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**The Conference of the States
An Action Plan For Balanced
Competition in the Federal
System**

Convener: The Council of State Governments in conjunction with the National
Conference of State Legislatures and the National Governors' Association
•P.O. Box 11910•Lexington, KY 40578-1910
•606/244-8000•606/244-8001 fax

The Conference of the States

It is an unfortunate fact of American political life that the national government has become so dominant in our federal system that the checks and balances established by the nation's founders are eroding. James Madison, Thomas Jefferson and Alexander Hamilton would be dismayed by the dysfunction and lack of public confidence this imbalance have engendered in the government they formed.

Whenever state and local officials get together, the discussion invariably turns to this problem. In the last few years, the rhetoric has become especially heated over unfunded federal mandates. Local and state leaders across the nation are in near unanimous agreement that something must be done. They introduce legislation, testify before Congress, pass resolutions and give impassioned speeches ... but little changes. State leaders do not lack the desire or energy to take action; what they lack is a plan, a real process. This paper offers a simple but powerful plan.

But first, a dose of reality. Even with the changed political landscape as a result of the last election, we cannot count on Congress to fix this problem by itself. In fact, with the likely prospect of a Balanced Budget Amendment and tax cuts on the horizon, states are at considerable risk that Congress could push its budget problems down to the states. No matter which party controls Congress, it is not likely to relinquish power without feeling the pressure of an electorate that demands it. States must protect the balance that Jefferson, Hamilton and Madison created by advancing structural, permanent reform that will not be subject to the whims of whoever controls Congress. States also cannot depend on the courts or the federal bureaucracy to restore balance in the system. Over the last 60 years, the federal courts generally have not been friendly to states in their disputes with the federal government.

Balance will only be restored in the way intended by Madison, Jefferson and Hamilton — when states take the initiative. As state leaders (with our allies in local governments), we must step up to our constitutional obligation and compete for power in the federal system. States have a place at the constitutional table. It is the proper role, in fact the obligation and stewardship, of states to be jealous and protective of their role and to fight for balance.

In this quest, state and local leaders face what can best be described as a "dilemma of extremes." At one extreme is the effort currently under way, consisting mostly of complaining, hoping and waiting for more flexibility. Congress has paid lip service, but little has changed. At the other extreme, some activists are calling for states to convene a constitutional convention, a politically unlikely event that is fraught with danger and opposition.

The purpose of this paper is to offer a middle ground, between the two extremes. This plan must be more forceful and assertive than hoping, complaining and waiting, but not so radical as a constitutional convention.

Our tools to create leverage for states fall into three categories: political (in the sense of winning the people's support), legal and constitutional. All three are important. Citizen support for this effort is strong. People feel alienated and disconnected from the federal government. If government is going to make decisions that affect their lives, people want decisions made in their hometown or state capital – not in Washington, D.C. State leaders recognize they need a formal legal strategy. Too often, important federal court cases have been left to individual states that were inadequately prepared and poorly financed.

Constitutional tools are also crucial. For at least 15 years, respected state and local government organizations like the National Governors' Association, the National Conference of State Legislatures, The Council of State Governments and the U.S. Advisory Commission on Intergovernmental Relations have joined prominent academic and legal scholars in proposing various constitutional amendments that would help restore proper balance between states and the national government.

Using the political, legal and constitutional tools, we believe it is time for states to take the initiative. States must employ a means of communicating their resolve and commitment to Congress and to the American people. It is our job, our responsibility, our stewardship. State leaders must not be held responsible by history for allowing the brilliant federalist creation of Madison, Jefferson and Hamilton to expire from neglect.

We propose a process that would consolidate and focus state power. This process would culminate in a historic event called *The Conference of the States*. The following is an outline of the process:

- In each state legislature, a Resolution of Participation in The Conference of the States will be filed early in the 1995 legislative session. The resolution authorizes the appointment of a bipartisan, five-person voting delegation of legislators and the governor from each state to attend the Conference.
- When a majority of states have passed Resolutions of Participation, an entity called The Conference of the States will be formed by the delegates from each state. A Steering Committee for the Conference has been formed to propose rules, assuring that each state delegation receives one vote.
- The Conference of the States then will be held, perhaps in a city with historic constitutional significance such as Philadelphia or Annapolis. At the Conference, delegations will consider, refine and vote on ways of correcting the imbalance in the federal system. Any item receiving the support of the state delegations will become part of a new instrument of American democracy called a *States' Petition*. The States' Petition will be, in effect, the action plan emerging from The Conference of the States. It will constitute the highest form of formal communication between the states and the Congress. A States' Petition gains its authority from the sheer power of the process the states follow to initiate it. It is a procedure outside the traditional constitutional process, and has no force of law or binding authority. But it must not be ignored or taken lightly because it symbolizes a test of the states' relevance. Ignoring the Petition would signal to the states an intolerable arrogance on the part of Congress.

- The States' Petition then will be taken back to the states for the approval of each state's legislature. Constitutional amendments included in the Petition will require approval by a super-majority of state legislatures to continue as part of the State's Petition.
- Armed with the final States' Petition, the representatives of each state then will gather in Washington to present the Petition and formally request that Congress respond.

While the Petition would have no force of law and would not be binding on Congress, it is likely that Congress would respond. To ignore the carefully reasoned, formal Petition of America's state legislatures would be unthinkable. Rejection of the Petition would communicate to the people that Congress is unwilling to listen. It would confirm an arrogance that states could not ignore. Rejection also would ignite a national political debate that no candidate for Congress, for president, for governor or for any state legislative race could avoid. The questions of Madison, Jefferson and Hamilton would be asked again: Do we want a government dominated by Washington or a balanced federalist system? The answer to that question is the same today as it was in 1787.

The Conference of the States initiative must be based on some important principles:

- ♦ It must be scrupulously bipartisan;
- ♦ It must seek fundamental, long-term, structural change, as opposed to attempting to resolve the specific issues of the day;
- ♦ It must avoid single-issue causes and proponents. No special-interest groups or individuals can be allowed to co-opt the initiative for their own purposes; and
- ♦ It must concentrate state power and focus national attention on federalism.

The Conference of the States QUESTIONS AND ANSWERS

Who will organize The Conference of the States?

The Conference of the States will be formally organized by governors and delegates appointed by legislative leadership from each participating state. The preliminary work will be overseen by a national steering committee comprised of state elected leaders appointed by The Council of State Governments (CSG), the National Conference of State Legislatures (NCSL), and the National Governors' Association (NGA). CSG, a respected bipartisan organization made up of leaders from all three branches of state government, will be the convener and fiscal agent. The state delegations to The Conference of the States will have final approval of all proposed Conference governance issues and organizational rules.

When will The Conference of the States be held?

It is anticipated that if as many as 26 states pass Resolutions of Participation during the 1995 legislative season, the Conference will be held in the fall of 1995. This would allow a States' Petition to be presented in state legislatures in early 1996, and to Congress later in 1996. If states quickly pass the Resolutions of Participation, this timetable could be accelerated.

Who supports The Conference of the States?

A broad, bipartisan coalition of governors and state legislative leaders from every state in the country has agreed to help plan, organize and participate in The Conference of the States. USG, NCSL and NGA have all formally endorsed the Conference. Besides governors and state legislators, the coalition of supporters includes other state and local government officials and associations, academics and scholars, and business leaders.

Who will select the participants in the Conference?

The Resolution of Participation, which has been sent to legislatures in every state, provides for five voting delegates from each state. Four of the delegates will be legislators, two from each party and two from each house, appointed by the presiding officers of the houses. The other is the governor. If the governor cannot attend, he or she can appoint a constitutional officer in his or her place. This process will give the Conference 250 voting delegates, assuming every state participates. Each state will have one vote. Each presiding officer also may appoint two legislative alternate delegates, one from each party, who shall vote in the absence of primary delegates. If a state legislature does not pass the Resolution of Participation, a nonvoting delegation from the state may attend the Conference. The states' final ratification of the States' Petition that emerges from the Conference will be the true test of support by states.

What is a States' Petition?

The action plan produced by The Conference of the States will be called a States' Petition, a new instrument in American democracy. The Petition will be presented to each state in the form of a resolution for ratification. If ratified by the legislatures, the petition will be presented to Congress as the will of the states of the Union. Because the Petition will have gone through such a formal and rigorous process of approval and consensus, it should be considered the highest and most serious level of communication by the states to Congress. If ignored by Congress, states will know they must look to other means to bring a better balance to the federal system.

The States' Petition drafted at The Conference of the States will ignite a major political debate, forcing candidates to take positions on federalism issues. The matter of federal/state competition and balance will become a pre-eminent political issue of the day, providing leverage and making states more competitive. The Petition also will provide a rallying point for citizens who are frustrated and who want responsible change. A number of years ago, the Equal Rights Amendment became a national issue around which debate occurred at all levels of government and in every district. While that amendment did not pass, it had an enormous impact on how Americans view gender and equity issues. In the same way, The Conference of the States and the resulting States' Petition will elevate the issue of federalism to a high level of consciousness and debate.

Where will the Conference be held?

There would be historic symbolism in holding the Conference in Annapolis, Md. That is where a group of states held a conference in 1786 that was a precursor to the Constitutional Convention held the next year in Philadelphia. However, the Steering Committee, in consultation with official state delegations, will determine the location.

Does this effort mean that states can stop fighting against unfunded mandates and other such concerns?

Absolutely not. States must use every means to address this issue. The excellent effort by NGA and NCSL to win passage of unfunded mandates legislation should be pursued aggressively. All of these efforts will complement each other. As The Conference of States moves forward, it will motivate Congress to act on these related issues. States must use legislative, legal and constitutional means to restore balance to the system.

How will the Conference be financed?

It is likely that state legislatures will be asked to appropriate a small amount of money from each participating state to pay the actual costs of the Conference.

What could hurt this effort?

Partisanship and special interests' influence are the two factors that could seriously damage the initiative. Bipartisan support is crucial, or the Conference simply will not be successful. And if any special interest group or single-issue organization takes over or unduly influences the process, it will collapse. Supporters must be willing to put aside partisanship and their concerns on specific issues and focus on broad, fundamental, structural, long-term reforms if the effort is to be efficacious. The Conference must not become a forum for pro- or anti-abortion, or pro- or anti-gun control groups that might want amendments of their own. There are hundreds of causes that people would like to address with constitutional amendments. The Conference is not a forum for such discussions. It must remain focused on the fundamental issue of providing leverage and bringing balance to federal/state relationships. Also, the Conference must not attempt to swing the pendulum too far in the other direction by proposing too much authority for the states. A strong national government is still needed.

How will the Conference of the States agenda be limited to structural reform so that it doesn't get bogged down with myriad special interest issues?

Two important ways: (1) The language of the Resolution of Participation limits the Conference to fundamental structural change, and (2) The rules proposed for the Conference must be consistent with the Resolution of Participation in limiting the conference agenda to fundamental long-range reforms.

Is the Conference anything like a Constitutional Convention?

The Conference will be a forum for states to express their will, but it will have no binding authority or force of law. It is the most powerful way for states to express their will to Congress and the American people short of a Constitutional Convention. Even after the States' Petition is ratified by a super-majority of states, it will merely represent the states' wishes. But it is expected that it will have enough power and influence to motivate Congress to act. The Conference of States is not a constitutional convention, but its process will provide more clout than continuing the hoping and complaining that is presently going on.

Is this a Republican plan or a Democratic plan?

The plan has nothing to do with political partisanship. It is not a Republican or a Democrat plan. It builds upon the research and work accomplished over several years by many groups, including the National Governors' Association, the National Conference of State Legislatures, The Council of State Governments and others. It is supported by governors, legislators and other local leaders of both

major political parties. The fact is that political partisanship will kill this effort faster than anything else. Anyone who tries to make this initiative partisan is an enemy of The Conference of the States, not a supporter. Bipartisanship is a cardinal rule that must be adhered to by all who want to be involved. The plan is motivated by much more than political ideology. While balanced competition in the federal system is important for maximum personal liberty, it is also important for reasons of efficiency, cost-effectiveness and global competitiveness.

Where will the proposals come from that will be considered at The Conference of the States?

The Steering Committee will propose rules governing this matter. However, to ensure that reform proposals considered at the Conference have been carefully analyzed, we anticipate that major national organizations of elected officials (NGA, NCSL, CSG, mayors, county leaders, etc.) will be invited to submit proposals. Thus, all proposals will have been scrutinized before being submitted to The Conference of the States.

Will a conference of a few days provide enough time to adequately discuss and approve these important matters?

