its consent to less than 90 percent.

"Congress cannot break the statehood compact without the people agreeing," Hickel said.

Lujan called Hickel's offer to trade land or other values for refuge revenues "a fairly new concept to the department."

"We have an open mind," Lujan said after his morning meeting with Hickel. But later in the day he said again that the Interior Department wanted a 50-50 split.

Stevens said he has told Alaska Rep. Don Young and Sen. Frank Murkowski that he will oppose refuge development legislation unacceptable to the state even if it comes out of committees on which they sit.

In prior congressional sessions, Young and Murkowski lost the revenue-sharing fight before the House Merchant Marine and Fisheries Committee and the Senate Energy and Natural Resources Committee but went on to vote for the committee bills anyway.

"My senators each have their own battle plan," Young said Monday night. "We're all working for the same thing — 90-10. We'll see what happens."

Murkowski couldn't be reached for comment on Stevens' position.



NEWS

DON YOUNG CONGRESSMAN FOR ALL ALASKA

For Immediate Release

January 30, 1991

Contact: Steve Hansen (202) 225-5765
Press Secretary

Congressman Young Introduces Legislation To Open ANWR To Oil And Gas Development

Washington, D.C. - Alaska Congressman Don Young today introduced legislation to open the Arctic National Wildlife Refuge (ANWR) for environmentally sound oil and gas leasing, exploration and development.

Young said that his legislation, entitled the "Arctic Coastal Plain Domestic Energy Leasing Act of 1991", is designed to "create thousands of new jobs and play a key role in the stabilization of our national energy security."

"This legislation will accomplish what an overwhelming majority of Alaskans have wanted for the past several years - authorization for the Secretary of Interior to expeditiously lease a small portion of ANWR for the environmentally-sound leasing, exploration and development of oil and gas," said Young, the Ranking Republican on the House Interior Committee.

"As Congress and the Bush Administration moves to reduce America's growing dependence on foreign oil supplies, we must seek increased domestic production. Without a doubt, the most promising oil and gas province in North America lies in the ANWR area."

Young said that he has more than 100 co-sponsors of his legislation and "I fully expect to get more in the coming weeks."

Young noted that in the 100th Congress, ANWR legislation he supported was approved by a key subcommittee and the full Merchant Marine and Fisheries before being delayed in the Interior Committee. Young re-introduced an ANWR

bill in the 101st Congress, but the Prince William Sound oil spill put the legislation on hold.

"Now that we've approved a comprehensive national oil spill bill that addresses many of the problems of oil transportation, the time is right to move forward with an ANWR development bill," Young said.

"If we take a prudent and deliberate course now, we will be able to undertake oil and gas development in ANWR in the most environmentally-sound manner possible.

"Alaskans have proven that the Arctic area of our nation can be developed in conjunction with environmental protection. An overwhelming number of Alaskans support opening ANWR, as does the Hickel Administration, the Alaska Congressional Delegation and the Bush Administration. Now is the time to move forward - both for Alaska's economic future and America's energy security."

(Alaska Congressman Don Young is the Ranking Republican on the U.S. House Committee on Interior Affairs and a senior member of the Merchant Marine and Fisheries Committee. He is now serving his 10th term as Alaska's lone member in the U.S. House of Representatives.)

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MEDIA MEMO



OFFICE OF SENATOR FRANK MURKOWSKI
709 Hart Senate Office Building
Washington, D.C. 20510

CONTACT:

Bill Wolf
(202) 224-9311

January 14, 1991

MURKOWSKI INTRODUCES ANWR BILL

U.S. Senator Frank Murkowski today introduced a bill to authorize environmentally sound oil and gas leasing in the coastal plain of the Arctic National Wildlife Refuge (ANWR) in Alaska. Under the Murkowski bill, existing law requiring a 90%-10% split of revenues between the State of Alaska and the Federal government would be maintained. The first lease sale would have to be offered by the Department of the Interior within one year after the bill passed. Ten-year leases would be offered on tracts ranging in size up to 2,560 acres. The bill also directs the Department to ensure that a "competitive opportunity" is available to smaller, independent oil and gas producers. Senator Ted Stevens of Alaska cosponsored the bill.

Murkowski comments...

"The passage of this bill is vitally important to the people of the United States. If the United States were a living organism, oil would be its lifeblood. Nearly half of our oil supply now comes from transfusions from other countries.