The Conference process will likely include more than one meeting. An initial meeting to organize the Conference, receive input and proposals, and establish rules and procedures will be necessary. Then, the official Conference will meet later to discuss, refine and pass the proposals.

What is the role of Congress in this initiative?

We anticipate that a delegation from Congress will be invited to participate in discussions at the Conference, but not be allowed to vote.

Has a Conference of the States ever been held before?

It is fascinating to note that the problem we confront today regarding balance in the federal system is similar to what the founding fathers of this country faced more than 200 years ago with regard to the Articles of Confederation – only just the reverse. Then, the national government was too weak and the states too strong. Today, the national government is too powerful and the states too weak. In both cases, a lack of checks and balances had thrown the system out of kilter. It is important to see how the founding fathers solved the problems of the weak Confederation. Some of what occurred then can help guide us today in properly balancing the federal system.

The 13 states were, in effect, nearly autonomous countries under the Articles of Confederation. States had all the power. The Confederation Congress had little power. The Congress could not require the states to carry out any of its decisions. Every bill that Congress passed had to be approved by nine of the 13 states. There was no national military; no ability to regulate foreign trade or commerce among the states; no ability to resolve arguments over state boundaries.

George Washington, who became increasingly angry during the Revolutionary War at the national government's inability to provide food, clothes and armaments, sadly described the Confederation as a "rope of sand" and observed that "the Confederation appears to me to be a shadow without substance." Something had to be done, but where would the political will come from to strengthen the national government? It would take courageous people of good will to initiate changes.

The first break came at the instigation of Alexander Hamilton, James Madison and the Virginia Legislature. They called for a Conference of States to consider common interests in commercial regulations. Only five states attended that historic meeting in 1786 in Annapolis, Md. But it was clear to them that something fundamental and structural needed to be done to properly balance

federal-state interests. Out of that conference came a report asking that all states send delegates to another meeting in Philadelphia on the second Monday of the following May. Little did anyone know that invitation would be the thunderbolt that would lead to the birth of our government system. That meeting in 1786 in Annapolis provided a precedent for states to come together to resolve problems in the federal system.

What solutions might be proposed at The Conference of the States?

Before this process even takes place, it would be presumptuous of the supporters to suggest what solutions might emerge. However, there exist some good examples of possible solutions in the suggestions of past commissions and task forces that have addressed the issue. A great deal of important research has been done by NGA, NCSL, The Council of State Governments and the U.S. Advisory Commission on Intergovernmental Relations. With regard to constitutional solutions, most of the scholarly thinking over the past two decades has concluded that states should focus on "process amendments" to the Constitution that, over time, would bring a better balance in the system. It would be foolish for any individual or group to attempt to sort out the precise roles of the national and state governments in a constitutional amendment. No one is smart enough to assign specific programs and tasks to one level of government or the other, and make the system balance. Most programs have become such complex combinations of federal, state and local participation, that it would be disruptive and impractical to attempt swift and precise delineations.

Some parties have suggested amending the 10th Amendment to give it strength and teeth in clearly defining the roles of the two levels of government. But that is problematic because the outcomes of future court cases based on the strengthened 10th Amendment would be so unknown. Constitutional lawyers would argue for years over what impact revising the wording of the Tenth Amendment might have. States would be leaving the fate of federalism entirely to the federal courts and the result could be drastic changes in federal-state roles or no changes at all.

A better strategy would be to focus on "process amendments," the results of which would be much more predictable and that would naturally bring about a better balance in the system over a number of years. A number of individuals and task forces have recommended, for example, adding a clause to Article V that would put states on equal footing with the Congress in proposing constitutional amendments. It would provide a more direct method for states to propose constitutional amendments than the unworkable and never-used Constitutional Convention process. The founders clearly intended states to be able to initiate constitutional reform, as well as ratify amendments proposed by the Congress. Under this amendment, three-fourths of state legislatures could propose an amendment to the Constitution that would become valid unless within a two-year period the Congress rejected the amendment by two-thirds votes of both houses. While the Article V amendment would not immediately change federal-state relationships, it would over time help balance the system because the Congress would be respectful of states' ability to propose amendments and would thus be less officious and overbearing and more considerate of the states' equal role in the federal system. It would still be very difficult to amend the Constitution, but states could propose amendments through a mechanism similar to what Congress enjoys today. It would put the states and the Congress on a more equal footing.

Another example of a "process amendment" is one proposed by former Arizona Gov. Bruce Babbitt at an NGA meeting in 1930. It would give states by petition of two-thirds of the legislatures the power to sunset any federal law except those dealing with defense and foreign affairs. Such an amendment would be much more radical than the Article V amendment, but discussion of it at The Conference of States would certainly get the attention of the Congress.

In themselves, these "process amendment" proposals are neutral in that they are procedural and do not change public policy, appropriations or the roles of the levels of government. But they would

change the framework in which public policy is developed, assisting the states in addressing the imbalances of power.

One other possible amendment is worth mentioning. The Council of State Governments and other task forces have recommended that a sentence be added to the 10th Amendment clearly stating that the courts have responsibility to adjudicate the boundaries between national and state authority. Some feel that addition is necessary because the Supreme Court has ruled on two occasions that states and local governments must defend against federal encroachments by lobbying the Congress through the national political process rather than relying on the federal courts to act as "umpire." In other words, the court did not find any special equal constitutional role for the states, but rather treated them like any special interest group that must petition Congress to improve its lot. State leaders believe that states enjoy an equal role with the national government in the federal system and they should not be at the mercy of Congress in federal-state disputes. The amendment would clarify that the courts must act as neutral referees in such disputes.

Those amendments are simply ideas and suggestions that could be considered at The Conference of States, along with others. The authors are confident that the Conference would focus on reasonable, responsible process amendments that would not be overly disruptive or attempt to precisely delineate the role of the levels of government.

The Conference of the States *BACKGROUND INFORMATION*

The evolution of federalism: How the federal government became pre-eminent

A 1989 report by a task force of The Council of State Governments says: "One of the virtues of our federalism is its flexibility which, among other things, enables one or another of our constitutional partners to rise to the challenges of particular moments in our history. So long as the challenges are met and our federalism is brought back into balance on a higher plane, then our federal republic is strengthened by this dynamism. However, when the challenges are not met adequately, and when one constitutional partner becomes so pre-eminent as to begin to endanger the constitutional integrity of the other partners, then our federalism is placed in jeopardy."

There is no question that the federal government has stepped forward at crucial times in the history of this country — when states were unwilling, unable or slow to act — to address important problems. In the natural and intended competition that exists among branches and levels of government, when a need arises or a power vacuum exists, it will be filled by whatever branch or level rises to the occasion. Citizens during the Progressive Era sought major social and economic reforms. States were slow to respond, so reforms occurred at the national level, led by the presidencies of Republican Theodore Roosevelt and Democrat Woodrow Wilson. State primacy was eroded. Industry misconduct then prompted unprecedented national intervention in economic affairs and a new willingness by the American people to look to Washington, rather than to state capitals, for protection against domestic threats to health and safety.

Any last resistance to an expanding national role was overwhelmed by President Franklin D. Roosevelt's vast responses to the Great Depression and World War II. National dollars pumped life into the economy and states surrendered autonomy in exchange for assistance. The states' reluctance to act on environmental regulation and civil rights matters further allowed the national government to usurp state prerogatives. President Lyndon Johnson's Great Society constituted another giant leap in the growth of the federal government. The states did not resist, and the age of fiscal federalism began. Governors and mayors were happy to receive a flood of federal dollars, even if accompanied by burdensome paperwork and regulation. All of this happened in relatively small increments and for

seemingly good purposes. In many cases, it was the fault of state and local governments, which did not respond promptly to serious problems or were willing to give up autonomy for federal dollars.

Today, however, the dynamics of society – and of government and our federal system – have changed dramatically. The Industrial Age of centralized authority and top-down management has ended and we are entering a new era, the Information Age, in which small, flexible, autonomous units, whether business or government, will out-compete and outperform their bureaucratic counterparts. Today, it is state and local governments that are meeting citizen needs, that are providing innovative and workable solutions to problems of health care, social services, education, crime and the environment. In almost every case, these innovative programs are difficult to create and implement because of federal regulatory barriers and constraints. Successful health care and welfare reform programs require dozens of waivers from federal regulations. With true freedom and flexibility – and by leaving funding resources at state levels – states would move much more rapidly to solve society's pressing problems. Today, it is the federal government that is bankrupt financially and politically. It is the federal government where gridlock occurs, where there is much talk and little action, where one-size-fits-all programs and over-regulation don't fit this nation's diversity. It is a bloated and over-extended – yet unresponsive – federal bureaucracy that has left citizens surly and cynical, distrustful of government and disgusted with Washington. National survey research shows that unprecedented numbers of people feel impotent, unable to influence a government far from home that no longer reflects their interests, that hurts more than helps. Seventy percent of respondents to a Times Mirror survey said dealing with a federal bureaucracy is not worth the trouble. Two-thirds of Americans said Washington needs new leaders. Eighty-three percent said elected officials in Washington "lose touch with the people pretty quickly."

While the federal government was pre-eminent and rose to the challenges of the Industrial Age, state and local governments are ready to rise to the challenges of this new era in history – the Information Age, when diversity, experimentation and local control are needed. States will bring our federalism back into balance on a higher plane, for a more just, clean, safer and prosperous America.

"Balanced competition" in the federal system

In the great debate of the Constitutional Convention in 1787, two issues were of paramount importance: 1) large states vs. small states; and 2) national government vs. state authority. To balance the interests of large and small states, the delegates produced a brilliant solution, today referred to as the Great Compromise. It gave each state equal representation in the U.S. Senate, with representation in the House determined by population. To balance power between the states and the national government, and to prevent domination by any branch of government, the Constitution created what Madison called a "compound republic," with power split between two levels – national and state – and then split again among three branches of government at both levels. "Hence, a double security arises to the rights of the people," said Madison. The new Constitution, along with the Bill of Rights, gave superior power in limited areas to the national government, but reserved all other authority to the states. It intended to keep most everyday governmental functions at the level closest to the people.

The Constitution established a balanced competition among levels and branches of government. The people are protected, and the best public policy emerges, only when those levels and branches are willing and able to compete for power, when checks and balances exist. If any one level or branch of government is unable to compete, power will be concentrated improperly and the rights of the people will be endangered. The Articles of Confederation failed because power was concentrated in states and the national government was unable to compete. The 10th Amendment reserved all nondelegated and nonprohibited power to the states or to the people, clearly reserving a major role for state and local officials. The fact that originally state legislatures elected U.S. senators was

another clear indication that states were to be major players and their interests well represented at the federal level.

As we know so well, over many years the original checks and balances created by the founders have been eroded and the national government has consolidated power and authority, while states have lost power and their ability to compete. The system is simply not working. States are no longer competitive forces able to act as a check and balance to the federal government. Instead of being a full-fledged counterbalance to federal dominance, states are being treated and viewed like administrative units. The protections offered by the Miracle of Philadelphia are significantly eroded. Thus, the federal government is running huge deficits, is over-regulating states and citizens, is imposing one-size-fits-all requirements, is out-of-touch with local concerns, and is engaging in the new dishonesty in government – unfunded mandates. The solution is to restore competition and checks and balances in the system. States must obtain more leverage so they can compete for power. The Conference of the States is the best means to obtain that leverage.

How this effort differs from past movements like "States' Rights" and "New Federalism"

This initiative is much different than the failed efforts of the past. The states' rights movement became focused narrowly on specific issues and became a threat to civil rights and environmental progress. Under the banner of states' rights, some civil rights were trampled and some radical positions were taken. States' rights failed to acknowledge the need for a strong central government to coordinate state activity on major national issues, and it gained a reputation as being radical and far-out. New Federalism failed because it was not long-term reform. It amounted mostly to the federal government providing funding for states in block grants with some flexibility. New Federalism caused states to ask the wrong question: "Is this program funded?" rather than "Is this the proper role of federal and state governments?" Later, the federal budget became tight, and some of the money dried up, leaving states to administer many programs without adequate funding.

By contrast, The Conference of the States effort seeks to use a reasoned, responsible process to find the proper federal-state balance. It focuses on fundamental, structural, long-term, rebalancing, not on specific issues or emotional hot buttons. It does not seek to determine the precise roles of state and national governments, but instead relies on a changed framework – the marketplace – to slowly sort out the roles over a period of years. This initiative also involves a much more powerful process to create change, bringing together leaders from every state in a bipartisan fashion. No other past federalism initiative has attempted to use such a structured and inclusive process to win consensus.