"The Alaska delegation has advocated opening the ANWR coastal plain for more than a decade... it didn't take the aggression of Saddam Hussein to know that our country is overly dependent on foreign oil.

"Congress' past failure to act on ANWR exploration leaves the United States in a position of having soldiers in the Persian Gulf defending foreign oil reserves when we don't even know the extent of our own reserves.

"ANWR alone will not solve our nation's energy problems; we must strive for energy conservation, we must increase energy efficiency, and we must develop alternative energy sources. However, conservation, efficiency and alternatives are not enough to solve the problems we face today or over the next 20 to 30 years.

"The risks of exploring ANWR are fewer and the potential rewards greater than people realize. To fully express these facts, I intend to begin a weekly series of statements about the refuge, its environment, its people, its oil and gas potential, and the extent and impact of possible development.

"I believe we have a responsibility - to ourselves, to our children, and to those who now stand ready in the Persian Gulf - to put aside both preservationist and pro-development rhetoric, and make a balanced, realistic decision based on the facts. I'm confident the facts support the exploration of this small, non-wilderness portion of the Arctic Wildlife Refuge."

-more-

Murkowski Introduces ANWR Bill
January 14, 1991

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Senator Stevens comments...

"Today, we import more than one-half of our energy needs, with a large portion of that supply coming from the volatile Middle East. That leaves the U.S. precariously tied to the fate of that region.

"Unless we take dramatic steps now to reverse our dependence on the Middle East and other outside powers, we are inviting an economic Pearl Harbor. There is only one answer - ANWR.

"Interior Department estimates project an oil reserve of three to nine billion barrels in ANWR's coastal plain. That's enough oil to replace every drop of oil we imported from Kuwait and Iraq for as long as 27 years."

Background...

Bids for oil and gas leases in ANWR could generate up to \$3.3 billion over the next 5 years, according to the Office of Management and Budget.

Interior Department experts believe ANWR could turn out to be the United States' third-largest onshore oil field ever. They estimate oil development in ANWR could yield up to 1.5 million barrels of oil per day for 20-30 years. The net overall national economic benefit could reach almost \$80 billion, with a net benefit to the Alaska state economy of \$7- to \$10 billion.

If significant oil and gas deposits are found in ANWR, the U.S. could both reduce its dependence on foreign oil and its outstanding trade deficit. Currently, the U.S. imports approximately 50% of its oil needs. At a 1989 cost of \$45 billion, imported oil accounts for 40% of the total U.S. trade deficit. Meanwhile, production from all current U.S. fields is dropping, and now stands at 7.3 million barrels per day, the lowest in 26 years. Alaska's Prudhoe Bay field currently provides 24% of the total U.S. production, but is declining at 10% per year.

ANWR encompasses a total of 19 million acres, of which 8 million acres, or 42%, is designated wilderness. Slightly over 1.5 million non-wilderness acres would be subject to exploration. The total expected "footprint" of any developed oil fields would be only 12,500 acres, or just .07% of the total acreage in the refuge.

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February 20, 1991

To: Mark Handley, via Representative Gruenberg, House Majority Leader

Fr: Dan Kish, Minority Staff Director, House Interior & Insular Affairs Comm.
U.S. Rep. Don Young

Re: Oil & Gas Committee Meeting

I have reviewed your faxed copy of the proposed resolution HJR #21, concerning the disposition of revenue from an ANWR leasing scenario.

If I might suggest, a couple of points. In addition to conveying the resolution to Chairman Udall, I would suggest it also be sent to Vice Chairman George Miller. In Mr. Udall's absence due to rehabilitation from a serious fall earlier this year, Mr. Miller has been granted all the powers and duties of the Chairman pending his return.

Furthermore, I would suggest that any such resolution address the so called "blackmail" clause", in which under expedited judicial review, if the state was successful in pursuing in court its claim under the statehood act to the 90-10 split, that the authorization for leasing is revoked. This is a particularly heinous example of congressional meddling, for two reasons. First of all, it reduces the entire issue of ANWR to a financial one, ignoring the all too stark implications of a growing U.S. dependence on foreign energy upon our security and our balance of trade. This is clearly primarily a federal interest, although the state is (and should be) interested in this as well. Furthermore, it significantly affects the equal footing of the state and federal governments in that if the state pursues its rights in court successfully, it voids the statute authorizing leasing.