Timing is critical

The timing for this initiative is right, and it would be a mistake to postpone the Conference beyond 1995. We have just finished a highly partisan political year that has left the citizenry cynical and distrustful of big government. The time to move forward is now. In 1996 we will begin another highly partisan political year that will include a presidential election. That campaign will make it almost impossible to keep the effort bipartisan and to achieve consensus. Thus, the year 1995 is a window of opportunity that we must not miss. There exists plenty of time for this initiative to receive consideration and scrutiny in every state in the country.

How centralization at the federal level hurts states

As the federal government has become pre-eminent, Congress and the bureaucracy have imposed innumerable regulations and mandates that stifle states. Unfunded federal mandates rob states of

innovation capital. They remove incentives and add barriers for states to fulfill their important role as "laboratories of democracy," as described by Supreme Court Justice Louis Brandeis: "There must be power in the states and the nation to remold, through experimentation, our economic practices and institutions to meet changing social and economic needs ... Denial of the right to experiment may be fraught with serious consequences to the nation. It is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country." Today, states are doing their best to experiment, and they have come up with innovative solutions to problems. But thanks to myriad federal regulations in every area of government, there is not enough experimentation. States could be far more innovative and find more solutions with more freedom.

Another casualty of federal uniformity and one-size-fits-all regulations is values in government. Many politicians are now talking about values, alarmed at the increasing numbers of fatherless children, children giving birth to children, youth violence and structural welfare dependency. But it is very difficult to insert values and standards in public policy when that policy comes from Washington. Public policy from Washington is almost always values-neutral, devoid of values or reflects the values of the lowest common denominator. It can't be any other way because Washington policy applies equally to the smallest rural town and the biggest big city. Only when public policy is formed at state and local levels can local values and standards be applied. Federal regulations and guidelines preclude the application of values and standards in almost every area of governance.

How states can best compete for power

It is natural and proper for states to compete for power in the federal system. Few people, even many federal officials, disagree that the system is out of balance. It needs fixing. Without a Conference, states truly face a "dilemma of extremes." On one hand, they can go on hoping and complaining, which just hasn't worked. On the other hand, they can call a Constitutional Convention, which is radical and has proven unworkable. The Conference offers a middle ground. It is based on sound principles and requires the support of a super-majority of state legislatures to be successful. It is reasonable and makes sense. It is not radical or extreme. It provides states a powerful tool that they did not have to this point. Even if no amendment is ever adopted, the Conference will have the effect of elevating federalism to a new level of national consciousness. It will have salutary effects, whatever stage it gets to.

Individual states constitute good government because they represent power dispersed through 50 separate entities. That keeps states close to the people and responsive to their concerns. While that quality has virtue as a principle of governance, it makes competing with a monolithic force like the federal government difficult. State power is dispersed. Federal power is concentrated. Dispersed power is at a disadvantage when competing with concentrated power. In order to challenge and compete for their rightful role, states require a rallying event, a means of consolidating their power, showcasing the collective will of the states, and taking collective action. It should be the middle ground between the two extremes ... a process less disruptive than calling a constitutional convention, but one that is more than complaining, hoping and waiting. It should demand results and response and should elevate federalism to a new level of national consciousness. It should be a call to action.

The proper federal/state balance

Our system of federalism was skillfully crafted by the far-sighted founders of this nation to protect individual rights. A system in which states were too powerful and the national government too weak would be just as bad (or worse) than the situation we find ourselves in today. Balanced federalism has provided the framework within which generations of Americans have prospered and enjoyed freedom. For many decades, balanced federalism provided government close to home.

increasing flexibility and innovation in public policy. It has supported the diversity that has made this nation great. "Our federalism," says a 1989 report by a task force of The Council of State Governments, "is a precious form of government that has stood the test of time against the twin perils of anarchy and tyranny which have heretofore dominated the history of mankind."

The supporters of this plan believe in a reasonably strong central government, as outlined in the Constitution. This effort is not an attempt to destroy the federal government or to make states the dominant players in our system. The intent is to restore necessary checks and balances, with balanced competition – a level playing field – between the states and federal government. In a balanced system, state and federal leaders will still compete and disagree with each other. Each level will still try to address problems. There will still be discussions, negotiations and compromise on a wide range of issues. But the negotiations will be peer-to-peer, rather than master-to-servant. And discussions will focus not just on "Is it a good program?", but also, "Is it a state or national function?" That's what balanced competition is all about. Even with aggressive state action and some structural change, it will take a number of years for proper balance to be restored. There is no quick fix or silver bullet. Sixty years of centralization will not be undone overnight.

A new era in society with new governance needs

The present arrangement of centralized control at the federal level, with programs administered by huge bureaucracies, is not positioning our country for growth and prosperity in the next century. It is somewhat ironic and is an enormous tribute to the inspired work of our country's founders that the form of government they instituted more than 200 years ago – a national government with limited, but pre-eminent duties, and state and local governments charged with all other functions – remains the best form of government in the new high-tech era we are entering. Our country will be well-served by a return to that form of government. We might call it "Information Age Federalism."

Successful organizations everywhere are de-centralizing and downsizing. Bureaucracies are being dismantled across the world. Futurist John Naisbitt said, "In one of the major turnarounds in my lifetime, we have moved from 'economies of scale' to 'diseconomies of scale;' from bigger is better to bigger is inefficient, costly, wastefully bureaucratic, inflexible and now, disastrous" (John Naisbitt, Global Paradox William Morrow & Company, Inc., New York 1994). He added that the almost perfect metaphor for the movement from bureaucracies of every kind to small, autonomous units, is the shift from mainframe computers to PCs, networked together. "Whether president or CEO, if you are an old mainframe thinker, you are no longer relevant."

Centralized, bureaucratized government – one huge mainframe – is obsolete. In modern government, the deployment of power must shift from vertical to horizontal; from hierarchy to networking; from central government to states and citizens. As Naisbitt says, politics must begin to re-emerge as the engine of individualism.

Futurist Alvin Toffler said, "The diversity and complexity of Third Wave (Information Age) society blow the circuits of highly centralized organizations. Concentrating power at the top was, and still is, a classic Second Wave (Industrial Age) way to try to solve problems" (Alvin Toffler, Creating a New Civilization: The Politics of the Third Wave The Progress & Freedom Foundation, Washington, D.C., 1994) Overcentralization puts too many decisional eggs in one basket, said Toffler. The result is decision overload. "Thus, in Washington today Congress and the White House are racing, trying to make too many decisions about too many fast-changing, complex things they know less and less about." Leaders and citizens at local levels have better information and can respond faster to both crises and opportunities. In this necessary decentralizing effort, Toffler said, "The private sector is charging ahead on a supersonic jet. The public sector hasn't even unloaded its bags at the airport yet." It is necessary, Toffler said, to "move a vast amount of decision-making downward from the national level. There is no possibility of restoring sense, order and management

efficiency to government without a substantial devolution of power. We need to divide the decision load and shift a significant part of it downward."

It is not possible, Toffler said, for a society to de-massify economic activity, communications and other crucial processes without also being compelled to decentralize government decision-making as well. However, "nowhere is obsolescence more advanced or more dangerous than in our political life. And in no field today do we find less imagination, less experimentation, less willingness to contemplate fundamental change. The decisive struggle today is between those who try to prop up and preserve industrial society and those who are ready to advance beyond it. This is the super-struggle for tomorrow."

But even as the world's successful business leaders decentralize and move power to the lowest possible point in the organization, our national government grows ever bigger and more bureaucratic. It is outdated and old-fashioned. It is not suited for the fast-paced, high-tech, global marketplace we are entering.

Conclusion

This process is reasoned; it is careful. It relies on the good sense and patriotism of governors, state legislators and local government officials from across this country. This effort is bipartisan and free from special-interest group influence.

The process outlined in this paper gives state and local leaders a plan. It gives them a "big gear" to ultimately solve many of the lesser problems they encounter with the federal government. They can do more than just complain and talk. They can act. They are the only ones who will work to restore balanced competition in our federal system. Congress never will. The bureaucracy never will. The courts never will. The president never will. But state leaders working closely with their citizens will.

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

HJR

22

FISCAL NOTE

lo. 2

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: CSHJR 22(WTR)

(H) Publish Date: 2/16/95

Revision Date: _____

Department Affected: Office of the Governor

Title: "A Resolution Relating to the maritime boundaries between Alaska and the former Union of Soviet Socialist Republics"

BRU: All BRUs

Sponsor: Representatives Vezey, Ogan, Toohy

Component: All Components

Requestor: _____

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN						
-----------	--	--	--	--	--	--

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: _____

ANALYSIS: (Attach a separate page if necessary.)
No fiscal impact

Prepared by: Michael A. Nitch, Director
Division: Division of Administrative Services

Phone: 465 3876
Date: 1/31/95

Approved by Commissioner: Jon Avera, Chief of Staff
Agency: Office of the Governor

Date: _____

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FISCAL NOTE

REQUEST:
Revision Date: 2/14/95 Affected Agency: Department of Law
Title: Relating to the maritime BRU: Legal Services
agreement between Alaska and the former U.S.S.R.
Sponsor: Rep. Vezey Components: Operations
Requestor: WTR-(World Trade Comm.)

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 2000	FY 2001
Personal Services						
Travel						
Contractual	-0-					
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	-0-					

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	-0-					
Federal Fund						
Other						
TOTAL	-0-					

POSITIONS:

Full-Time	2.0					
Part-Time						
Temporary						

Estimated FY 95 Impact: -0-

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

House Special Committee on World Trade and
State/Federal Relations

Prepared By:

Date: 2/15/95

Division:

Phone:

Approved By:

[Signature]

Date: 2/16/95

Agency:

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT AND BUDGET
AGENCY(IES)

SENATE COMMITTEE REPORT

DATE: 3/14/95

FURTHER:

DATE TURNED INTO OFFICE: _____

State Affairs Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 22(STA)

Relating to the maritime boundary between Alaska and the former Union of Soviet Socialist Republics.

and recommends.

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical change
- new: SCR* _____

SIGNING/DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>J. Chen & J. Wilson</i>	<input checked="" type="checkbox"/>	<i>Refer to HCC</i>	<input checked="" type="checkbox"/>		
		<i>[Signature]</i>	<input checked="" type="checkbox"/>		
CHAIR:		<i>[Signature]</i>	<input checked="" type="checkbox"/>		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
GOVERNOR	1/31	<input checked="" type="checkbox"/>	
LAW	2/15	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, Alaska 99801-1182
(907) 463-3718

House Majority Leader

MEMORANDUM

March 21, 1995

TO: Sen. Bert Sharp, Chairman Senate State Affairs Committee

FROM: Rep. al Vezey

SUBJECT Request for hearing HJR-22.

Please schedule HJR-22 for a hearing in your committee as soon as practicable.

Toy help in this matter is appreciated.

SPONSOR STATEMENT

On August 14, 1867 Captain Thomas Long and the crew of the whaling bark "Nile", from New London, Connecticut, discovered Wrangel Island in the Chukchi Sea. Captain Long named the Island after the former governor of Russian Alaska, Baron Ferdinand Petrovich von Wrangel. This Island has an area of 1,740 square miles, larger than the state of Rhode Island and is located some 270 miles northwest of Cape Lisburne, Alaska.

Even though Captain Long was the first to sight and to describe Wrangel Island, the first recorded landing on the island occurred August 12, 1881, when Captain Calvin L. Hooper, commander of the Bering Sea Patrol, a division of the U.S. Treasury Department and as such, the de facto governor of Alaska, landed at Clark River on the eastern coast of Wrangel Island. With his fellow officers and John Muir (who later founded the Sierra Club) they raised the American Flag and took possession of the island in the name of the United States.

Wrangel Island and its nearby satellite island Herald Island were placed by the United States Coast and Geodetic Service within the District and later Territory and State of Alaska in publications from 1900 through 1977.

The De Long Islands of Henrietta, Jeannette and Bennett were first discovered in the East Siberian Sea and were claimed and named by U.S. Navy Commander George W. De Long during his 1879 - 1881 expedition into the Arctic where the commander and his crew died when their ship, the "JEANNETTE", was crushed by ice floes and sank.

Captain Hooper was engaged in a Congressionally sponsored effort to rescue the "JEANNETTE", a vessel engaged in Arctic research that was locked in ice floes and subsequently lost. Therefore Captain Hooper had the authority to claim Wrangel Island for the United States.

Wrangel Island became a part of the United States by right of confirmed discovery and first possession. Later, a permanent settlement was established there when the American ship "SILVER WAVE" landed a party on the island on September 15, 1921 under the direction of Captain Jack Hammer. The party landed with provisions for only six months as they stated that they planned to sustain themselves by hunting. The relief vessel of 1922 was blocked from arriving by ice floes and it was not until August 23, 1923 that the ship "DONALDSON" arrived. The only survivor of the 1921 expedition was an Eskimo woman named Ada "Blackjack" Johnson, who died just a few years ago in Alaska.

A new party led by Charles Wells of Uniontown, Pennsylvania continued settlement on Wrangel Island and on May 13, 1924, Secretary of State Charles Evans Hughes stated that the Americans, the Lomen Brothers, were the proprietary owners of Wrangel Island.

On August 20, 1924, an armed party from the Soviet gunboat "RED OCTOBER" landed on Wrangel Island, took Wells and other Americans by force, and told them that they were being returned to Alaska. In typical Soviet fashion, they took the Americans to Vladivostok and confiscated the pelts that the American trappers had accumulated during the 12 bitter months on the island.

The Americans who survived their ordeal in Vladivostok were released following the intervention of the American Consul at Harbin, Manchuria but Charles Wells and two residents of Alaska died while detained by the Soviet Government.

The residents of Alaska who survived were all from Golvin Bay, Alaska. They survived the severe physical and emotional trauma resulting from the assault, kidnapping, false imprisonment, theft of property together with other violations of American and Alaska law by the agents of the Soviet regime.

After seizing Wrangel Island, the Soviet government proceeded to seize more American soil by occupying the nearby and defenseless Herald Island. The Soviet government subsequently asserted a spurious claim to the American De Long Island of Henrietta, Jeannette and Bennett.

These illegal acts by the Soviet government interrupted 57 years of peaceful use of these island by American seamen, herders and hunters.

The Soviet occupation of what they refer to as Ostrova De Long is an affront to all Americans, is an insult to the memory of their brave discoverer and a source of embarrassment to the United States Navy, which memorializes whose memory at the Naval Academy in Annapolis.

The soil of all five of these American islands and their surrounding continental shelf has been held by the military force of a foreign power, in contravention of international law and by conduct that is contrary to what is recognized as proper by civilized nations.

The Soviet government has typified the uncivilized conduct of socialist dictatorships by establishing forced labor camps on Wrangel Island as reported in testimony before the U.S. Senate Judiciary Committee in January of 1973. It has also been reported that Wrangel Island was the last known place of imprisonment of Raoul Wallenberg, the Swedish Consul in Budapest, Hungary, who was arrested by Soviet Forces at the end of World War II. Mr. Wallenberg was responsible for saving the lives of thousands of European Jews from the Nazi Holocaust.

This conduct on American soil has continued in defiance of American law as well as in defiance of the international rules of conduct resulting from the Nuremberg war crime trials after World War II. The continuing trespass by the Commonwealth of Independent States, the heir to the former Soviet Union, deprives the State of Alaska and its people of their fundamental right to use the islands of Wrangel, Herald, Henrietta, Jeannette and Bennett together with the surrounding continental shelf and its valuable resources.

Unlike the government of Canada and Great Britain, the United States has never surrendered its claims of sovereignty over these islands.

The then Secretary of the U.S. Department of State, James Baker III, negotiated a treaty to give the islands of Wrangel, Herald, the American De Long Island of Henrietta, Jeannette and Bennett and Copper Island, Sea Lion Rock and Sea Otter Rock on the west end of the Aleutian Chain and their territorial shelf to the Former Soviet Union.

Secretary Baker also signed a secret side agreement that stated the Bush administration would recognize the treaty "in force" until such time as the United States Senate ratified the proposed treaty. The Secretary had no authority to make such agreements. American government is not permitted to enter into secret international treaties.

The sponsor of this bill does not believe that agreements between the United States and the former Soviet Union, which no longer exists, whether they be secret or otherwise, can affect American claims to these islands until they have been ratified by the United States Senate.

The sponsor of this legislation believes that the State of Alaska and the American Government should assert and reassert American sovereignty over Wrangel Island, Herald Island, and the De Long Islands of Henrietta Jeannette and Bennett and Little Diomedes Island in the Bering Strait, their resources, and their territorial shelf in the behalf of the American people. We further propose that the maritime boundary between Alaska and eastern Russia not be established until and unless the State of Alaska is formally represented in the negotiations and its consent obtained.

Senate Joint Resolution

No. 15

Introduced by Senator Rogers

February 24, 1995

Senate Joint Resolution No. 15--Relative to the
Alaska-Russia boundary.

LEGISLATIVE COUNSEL'S DIGEST

SJR 15, as introduced, Rogers. Alaska-Russia: maritime
boundary.

This measure would reiterate the support of the Legislature
for the State of Alaska to participate in negotiations involving
its boundaries with Russia.

Fiscal committee: no.

1 WHEREAS, Every state has a compelling
2 constitutional interest in determining its own boundaries
3 with other states and foreign countries; and

4 WHEREAS, The State of Alaska's boundary with the
5 former Soviet Union was the subject of negotiations
6 between the United States government and the Soviet
7 government from 1981 to 1990, but the State of Alaska was
8 never allowed by the United States Department of State
9 to participate in the negotiations; and

10 WHEREAS, The Alaska legislature vigorously
11 protested this exclusion in the form of Senate Joint
12 Resolution 12, which was passed nearly unanimously by
13 both houses and signed by Governor Steve Cowper in
14 May 1988; and

15 WHEREAS, The United States Department of State
16 ignored these protests, and its negotiations resulted in a

59

1 proposed treaty titled "Agreement with the Union of
2 Soviet Socialist Republics on the Maritime Boundary"
3 signed on June 1, 1990; and

4 WHEREAS, The Alaska legislature sent a letter, signed
5 by a bipartisan majority on May 17, 1991 to the United
6 States Committee on Foreign Relations, stating, "We
7 firmly believe United States interests and Alaskan
8 interests are at stake and in jeopardy in the proposed
9 treaty. . . . No Alaskan official has ever been invited to
10 participate in the treaty negotiations, in spite of abiding
11 Alaskan interests in fisheries, petroleum, and other
12 potential continental shelf resources and the
13 considerations of navigation in the area. In the entire
14 history of the treaty negotiations, Alaska has had no
15 official voice. Alaska has not been officially consulted in
16 the entire matter. . . . It is our purpose to urgently
17 recommend that the presently-proposed treaty not be
18 ratified by the U.S. Senate, and that negotiations be
19 continued to include appropriate Alaskan officials and
20 current United States and Alaskan historic, territorial and
21 resource interests."; and

22 WHEREAS, The proposed treaty was nevertheless
23 approved by the United States Senate vote in September
24 1991; and

25 WHEREAS, The California Legislature has previously
26 expressed its support for the State of Alaska's rights to
27 participate in negotiations and to give its consent to any
28 agreements affecting its boundaries in the form of
29 Resolution Chapter 122 of the Statutes of 1987 and
30 Resolution Chapter 107 of the Statutes of 1991; now,
31 therefore, be it

32 *Resolved by the Senate and the Assembly of the State*
33 *of California, jointly,* That the California Legislature
34 reiterates its support for the State of Alaska in its rightful
35 position of participation in any negotiations involving its
36 boundaries with Russia, the current government
37 controlling territory opposite from Alaska, and be it
38 further

39 *Resolved,* That the Secretary of the Senate transmit
40 copies of this resolution to the President and Vice

1 President of the United States, to the Speaker of the
2 House of Representatives, to the Chairperson and
3 ranking member of the United States Senate Committee
4 on Foreign Relations, to the Chairperson and ranking
5 member of the United States House of Representatives
6 Committee on Foreign Affairs, to each Senator and
7 Representative from California in the Congress of the
8 United States, to the Governor of Alaska, to the President
9 of the Alaska Senate, and to the Speaker of the Alaska
10 House of Representatives.

HJR

39

FISCAL NOTE

**STATE OF ALASKA
1995 LEGISLATIVE SESSION**

Revision Date: April 20, 1995 Department: Commerce and Economic Development
 Title: A resolution relating to the Northern Sea Route BRU: Office International Trade
 Component: Office International Trade
 Sponsor: House Special Committee on Rural Trade and State/Federal Relations
 Requestor: _____ COMPONENT SERIAL NO. 1390

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	
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 EXPENDITURES	
----------------------	--

CHANGE IN REVENUES	
--------------------	--

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 General Fund							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS	
FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)
 This is a normal part of the mission of the Office of International Trade.

Prepared by: Laune Cunningham, Acting Director Phone: 561-5585
 Division: Office of International Trade Date: April 20, 1995
 Approved by Commissioner: William L. Hensley, Commissioner *[Signature]* Date: April 20, 1995
 Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSIONRevision Date:
Title: RELATING TO THE NORTHERN SEA ROUTEDepartment Affected: University of Alaska
BRU:
Component:Sponsor:
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)	FY96	FY97	FY98	FY99	FY00	FY01
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER						
TOTAL FUNDING	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Wendy Matheny, Budget Analyst
Division: Statewide Budget OfficePhone: 463-3086
Date: 3/28/95Approved by: Wendy Redman, Vice President
Agency: University RelationsDate: 3/28/95

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

FISCAL NOTE

No. 1

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: HJR 39

(H) Publish Date: 4/21/95

Revision Date: _____

Department Affected: Office of the Governor

Title: "A Resolution Relating to the Northern Sea Route,"

BRU: Executive Operations

Sponsor: Special Comm. World Trade and State/Federal Relations

Component: Executive Office

Requestor: _____

COMPONENT SERIAL NO. 0006

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN						
-----------	--	--	--	--	--	--

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: _____

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact

Prepared by: Michael A. Nizich, Director

Phone: 465 3876

Division: Division of Administrative Services

Date: 3/28/95

Approved by Commissioner: David Ransbur, Director of Communications

Agency: Office of the Governor

Date: 3/28/95

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SENATE COMMITTEE REPORT

DATE: 4/25/95

FURTHER: _____

DATE TURNED INTO OFFICE: _____

State Affairs Committee considered HOUSE JOINT RESOLUTION NO. 39

Relating to the Northern Sea Route.

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical change

new: SCR# _____

SIGNING: DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Loren J. Lewis</i>	✓				
<i>Paul C. Bell</i>	✓				
CHAIR: <i>Paul C. Bell</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

DCEO	4/20	✓	
U of A	3/28	✓	
Gov	3/28	✓	

Alaska State Legislature

Anchorage
P.O. Box 103382
Anchorage, AK 99510
(907) 337-7737
(907) 258-8183

Office of World Trade And State/Federal Relations

State Capitol
Juneau, AK 99801-1182
(907) 485-3438

Official Business

COMMITTEES
Natural Resources
Legislative Council

REPRESENTATIVE
RAMONA L. BARNES
District 22

MEMORANDUM

TO: Senator Bert Sharp, Chair, State Affairs Committee

FROM: Representative Ramona Barnes, Chair, House World Trade
and State Federal Relations Committee

DATE: April 23, 1995

RE: HJR 39



I am writing to request that you schedule HJR 39 "Relating to the Northern Sea Route" for a hearing as soon as possible.

This measure passed the House unanimously on Saturday and I expect it to be referred to your committee shortly. On behalf of my committee, I want to thank you in advance for your help in moving this resolution.

If you or your staff have any questions about the resolution or need more information you may call me, or Wayne Maloney at any time.



Official Business

COMMITTEES
Natural Resources
Legislative Council

Alaska State Legislature

Office of World Trade
And
State/Federal Relations

REPRESENTATIVE
RAMONA L. BARNES
District 22

Anchorage
P O Box 103382
Anchorage AK 99510
(907) 337-7737
(907) 258-8163

State Capitol
Juneau AK 99901-1182
(907) 465-3438

SPONSOR STATEMENT

HJR 39 "RELATING TO THE NORTHERN SEA ROUTE"

HJR 39 affirms the Legislature's support for development of the Northern Sea Route as a shipping route between trading partners on the Atlantic and Pacific Oceans.

The resolution requests the Administration to seek new markets in Europe, Russia and Arctic nations; supports further development of ports in cooperation with the Army Corps of Engineers; and asks that the University of Alaska, the U.S. Coast Guard and the National Oceanic and Atmospheric Administration work to promote the route by concentrating on making improvements in the areas of navigation, safety, and waterborne commerce.

The resolution also asks the U.S. Army Corps of Engineers to investigate navigation improvements along the Arctic coast and along the Yukon and Kuskokwim Rivers in order to allow the efficient delivery of fuel and supplies to communities along those waterways.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, ALASKA
P. O. BOX 898
ANCHORAGE, ALASKA 99506-0898

PRESENTATION FOR THE HOUSE SPECIAL COMMITTEE
ON WORLD TRADE AND STATE/FEDERAL RELATIONS

ALASKA STATE LEGISLATURE
MARCH 23, 1995

By Orson P. Smith, Ph.D.