In essence, we have rights, but if we pursue them and succeed in the courts in establishing them, we get the shaft, and the national interest implications of ANWR are denied the U.S. public.

Suggested language: page 2, line 11, continued.

"And furthermore, the Alaska State Legislature considers current efforts to diminish the legal rights inherent to the State of Alaska in the U.S. Congressional debate over the authorization of leasing of ANWR to be a serious affront to federal-state relations and by extension, to diminish the rights of all States of the Union."

Something along those lines, and then ask that it be sent to all the state legislatures nationwide - maybe the home folks can help us with the effort, especially if they view this development as precedential to their own states' rights.

Good luck.

Royalty hikes could lower bids, Stevens says

By JAY CROFT

TIMES WRITER

Any gains the state might see from raising oil companies' royalties to the state from the Arctic National Wildlife Refuge might be canceled by resulting lower exploration bids, U.S. Sen. Ted

Stevens, R-Alaska, cautioned Tuesday.

Gov. Walter J. Hickel and U.S. Rep. Don Young said Monday that Alaska may be willing to share ANWR revenues evenly with the federal government if oil companies pay more in royalties.

That idea's success would depend on oil companies' willingness to increase their exploration bids, Stevens said in Anchorage.

"The amount of money the industry will pay for the right to look is fairly high," Stevens said. "But if the industry

has to pay a higher royalty, they'll be willing to pay less for exploration."

Sen. Frank Murkowski, the third member of Alaska's all-Republican congressional delegation, could not be reached Tuesday for his reaction to the

See Royalties, page B9

Royalties

Continued from page B1

royalty proposal.

Oil industry representatives preferred not to comment on the governor's proposals for changing the royalty requirements.

"The governor obviously is trying to do the best he can for Alaska, but at this point we cannot comment," said Tom Cook, Chevron USA Inc.'s exploration representative for Alaska.

"As I understand it, the (ANWR) royalty would be increased by some percentage," said Jim Palmer, a spokesman for BP Exploration (Alaska) Inc. "By doing so, this would change the economics of the bidding process. It's a fact of life that this has to be factored into the equation."

"We've seen no numbers; so we can't comment," said Dave Parrish, a spokesman for Exxon Co. USA.

Stevens, Young, Hickel and Murkowski met recently in Washington, D.C., to discuss ANWR development.

"We're trying to work on the same wavelength," Stevens said, adding that Hickel and Young's newest idea was one of many to be considered.

Hickel and the congressional members want Alaska to receive 90 percent of the royalties from federal leases and oil development, with the federal government getting 10 percent. They

say Alaska is guaranteed the advantage in its statehood compact.

But Stevens said last week neither Congress nor President Bush supports that. And the chairman of the Senate Energy Committee, Sen. Bennett Johnston, D-La., has introduced a bill that would open ANWR with the state and federal government evenly splitting revenues.

Congress is divided on opening ANWR at all because it could prove politically unpopular with constituents who are fearful of harming the environment, Stevens said. And no one in either the Senate or the House supports Alaska's effort to get the higher share.

The federal government needs the extra money because the Energy Department's budget is in trouble, Stevens said.

"The only place where there's a massive increase in revenue stream is ANWR," Stevens said after a press conference. "Therefore, reluctantly, they're going to give us the votes."

The ANWR measure is now part of an overall Senate energy bill, which few will oppose and is on the "fast track" toward a vote, Stevens said.

Americans are realizing they need a strong national energy policy, he said.

Environmentalists fear ANWR exploration would disturb caribou and the arctic shoreline.

A vote on the energy bill could come by the end of summer, depending on the war's progress, Stevens said.

Times writer Bert Tarrant contributed to this report.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

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March 2, 1987

The Honorable Sam Cotten
Co-Chairman
Resources Committee
P.O. Box V
Juneau, AK 99811

Re: 90-10 Revenue distribution
for federal lands

Dear Representative Cotten:

In a February 26, 1987 memorandum, you asked a number of questions regarding federal-state sharing of oil and gas revenues in the event of oil and gas leasing in the Arctic National Wildlife Refuge ("ANWR"). You asked:

1) If the Congress were to repeal the provisions of ANILCA closing the ANWR coastal plain to oil and gas exploration and drilling, without amending the Mineral Leasing Act of 1920 or the Statehood Act, would the State be entitled to 90 percent of the federal oil and gas revenues derived from Refuge lands? Are there foreseeable circumstances under which federal lands in the coastal plain could be considered other than "public land" subject to the Mineral Leasing Act and the 90-10 federal-state revenue sharing arrangement?