The Northern Sea Route is a marine passage from the Atlantic to the Pacific Ocean, or vice versa, via the Arctic Ocean north of Russia. It extends approximately 3,000 miles from the Bering Strait on the Pacific to Murmansk, Russia, on the Barents Sea, which opens onto the Atlantic. The route offers distances between the Atlantic and Pacific basins 35 to 60 percent shorter than traditional routes through the Panama and Suez canals. The Northern Sea Route has been established since the 1930's, but until recently Russia, whose territory borders the route, carefully guarded it from foreign ships. Mikhail Gorbachev, then General Secretary of the Soviet Union, signaled Russia's willingness to open the route for international commercial shipping in an October 1987 address. Some international shipments have taken place since, but the dream of a busy new passage between markets of one basin and sources of supply in the other remains a goal for the future.

The Alaska Department of Commerce and Economic Development asked the Corps of Engineers in a February 1993 letter to investigate Alaskan port improvements related to the State's strategic position on the Northern Sea Route. The U. S. Congress appropriated \$300,000 in November 1993 to begin the study and appropriated another \$300,000 the next year to complete the work. The Corps study was administered by the Alaska District office in Anchorage, with technical assistance from the Corps' Cold Regions Research and Engineering Laboratory in Hanover, New Hampshire.

The Corps requires a focus on port improvements, but this unique assignment called for an extensive information-gathering effort at the start. The Cold Regions Lab assisted the Alaska District with an overview of the history and present status of the Northern Sea Route and the state of the art in design of arctic ships. I have provided the Committee with a publication of this work.

The University of Alaska assisted with a review of Russian capabilities to monitor and forecast arctic conditions and a summary of the highly variable climatological factors which affect the cost of shipping. Two Russian scientists, Drs. Andrey and Tatiana Proshutinsky, were instrumental in this effort. From St. Petersburg, Russia, they are visiting faculty members at the Institute of Marine Science at the University of Alaska Fairbanks. Dr. William Sackinger, an arctic ice specialist at the Geophysical Institute in Fairbanks, helped with a summary of international initiatives now under way, including the International Northern Sea Route Program.

RELATED MATERIAL

This program is a multi-million dollar, multi-year study, administered in Norway and largely funded by Japanese interests.

We contracted the port planning firm Gulf Engineers and Consultants, Inc., of Baton Rouge, Louisiana, to apply their expertise in economic analysis of ports to forecast commodity flows over the Northern Sea Route. The Gulf specialists were assisted by DRI/McGraw-Hill of Washington, DC, and compiled a summary of historical world sea trade statistics and a forecast of commodity flows which could be diverted from canal routes.

The Corps Cold Regions Lab inventoried the world fleet of ice-breakers and arctic cargo ships, with the assistance of Leonid Turuk, a specialist in Russian arctic ships. A commercial version of this inventory was published recently by Backbone Publishing of New York. The laboratory is now developing a computer simulation of the passage of selected cargo ships along the Northern Sea Route. This model applies the climatological information gathered by the study to estimate the average transportation cost for various commodities by simulating many voyages in the full range of possible conditions. The simulation results will be applied to adjust the forecast of commodity flows based on the competitiveness of the transportation cost.

Preliminary forecasts indicate that non-ferrous ores have the best prospects for Alaskan exports. The ore terminal at Skagway has exported lead and zinc ore from a mine in Faro, British Columbia, to Europe in years past. The terminal is owned by the State of Alaska. The State-owned ore terminal near Kivalina on the Chukchi Sea has also exported lead and zinc ore to Europe from the Red Dog Mine by lightering on barges to deep-draft vessels anchored offshore. The efficiency of this operation is constrained by the shallow approach to the terminal, the presence of ice, and concerns for whales' summer migration along this coast. The Alaska District is in contact with port operators at Skagway and the Red Dog Mine terminal and with the Alaska Industrial Development and Export Authority to investigate port improvements at these sites.

Preliminary forecasts for the entire Pacific rim indicate the possibility of a substantial increase in commodity flow via the Northern Sea Route in future decades. The forecast will be tested by the ship transit simulation program, but appears now to be large enough that shipments could extend beyond the optimum climatic conditions of August and September. Shipments beyond this best season are certain to require ice-breaker escort along most of the route. Unalaska appears to be a good port for marshalling east-bound Northern Sea Route convoys. The Anchorage firm of Tryck Nyman Hayes has been contracted to investigate port improvement prospects at Unalaska.

Two public workshops for the Northern Sea Route study took place in Anchorage, one in February and one in August of 1994. Experts world-wide have been consulted by telephone and electronic mail. The intensity of interest in the Northern Sea Route around the globe is impressive.

The Corps will publish its Northern Sea Route Reconnaissance Report in June 1995. The report will recommend site-specific feasibility studies of port improvements that appear economically justified. A non-federal sponsor must agree to provide the Corps with 50 percent of the cost for these studies to proceed. We hope any agreements necessary can be executed in 1995.

The report will also recommend efforts by others, which could enhance the commercial prospects for Alaskan businesses. The findings of the Northern Sea Route study may lead Alaskan leaders to consider such options as these:

1. Augmenting relations with trading partners in the Arctic and Europe, perhaps through the programs of the Alaska Department of Commerce and Economic Development, the University of Alaska, and the Northern Forum;

2. Pursuing the Federal interest, through cost-sharing port projects with the Corps of Engineers, intermodal transportation projects by the Alaska Department of Transportation and Public Facilities and the Federal Highway Administration, chart improvements by the National Oceanic and Atmospheric Administration, and improved aids to navigation and safety measures in the arctic by the U. S. Coast Guard;

3. Stimulating applied research and development, which might shift some of the present focus of U.S. arctic research on environmental concerns to matters affecting the future of commercial shipping in the arctic, such as climatological factors affecting shipping cost, the design of arctic cargo ships, and the design of shallow-draft supply vessels to serve rural Alaskan communities.

The Alaska Department of Commerce and Economic Development has asked the Corps to study the possibility of extending the navigation season along the Kuskokwim and Yukon Rivers, and has requested another study on ways to improve the supply system for coastal communities of arctic Alaska. The President's 1996 budget includes funds to begin investigation of Kuskokwim River navigation. Proposed studies of the Yukon River and the arctic coast have not been funded.

The Alaska District of the Corps of Engineers appreciates this opportunity to review the findings to date of our Northern Sea Route Reconnaissance Study. We look forward to furnishing this Committee copies of our final report and will be glad to provide you with any other information at our disposal.

"A NORTH SEA ROUTE TO ALASKA", a Talk by Dr. Orson Smith,
To the Juneau World Affairs Council, March 23, 1994,
Synopsis by Dr. Joe Sonneman

The Army Corps of Engineers in June 1995 will complete its two-year study of a North Sea route between the Pacific and Atlantic Oceans via the Arctic Ocean and Alaska.

Dr. Orson Smith, a ports, harbors, and coastal specialist with the Corps since 1973, said the Corp, composed mostly of civilians, has for the past two centuries worked to develop water resources in the U.S.

Showing slides of the Arctic regions, Dr. Smith said routes via either the center of the Arctic or along the Russia coast would make points north of San Francisco (in North America) or north of Korea (in Asia) closer to Europe than going through the Suez or Panama canals.

Smith said that the Soviet Union often used the Arctic Sea to supply its coast communities, but that the Soviet Union forbade other nations from using that route. But in 1987, Gorbachev opened this route to other nations' ships, as part of perestroika (and as a way to earn foreign exchange). Few used this.

The Alaska Department of Commerce in 1993 asked the Corps to investigate this now-possible route. Senator Stevens twice won \$300,000 in appropriations to conduct the Corps study, Smith said.

The six-part information-gathering study includes: history of Arctic sea routes; design of Arctic ships; learning the climate; studying weather forecasting; investigating international efforts; and learning what commodities might be worthwhile to transport this way.

The Corps asked the University of Alaska at Fairbanks for help with the climatological study, because ice can vary by thickness, ridgeness, age, and wind-induced compactness or dispersion. Luckily, two visiting Russian scientists greatly helped to produce an out-standing climatological report, also telling the Russian infrastructure and helping to estimate shipping risks.

Bill Sackinger, now retired, also helped gather international information on the North Sea route--

which is under study in Norway, with Russian and Japanese backing.

Both Gulf Engineers, knowledgeable in port economics and Corps studies, and DRI/McGraw-Hill, experienced in world sea trade statistics and macro-economic forecasting, combined to estimate likely commodities. Focusing first on existing trade, they found that non-ferrous metals now go, or could go, from Alaska to Europe, both from Skagway and from the Red Dog mine, using existing Unalaska port facilities.

The Corps compiled a global list of ice-breaking ships: there are hundreds, but most are medium-sized ships intended for Russian domestic service. The Finns--and also two German shipyards--lead the way in icebreaker ship design.

Russian requirements include: a marine-surveyed ship topped off in fuel and fully provisioned, with a Russian pilot, fully insured, and paying for icebreaker services.

Preliminary results look promising. A 45-60 day window in good weather [August-September] may allow ice-conditioned cargo ships to transit the route without icebreakers. But the weather and ice and sea conditions are highly variable. Another 30 days before and 30 days after might be passable, too, but only with icebreaker assistance. This limited time period could still allow for "thousands" of voyages each year, equivalent to a medium-sized port, about 20 million tons per year. [Anchorage now handles 3 M/t/yr; Rotterdam 300 M/t/yr].

Smith said ships would probably travel in convoys, so that one icebreaker could aid many ships. Some shippers are already interested.

U.S. Arctic research is focused on ecological aspects and climate change, not waterborne commerce, Dr. Smith added, suggesting that a modest change in emphasis might help make the North Sea route a reality. The Corps will first consider the route without port improvements, and will then evaluate what help port improvements might make.



US Army Corps
of Engineers
Alaska District

Northern Sea Route

Corps studies Arctic Ocean shipping

The prospect of an international trade route across the Arctic Ocean is receiving more and more attention. The idea of regular cargo shipments from many nations going from the Atlantic to the Pacific and back over this "Northern Sea Route" is a captivating concept, made reachable by recent

innovations in ship design and changes in the Russian economy and policies toward private enterprise.

For shipping between European ports and those of the Far East and Alaska, the route offers a distance savings of 35 to 60 percent over current routes through the Suez and Panama Canals. This could be a viable alternative, if research can prove its technical and economic feasibility.

The State of Alaska has pursued developing the Northern Sea Route since 1991, when Russia officially opened it to international use. The State is a founding member of the Northern Forum, an international association of arctic regional governments recognized by the United Nations, which is conducting studies on the route as well as other topics.

Alaska requests study

After a series of meetings between State officials and U.S. Army Corps of Engineers specialists, the State asked the Corps in February 1993 to investigate the feasibility of improving ports in Alaska to facilitate shipping by the Northern Sea Route. The U.S. Congress allocated \$600,000 in November 1993 for a 2-year reconnaissance study, and work is under way at the Corps' Alaska District office in Anchorage.

The Corps study ultimately will focus on port improvement opportunities, but must first forecast what the conditions would be without any improvements. A team of Corps, university, and private specialists, in collaboration with Northern Sea Route proponents in the State government and the Northern Forum, are striving to meet this extraordinary challenge.

Navigating northern ice is routine work in Russia

The Northern Sea Route follows some 3,000 miles along the path of least resistance through icy arctic waters from Murmansk, Russia, in the west to the Bering Strait in the far east. The typical depth is 20 meters, but some depths are as shallow as 3 meters. The western portion of the route, as far east as Dudinka, has been open year-round since 1980. The rest of the route is normally open from the beginning of July through October.

The route has been the main supply channel for Russia's remote northern territories since 1937, and the Russians have invested heavily in Arctic navigation since World War II. Today Russia has a highly developed marine infrastructure along the Arctic route and specialized ice navigation experience that spans many decades. Russia has a fleet of the world's most powerful icebreakers and specialized, ice-strengthened ships for moving most types of cargo. This system has been used primarily to develop the northern regions, extract raw materials such as timber and nickel ore, and supply the coastal settlements. Total annual cargo shipments reached 6.6 million tons in 1987, the peak year, after steady increases.

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Corps studies . . .

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The Corps' Cold Regions Research and Engineering Laboratory in Hanover, New Hampshire, is assigned to document the history and current status of operations on the route. The laboratory will also determine the composition of the fleet that would use the route and the cost of operating these vessels.

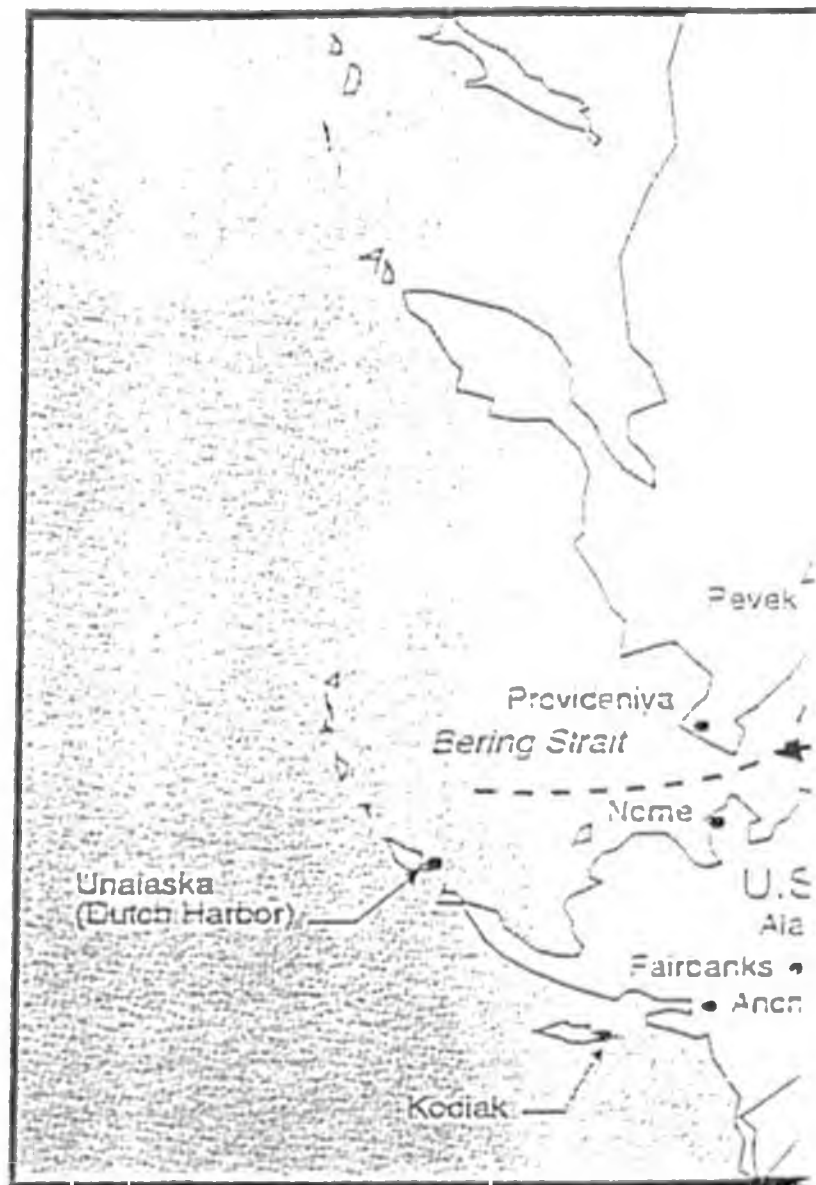
The University of Alaska Fairbanks, led by Dr. William Sackinger of the Geophysical Institute, is contributing to the study in several ways. Two Russian scientists visiting the university will work with the study team. Dr. Andrey Prosnutinsky of the Arctic and Antarctic Research Institute of St. Petersburg specializes in arctic oceanography. Dr. Tatiana Prosnutinsky of the St. Petersburg Hydrometeorological Institute specializes in hydrology and meteorology of the Arctic.

Gulf Engineers and Consultants, a port planning contractor based in Baton Rouge, Louisiana, will predict commodities likely to be shipped via the Northern Sea Route and compare transportation costs with current trade methods.

Two workshops set

Team members have met once and will meet a second time to coordinate efforts and share information. The first workshop took place in Anchorage, Alaska, in February 1994; the second is planned for August. Representatives of the State of Alaska, the Northern Forum, and other arctic and maritime interests are participating in these workshops.

Using the combined efforts of the study team, the Corps will identify port development needs and, if warranted, formulate Alaskan port improvements to address the needs. Some prospects include channel and breakwater work at Unalaska and Kodiak. The reconnaissance report is scheduled for completion in June 1995. The cost of the proposed port improvements must be offset by decreases in transportation cost for the Corps to begin site-specific feasibility studies. Regardless of conclusions about port improvements, information from the study promises to be exceptionally valuable to both the private and public sectors in the United States and abroad.

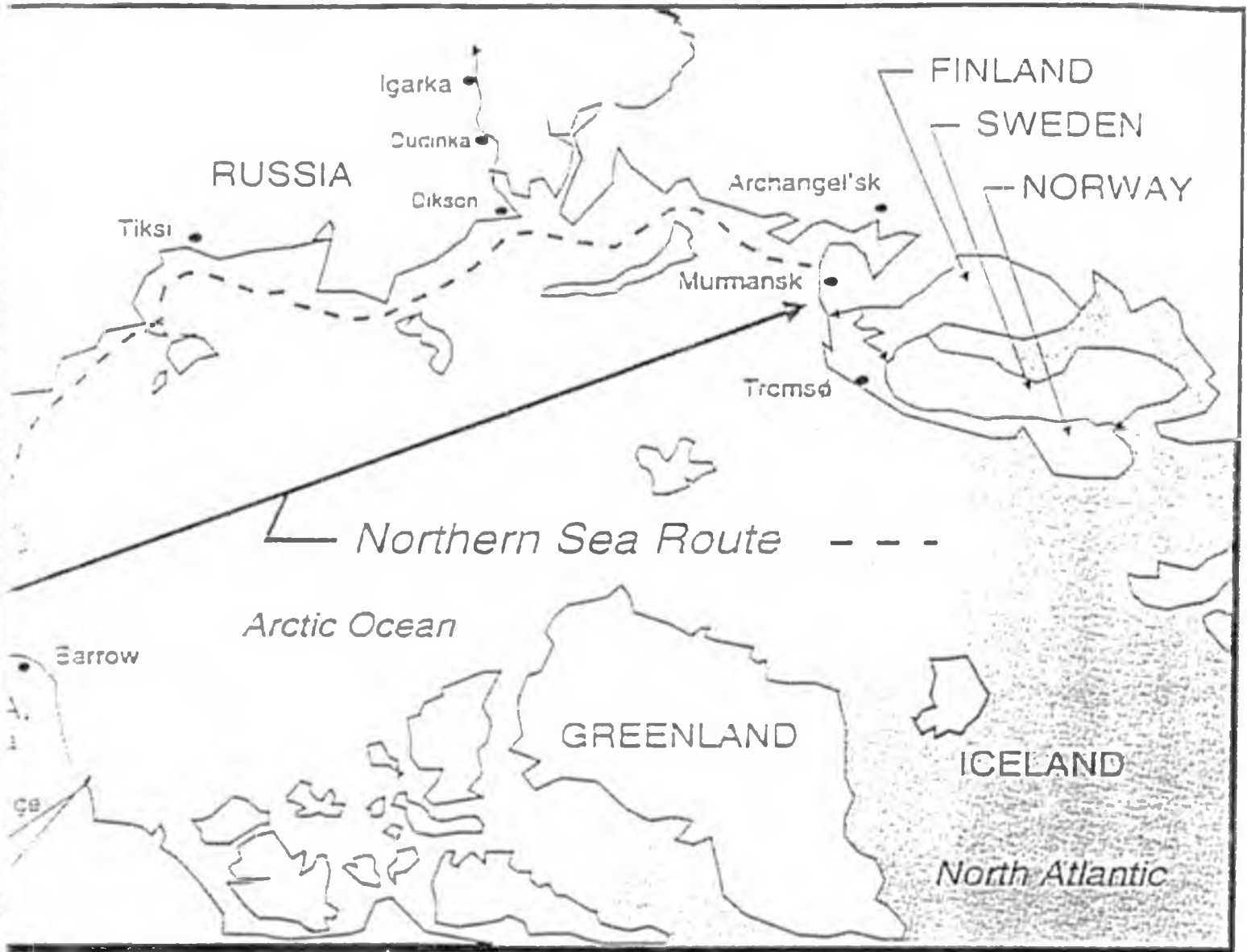


Navigating . . .

(continued from page 1)

The modern prospect of international shipping through the Northern Sea Route began in October 1987, when then-Soviet President Mikhail Gorbachev offered to open the route to foreign vessels for peaceful and commercial purposes. International use of the route became official in July 1991.

Worldwide interest in the route, which promises impressive savings in time and distance for world trade, is growing each year. The pace of this interest will be governed by several variables, including the level of political and economic stability in Russia and the comparative cost of shipping by this route versus other routes.



DR. ORSON SMITH, P.E., principal investigator for the U.S. Army Corps of Engineers' Northern Sea Route reconnaissance study, has 16 years' experience with the Corps. His doctorate is in physical oceanography.



DR. WILLIAM M. SACKINGER, a professor at the University of Alaska-Fairbanks, is a specialist in ice engineering with more than 20 years' experience in international collaboration on arctic research. He is the university's Northern Sea Route coordinator.

DR. DEVINDER S. SODHI has been a research hydraulic engineer at the U.S. Army Cold Regions Research and Engineering Laboratory for the past 15 years, working in the field of ice mechanics.

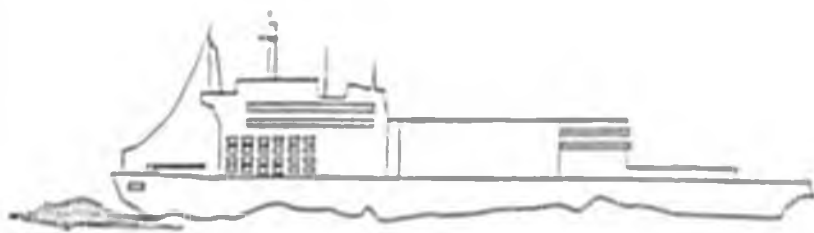
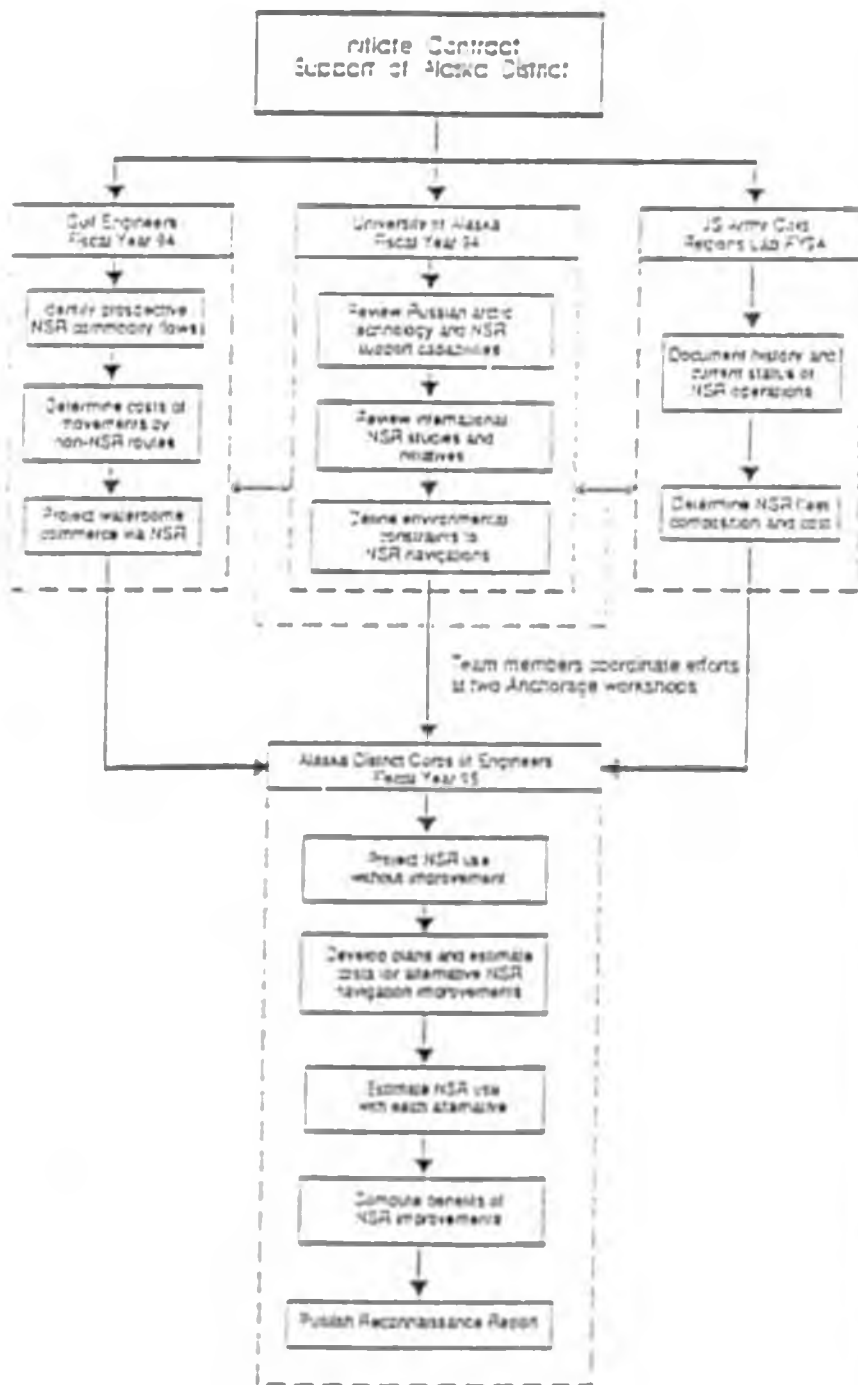
NATHAN D. MULHERIN is a research physical scientist with the U.S. Army Cold Regions Research and Engineering Laboratory. His specialty is the physical and mechanical properties of freshwater and sea ice.