2) Was PET 4 (the former Naval Petroleum Reserve) "public land" subject to the same 90-10 revenue sharing arrangement as other public land in Alaska? When the NPRA Act passed in 1976, did it reduce or expand the state's revenue entitlement from the affected acreage?

The Honorable Sam Cotten
Co-Chairman, Resources Committee

March 2, 1987
Page 2

Before answering your specific questions, it may be helpful briefly to review the background of the 90-10 revenue sharing arrangement which currently exists. The distribution of oil and gas revenues from federal lands depends on whether they are "acquired lands" or "public domain lands." In general, "acquired lands are those granted or sold to the United States by a State or citizen and public domain lands were usually never in state or private ownership." Wallis v. Pan American Pet. Corp., 384 U.S. 63, 65 n.2 (1966).

Oil and gas leasing on acquired lands is governed by the Mineral Leasing Act for acquired lands, 30 U.S.C. §§ 351 et seq. Under that Act, revenues from oil and gas leases on acquired lands are to be "distributed in the same manner as prescribed for other receipts from the lands affected by the lease." 30 U.S.C. § 355. As applied to wildlife refuges created from acquired lands, this provision requires that oil and gas revenues be distributed according to the formula contained in the Wildlife Refuge Revenue Sharing Act, 16 U.S.C. § 715s, which provides that 75 percent of the revenues go to the federal government and 25 percent of the revenues go to the county in which the wildlife refuge is located. The rationale for this distribution formula is that the lands were on local tax roles while in private ownership, and giving some of the receipts from the lands to the local county compensates the county for the loss of those property tax revenues.

Oil and gas leasing on public domain lands is governed by the Mineral Leasing Act of 1920, 30 U.S.C. §§ 181 et seq. Under that Act, 90 percent of the revenues are dedicated to the benefit of the states */ and 10 percent are paid into the United States Treasury.

This 90-10 revenue distribution formula applies to both vacant, unappropriated and unreserved public domain

*/ For lower 48 states, 50 percent of federal oil and gas revenues from public domain lands are paid directly to the states and 40 percent is deposited into the Reclamation Fund created by the Reclamation Act of 1902. Because Alaska is not covered by the Reclamation Act and receive no benefits from the Reclamation Fund, we receive the full 90 percent of such revenues from federal public domain lands in Alaska.

lands and (with limited exceptions not applicable here) public domain lands withdrawn and reserved for specific purposes, including withdrawals and reservations for wildlife refuges. I represented Alaska in Watt v. Alaska, 451 U.S. 259 (1981), in the United States Supreme Court. The precise issue in that case was whether the 90-10 revenue distribution formula applied to the withdrawn and reserved lands of the Kenai National Moose Range. The Supreme Court, over the United States' objection, held that it did.

Like the lands in the Moose Range, the lands in ANWR were withdrawn and reserved from the public domain for refuge purposes; they are not acquired lands. There is no substantive distinction between the Moose Range lands and the lands in ANWR, and there is no substantive legal basis for concluding that federal oil and gas leasing revenues from ANWR would be distributed differently than those from the Moose Range under existing law.

The revenue distribution formula in the Mineral Leasing Act represented an historic trade-off in the history of public land law. In enacting it, Congress terminated its historic policy of disposing of the public lands. Instead, it determined that the federal government should retain those public lands remaining in the states, but should use most of the mineral revenues from those lands for the state's benefit. See generally, Fairfax and Yale, The Financial Interest of Western States in Non-Tax Revenues From the Federal Public Lands (manuscript copy published by the Western Legislative Conference, Council of State Governments, and the Lincoln Institute of Land Policy in 1985). This historic compromise has governed distribution of mineral revenues from federal lands, particularly in the western states, since 1920, and we can see no foreseeable circumstances under which that fundamental compromise would be changed at this time.