Need more information?

To find out more about this study, contact Dr. Orson Smith, Principal Investigator, U.S. Army Corps of Engineers, ATTN: CENPA-EN-CIV-PP, P.O. Box 598, Anchorage, AK 99506-0598. The telephone number is 907-753-2632.

Reconnaissance Study Plan

Dr. Orson Smith
Principal Investigator



Изучение Северного Морского пути в США

США, Норвегия, Япония и другие страны заинтересованы в использовании Северного Морского пути для коммерческой заправки. Путь через Северный Ледовитый океан может служить альтернативой для международного мореплавания, если изучаемые исследования подтвердят возможность его использования в соответствии с техническими требованиями и экономическими возможностями.

По запросу штата Аляска Корпус военных инженеров США работает над проектом, связанным с оценкой необходимости технического совершенствования портов Аляски для обеспечения американских судов, следующих Северным Морским путем.

Первая задача исследования является прогноз международных морских перевозок Северным Морским путем за ближайшие 4 лет. Группа специалистов Корпуса военных инженеров университета Аляски в Берингесе и частные эксперты призваны ответить на этот экстраординарный запрос.

На основе этих разработок Корпус военных инженеров должен определить уровень развития портов и, если это потребуется, спроектировать необходимые изменения портовых сооружений и инфраструктуры.

Из-за сложности от заключения о необходимости реконструкции портов Аляски ожидаемые результаты исследования будут иметь ценность не только для США, но и для других стран.

Дополнительная информация доступна при контакте с Брюсом Смитом (Dr. Orson Smith), Study Manager, U.S. Army Corps of Engineers, ATTN: CENPA-EN-CW-25, P.O. Box 398, Anchorage, Alaska, USA 99506-0398 (telephone 907-553-2632) или доктором Андреем Прохвужевским (Dr. Andrey Proshvudsky), P.O. Box 1080, U. of Alaska Fairbanks, Institute of Marine Sciences, Fairbanks, Alaska, USA 99775-1080 (telephone 907-474-1064).



US Army Corps
of Engineers
Alaska District

Northern Sea Route

Corps of Engineers study progresses

The Alaska District office of the U. S. Army Corps of Engineers was authorized in November 1993 to investigate the feasibility of channel or port improvements related to deep-draft commercial shipping across the Arctic Ocean. A team of arctic and shipping specialists was gathered from within Alaska and the Corps of Engineers, including members from the Alaska District, University of Alaska Fairbanks, the U. S. Army Cold Regions Research and Engineering Laboratory, and Gulf Engineers and Consultants (a Corps contractor specializing in port economics). The Principal Investigator for the study is Dr. Orson P. Smith of Alaska District's Civil Works Branch.

The study team met at a public workshop in Anchorage on 16 February 1994. Participants represented a variety of commercial shipping interests and useful suggestions were reviewed. A second workshop will be held in Anchorage in August (see box). Following the February workshop, the Alaska District published a newsletter introducing the study plan and study team.

The Corps of Engineers study ultimately will focus on American channel and port improvements that might be economically justified on the basis of future Northern Sea Route commerce. A draft report is scheduled for publication in June 1995.

Northern Sea Route Workshop Anchorage, Alaska, 17 August 1994

The public is invited to a workshop on Northern Sea Route shipping at the Alaska Railroad Corporation Headquarters, 327 Ship Creek Avenue, Anchorage, Alaska. The workshop will take place from 9:00 AM until 3:30 PM on Wednesday, 17 August 1994. Investigators for the Corps of Engineers study will present interim findings, which will be openly discussed. Those interested in attending should contact Dr. Orson Smith at 907-753-2632, by fax at 907-753-2526, by Internet at "smtplink%Orson_Smith_at_NPA-A@smtplink.npd.usace.army.mil", or at the address below.

U. S. Army Corps of Engineers
P. O. Box 898
Anchorage, AK 99508-0898

HJR

47

FISCAL NOTE

bill Version: CSHJR 47(MLV)

(H) Publish Date: 2/15/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Office of the Governor
 Title: "A Resolution Supporting continued funding of the BRU: Executive Operations
Alaska National Guard Youth Corps Challenge Program" Component: Office of the Lt. Governor
 Sponsor: Representatives Brice, Mulder
 Requester: _____ COMPONENT SERIAL NO. 11

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: John Lindback, Chief of Staff Phone: 485-3522
 Division: Office of the Lt. Governor Date: 2/12/98
 Approved by Commissioner: Lieutenant Governor Fran Ulmer Date: 2/12/98
 Agency: _____

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

COMMITTEE COPY

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 5/1/96

FURTHER:

DATE TURNED INTO OFFICE: 5/4/96

The State Affairs Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 47(STA)
 Supporting continued funding of the Alaska National Guard Youth Corps Challenge Program.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>H. Gov.</i>	<i>7/2/96</i>	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

Representative Tom Brice
ALASKA STATE LEGISLATURE

119 N. Cushman, Ste. 205
Fairbanks, AK 99701
907-456-7423 / Fax: 451-9293
While in Juneau
State Capitol
Juneau, AK 99801-1182
907-465-3466

M E M O R A N D U M

To: Senator Bert Sharp, Chair
Senate State Affairs Committee

From: Representative Tom Brice *TB*

Date: May 1, 1996

Re: HJR 47: Supporting continued funding of the Alaska National
Guard Youth Corps ChalleNGe Program.

I would appreciate your scheduling HJR 47 for a hearing before the Senate State Affairs Committee at your earliest convenience.

The Alaska National Guard Youth Corps ChalleNGe Program takes "at risk" young people between the ages of 16 and 18 and offers them the opportunity to complete a high school education either through a GED program or actually returning to the traditional high school setting. Through a disciplined military style program, youngsters, who by leaving school early are potentially on the path to either incarceration or welfare, receive the necessary impetus to continue their educations and learn to become contributing members of our society

The success rate of this program speaks for itself. Currently, 85 per cent of the ChalleNGe program graduates are fully employed or attending school. Nearly 200 students have graduated from the ChalleNGe program.

The Alaska National Guard Youth Corps ChalleNGe Program has earned the Alaska Legislature's support.



Representative Tom Brice

ALASKA STATE LEGISLATURE

119 N. Cushman, Ste. 205
Fairbanks, AK 99701
907-456-7423 / Fax: 451-9293
While in Juneau
State Capitol
Juneau, AK 99801-1182
907-465-3466

SPONSOR STATEMENT

HJR 47: Supporting continued federal funding of the Alaska National Guard Youth Corps ChalleNGe Program

The Alaska National Guard Youth Corps ChalleNGe program seeks to prevent "at-risk" youths, those who have left school without having completed a high school program, from entering society's correctional systems. According to national statistics, 80 per cent of those in federal prisons do not have high school diplomas or GED certificates.

The ChalleNGe program offers the opportunity for students to complete a GED program, or return to high school with new, positive skills and strengths which allow them to obtain a diploma in a traditional setting. Currently, 85 per cent of the ChalleNGe program graduates are fully employed or attending school. Nearly 200 students have graduated from the ChalleNGe program.

It can cost between \$20,000 and \$50,000 per year to house a prisoner in Alaska. For a fraction of that cost, the ANG Youth Corps ChalleNGe program offers Alaska's at-risk youths the skills necessary to not only stay out of our jails, but to succeed in today's ever more complicated society. The ChalleNGe program is cost effective, utilizing \$2.9 (1996 program year) million in federal funding to provide opportunities to succeed to at-risk young people in Alaska. At \$20,000 per year, 136 inmates would cost Alaska \$2.72 million. According to the Department of Corrections, Alaska's approximate cost for a medium security prisoner is \$107 per day, or \$39,055 per year.

Through tough, structured military-style training, ChalleNGe program graduates receive the discipline and self-esteem needed to succeed. ChalleNGe program graduates tend to have a drive to succeed, become productive Alaskans, and serve as role models for other youths and adults. ChalleNGe program graduates are likely to stay off public assistance rolls. They are also likely to support their local economies, pay taxes, and contribute to the well-being of their communities.

Supporting continued funding of this program pays off far beyond its cost.



ALASKA NATIONAL GUARD YOUTH CORPS***ChalleNGe Program***

Camp Carroll Training Site

P.O. Box 5727

Fort Richardson, Alaska 99505

(907) 384-6015/6017 or Toll Free 800-787-2267

13 February 1996

Rep. Tom Brice
State Capitol
Juneau, Alaska

Dear Rep. Brice;

Please accept my thanks for your support of the Alaska National Guard Youth Corps ChalleNGe Program. As you are aware, the program is designed to provide "at-risk" 16-18 year-old Alaskans with the opportunity to earn a general educational development (GED) certificate, gain some basic skills training, and learn important life skills.

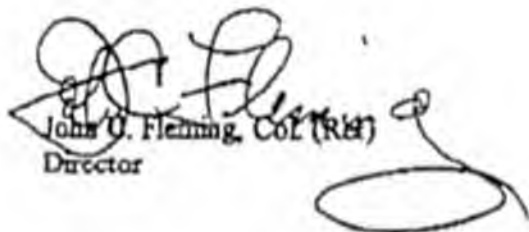
The Alaska ChalleNGe Program will graduate its fourth class, Class 95-2 this coming Friday morning. The young men and women who will cross the stage of the Fort Richardson post theater have completed a demanding 22-week residence program, which will be followed by 12 months of one-on-one assistance and tracking.

We are proud to say that ChalleNGe Program graduates are doing very well. Through our post-residential tracking program we know that 85 percent of our graduates are either employed full-time, or are currently in academic or skills training. These graduates came to us with little hope of future success. None had completed high school programs. Many had troubled lives prior to entering our program. Statistically, most of these teenagers were headed for futures on welfare or, worse, in prison.

We are encouraged by your support for the ChalleNGe Program and the well-being of these successful Alaskan young adults. Your introduction of a joint resolution in support of our efforts on behalf of our students is truly appreciated.

If my staff or I may be of any assistance to you or your fellow legislators, please do not hesitate to call me.

Sincerely;



John U. Fleming, Col (Ret)
Director

HJR

48

FISCAL NOTE

Jo. 1
 Bill Version: CSHJR 48 (RES)
 (H) Publish Date: 5/6/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: 5/4/95 Dept. Affected: ADFG
 Title: Requesting the BRU: _____
 Federal Subsistence Board recind actions on the Kenai Peninsula Component: _____
 Sponsor: Navarre, Davis
 Requester: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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 EXPENDITURES						
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CHANGE IN REVENUES I						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ _____

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

There are no direct costs to the Department of Fish and Game that would result from passage of this resolution.