Accordingly, the answers to your first set of questions are: (1) The state would be entitled to 90 percent of the federal oil and gas revenues derived from ANWR lands if Congress repealed the closure of the ANWR coastal plain in ANILCA without amending the Mineral Leasing Act of 1920 or the Statehood Act; and (2) we see no foreseeable circumstances under which the ANWR coastal plain would not be subject to the Mineral Leasing Act.

As noted briefly above, there are a few limited exceptions in the Mineral Leasing Act. One of these is for

"lands within the naval petroleum and oil-shale reserves." 30 U.S.C. § 181. The revenue distribution provisions of the Mineral Leasing Act provide that all monies which may accrue to the United States "from lands within the naval petroleum reserves shall be deposited in the Treasury as 'miscellaneous receipts' ..." 33 U.S.C. § 191.

In other words, at the time of the historic compromise when the United States decided to retain large tracts of lands and share the benefits of mineral development with the states in which those lands were located, it expressly exempted from that sharing any benefits deriving from the naval petroleum and oil-shale reserves. Former Naval Petroleum Reserve No. 4 ("PET 4"), now known as the National Petroleum Reserve in Alaska ("NPRA"), accordingly has never been subject to the Mineral Leasing Act of 1920 and the 90-10 revenue distribution formula had no application to any revenues from NPRA. In section 11 of the Alaska Statehood Act, Congress retained the exclusive legislative authority over PET 4 as long as it remained a naval reserve, so its status as far as federal-state relations has always been somewhat different than other federal lands. When Congress finally opened NPRA to competitive leasing in 1980, it did so independently of the Mineral Leasing Act. It was that separate congressional action in 1980 -- not the Mineral Leasing Act -- which resulted in the state receiving 50 percent of revenues from oil and gas leasing in NPRA. See 42 U.S.C. § 6508. Absent that congressional action, the state would have been entitled to none of the revenues from NPRA.

Summarizing, the answers to your second set of questions are: (1) PET 4 was never subject to the same 90-10 revenue sharing arrangement; instead, it was a specific (and single) exception to the 90-10 revenue sharing formula; and (2) when Congress authorized leasing in NPRA, it provided that the state was to receive 50 percent of the revenues instead of none of those revenues which is what the current law at that time would have provided in the absence of congressional action.

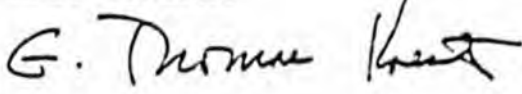
The Honorable Sam Cotten
Co-Chairman, Resources Committee

March 2, 1987
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I hope this answers your questions. If we can be of further assistance, please contact us at your convenience.

Sincerely,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By: 
G. Thomas Koester
Assistant Attorney General

GTK/dlm

cc: Lieutenant Governor Stephen McAlpine
Commissioner Judy Brady, DNR
Commissioner Don W. Collinsworth, F&G
Commissioner Dennis Kelso, DEC
John Katz, Office of the Governor
Bob Grogan, Office of the Governor
Rod Swope, Office of the Governor

TESTIMONY OF G. THOMAS KOESTER ON S. 735
BEFORE THE SENATE SUBCOMMITTEE ON PUBLIC LANDS
July 14, 1987

Thank you, Mr. Chairman.

My name is G. Thomas Koester. I am an Assistant Attorney General for the State of Alaska.

The State of Alaska opposes S. 735 on both legal and policy grounds. As a legal matter, we view S. 735 as an impermissible attempt to amend a major component of the statehood compact under which Alaska was admitted to the Union. As a matter of policy, S. 735 would abrogate the historic compromise in public land law under which the United States changed its policy of disposing of federally owned lands to one of retaining title but dedicating the proceeds of those lands to the states in which the lands are located.

Section 35 of the Mineral Leasing Act of 1920, 30 U.S.C. § 191, currently governs the distribution of revenues from oil and gas leasing of federal public domain lands. Under that statute, 90 percent of those revenues are dedicated to the benefit of the states in which the lands are located. In the lower 48 states, this dedication takes the form of a direct grant of 50 percent of the revenues and deposit of an additional 40 percent in the Reclamation Fund, established under the Reclamation Act of 1902, 43 U.S.C. §§ 372 et seq. Because Alaska is not covered by the Reclamation Act, Alaska receives the full 90 percent under the statute.

This dedication of federal oil and gas revenues to the states represented a historic compromise in the history of public