Prepared by: _____
 Division: _____
 Approved by Commissioner: Frank M.
 Agency: _____

Phone: _____
 Date: _____
 Date: 5.4.95

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

SENATE COMMITTEE REPORT

DATE: 5/8/95

FURTHER:

DATE TURNED INTO OFFICE: _____

State Affairs Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 48(RES)

Requesting the Federal Subsistence Board not adopt the proposed subsistence moose hunting regulations for the Kenai Peninsula.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical change
- new: SCR^o _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Reese C. Kelly</i> <i>Bob Meyer</i>	→	<i>John D. Jensen</i>	✓		

CHAIR:

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
ADFG	6/4	✓	

CS FOR HOUSE JOINT RESOLUTION NO. 48(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 5/6/95
Referred: Rules

Sponsor(s): REPRESENTATIVES NAVARRE, G.Davis, Green

A RESOLUTION

1 Requesting that the Federal Subsistence Board not adopt the proposed subsistence
2 moose hunting regulations for the Kenai Peninsula, and refrain, until January 1,
3 1997, from adopting federal regulations that would grant subsistence preferences
4 for fish or game or changing any customary and traditional use determinations.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 WHEREAS the Federal Subsistence Board has proposed granting new subsistence
7 preferences to several communities on the Kenai Peninsula for the purposes of subsistence
8 hunting; and

9 WHEREAS the adoption of any new federal regulation changes for subsistence may
10 create additional conflicts with subsistence hunting and fishing and further divide residents of
11 Alaska; and

12 WHEREAS this will be the first time that communities will have been given
13 comprehensive new subsistence preferences since the federal government took over the
14 management of subsistence hunting on federal lands; and

15 WHEREAS this federal proposal does not address the adverse effects on the 44,400
16 residents of the Kenai Peninsula, most of whom do not agree with this plan; and

1 WHEREAS a petition opposing the Federal Subsistence Board's proposal was signed
2 by 1,800 residents of the Kenai Peninsula within 10 days after the petition began to be
3 circulated; and

4 WHEREAS there was not sufficient opportunity for peninsula residents to testify
5 before the Federal Subsistence Board to address their concerns about these drastic changes in
6 hunting regulations on the Kenai Peninsula; and

7 WHEREAS the public is poorly informed about the process of the regional subsistence
8 advisory councils and the degree of deference given to those regional councils by the Federal
9 Subsistence Board; and

10 WHEREAS the residents of the communities of Hope, Cooper Landing, Whittier,
11 Seldovia, and Ninilchik should not receive special preference over other residents of Kenai
12 Peninsula communities; and

13 WHEREAS Alaskans are working for a comprehensive solution for regaining state
14 management of fish and game;

15 BE IT RESOLVED that the Alaska State Legislature respectfully and urgently
16 requests that the Federal Subsistence Board not approve the proposed subsistence moose
17 hunting regulations for the Kenai Peninsula; and be it

18 FURTHER RESOLVED that the Alaska State Legislature respectfully requests the
19 Federal Subsistence Board to refrain, until January 1, 1997, unless concurred in by the
20 commissioner of the Alaska Department of Fish and Game, from

21 (1) adopting any future federal regulations that would grant subsistence
22 preferences for fish or game; and

23 (2) changing any of the customary and traditional use determinations in order
24 to allow the new administration, the legislature, and Alaska's Congressional delegation the
25 opportunity to build consensus among all Alaskans to provide a solution to the subsistence
26 dilemma that will return management of Alaska's fish and game resources to the State of
27 Alaska.

28 COPIES of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President
29 of the United States and President of the U.S. Senate; the Honorable Strom Thurmond,
30 President Pro Tempore of the U.S. Senate; the Honorable Newt Gingrich, Speaker of the U.S.
31 House of Representatives; the Honorable Bruce Babbitt, Secretary of Interior; the Honorable

1 Dan Glickman, Secretary of Agriculture; and to the Honorable Ted Stevens and the Honorable
2 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
3 members of the Alaska delegation in Congress; and to the Federal Subsistence Board.

MIKE NAVARRE
REPRESENTATIVE



DURING SESSION
STATE CAPITOL, RM. 521
JUNEAU, AK 99801-1182
(907) 465-3779

DISTRICT 9

MAY TO DECEMBER
145 MAIN ST. LOOP KENAI, AK 99611
(OLD KENAI COURTHOUSE)
(907) 283-7223

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

MEMORANDUM

May 9, 1995

TO: Sen. Burt Sharp, Chair
Senate State Affairs Committee

FR: Rep. Mike Navarre

RE: Scheduling House Joint Resolution 48

Please consider scheduling HJR 48 for a hearing in your committee.

House Joint Resolution 48 asks the Federal Subsistence Board to reject the recent subsistence hunting proposal for the Kenai Peninsula and delay any future action on subsistence rulings in Alaska until January 1, 1997.

Delaying action on this issue will give the Legislature, Gov. Knowles, Native organizations and sport and commercial fish & wildlife interests enough time to develop a consensus on how to regain state control of our land and resources without pitting neighbor against neighbor in a battle over hunting and fishing rights on the Kenai Peninsula.

We amended the resolution in the House Resources Committee to broaden the measure and make it more statewide. It passed the House with 36 yes votes.

While HJR 48 isn't the answer to the subsistence problem, it is an attempt to get both sides to take a step back after the divisiveness of HJR 33 — particularly on the Kenai Peninsula. The Outdoor Council supports the resolution and agreed to hold off on adding any more language that may be offensive to rural legislators, and I'm working with the Alaska Federation of Natives to try and calm their fears. Several of my colleagues from rural Alaska agreed to support the resolution and I'm hopeful AFN will not take an aggressive effort to oppose it. If all sides will agree to give in just a little, I'm sure we can develop a plan to return management of our land and resources to Alaska, where it belongs.

Please see the attached sponsor statement for more information. I appreciate your consideration of this request.

REQUEST

MIKE NAVARRE
REPRESENTATIVE

DISTRICT 9



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

DURING SESSION
STATE CAPITOL, RM. 521
JUNEAU, AK 99801-1182
(907) 465-3779

MAY TO DECEMBER
145 MAIN ST. LOOF KENAI, AK 99611
(OLD KENAI COURTHOUSE)
(907) 283-7223

SPONSOR STATEMENT: HJR 48

Delay federal ruling on subsistence

House Joint Resolution 48 asks the Federal Subsistence Board to reject the recent subsistence hunting proposal for the Kenai Peninsula and delay any future action on subsistence rulings until January 1, 1997. Delaying action on this issue will give the Legislature, Gov. Knowles, Native organizations and sport and commercial fish & wildlife interests enough time to develop a consensus on how to regain state control of our land and resources without pitting neighbor against neighbor in a battle over hunting and fishing rights on the Kenai Peninsula.

On April 13 of this year, the Federal Subsistence Board tentatively accepted the Federal Subsistence Regional Advisory Council's recommendation to allow an August 1995 subsistence moose season on the Kenai Peninsula. The subsistence ruling was broad enough to include as "rural" the road-accessible settlements of Cooper Landing, Hope, Whittier and Nimitchik. The ruling could lead to the closure of all sport hunting on the Kenai National Wildlife Refuge and Chugach National Forest. Within a week of this ruling, a petition was signed by more than 1800 Peninsula residents opposing those rural preferences.

This Federal Subsistence Board ruling is critical because it's the first comprehensive subsistence preference (communities not already designated as rural by the state) given to any Alaska community since the federal takeover in 1990.

Additionally, the 9th U.S. Circuit Court of Appeals ruled on April 20th that federal subsistence laws apply to Alaska rivers that flow through federal lands. This ruling will escalate even further the raging battles over the use of the Kenai River and the ongoing debates over habitat protection of the river.

Alaska's Congressional delegation has repeatedly told us they will not take action on the Alaska National Interest Lands Conservation Act (ANILCA) until there is a state consensus about how to deal with subsistence. I believe we can work together to convince the Board to reject this new proposal until we can put all the pieces of subsistence together and return to state management of our land and resources.



34824 Kalifornsky Beach Road • Suite E • Soldotna • Alaska • 99669 • (907) 262-2492

May 5, 1995

Senator Judy Salo
Rep. Mike Navarre
State Capital Bld.
Juneau, AK. 99801

Dear Senator Salo and Rep. Navarre,

KPFA would like to thank you for your May 2, 1995 letter to the Federal Subsistence Board requesting that it "revisit the rural designation" for Kenai Peninsula communities.

We support and appreciate your efforts through HJR 48/SJR 28 on behalf of Kenai Peninsula residents. We feel quite strongly that the Federal Subsistence Board should not adopt any federal regulation changes for hunting or fishing on the Kenai Peninsula.

KPFA continues to support SJR 19 as at least one part of the solution to the subsistence dilemma and would urge you to also support this resolution. I think it is important to note that there has been strong support for this resolution from the fishing community - both sport and commercial - as well as from concerned hunters.

Sincerely,

Loren Flagg
Executive Director

cc: Governor Tony Knowles
Lt. Governor Fran Ulmer
Senator John Torgerson
Rep. Gary Davis
Rep. Gail Phillips
UFA

**UCIDA**

UNITED COOK INLET DRIFT ASSOCIATION
P.O. Box 389 • Kenai, Alaska 99611 - 0389
(907) 283-3600 • FAX (907) 283-3306

May 3, 1995
By Telefax

Senator Judy Salo
Representative Mike Navarre
State Capitol
Juneau, AK 99801

Dear Senator Salo and Rep. Navarre,

I would like to thank you for your May 2, 1995 letter to the Federal Subsistence Board requesting that it "revisit the rural designation" for Kenai Peninsula communities.

Under federal law - ANILCA - once an area has been designated "rural" the consequences are inevitable and irreversible. The subsistence priority for "rural" residents is a legal privilege that requires the elimination of all other uses prior to any limitation being placed on subsistence uses.

I would like to stress that even for a "rural" resident granted a subsistence preference a heavy price must at times be paid. That is to say that even a subsistence "user's" right to access a resource for commercial or recreational purposes must be eliminated to supply all subsistence uses. Further, if the fish or game resource involved is not numerous enough to supply all subsistence users then even the "subsistence" right may be eliminated for many as Tier II criteria are applied.

It is clearly not in anyone's best interest to have a legal subsistence priority apply in areas of either high population densities or ready access to fish and game resources such as the Kenai Peninsula.

Board approves ^{the} subsistence hunt ^{Apr. 11/83} for Kenai moose ^{Clania.}

Hunters from seven Peninsula towns would get a head start on neighbors

By TOM KIZZIA
Daily News reporter

Federal land managers voted Thursday to create a new subsistence moose hunt this August for residents of a handful of communities on the Kenai Peninsula.

The tentative decision was broad enough to include road-accessible settlements such as Cooper Landing and Niniichik despite a half day of testimony from Kenai Peninsula residents who said such a hunt would pit neighbor against neighbor.

But in a how to conservation concerns, the Federal Subsistence Board voted to keep in force the state's antler restrictions, which biologists said are necessary to ensure the long term health of the moose population.

Some subsistence backers said the new hunt could force the federal government to close the Kenai National Wildlife Refuge to nonsubsistence hunters. The board's decision Thursday left that question unresolved.

At issue is whether the

antler rules, which restrict hunters to shooting only yearling bulls or older bulls with 50 inch racks, might be the kind of subsistence restriction that cannot be imposed under federal law until competing users such as sport hunters are eliminated.

Several officials, including board chairman Mitch Demientieff of Nenana, said it might not be necessary to close the refuge, where nearly half the Kenai Peninsula moose harvest occurs each year. The board would have to vote to close it.

The board will assess the potential impact of the subsistence hunt during a 45 day comment period, Demientieff said. The board will meet in June to make a final decision so a subsistence hunt can be held in August, he said.

The subsistence hunt adopted Thursday would not threaten the overall population of Kenai moose, said Ted Spraker, area biologist with the state Department of Fish and

Please see Back Page, MOOSE

RELATED ARTICLES

Hunting future unclear

Agencies scramble over subsistence

By TONY LEWIS
Peninsula Clarion

Sport hunting for most game would likely have to be curtailed and possibly eliminated on federal land on the Kenai Peninsula if proposed subsistence rights are upheld.

Moose, caribou, sheep, goat, brown bear and black bear could be off limits to everyone but subsistence users on the peninsula's Kenai National Wildlife Refuge and U.S. Forest Service lands under provisions for subsistence use tentatively approved by the Federal Subsistence Board last week.

Under the board's proposal, 589 households in the "rural" communities of Cooper Landing, Hope, Whittier, Nimlichik, Seldovia, Port Graham, and Nanwalek were determined to have a "customary and traditional use" for the peninsula's big game animals. That determination would give them a priority to harvest game on nearly 3 million acres of public land on the peninsula.

Federal land managers have not yet had time to assess the potential effects of the proposal, but are certain sport hunters will be faced with cutbacks.

"What I can foresee in the near future, unless this is overturned, is a substantial change in sports hunting on the refuge for all the species determined to have a customary use," said Dan Doshier, manager of the 1.97 million acre Kenai

...Hunt

Continued from page 1

National Wildlife Refuge.

A subsistence moose hunt tentatively scheduled for this fall may be a harbinger of what is to come. Sport hunters may be prohibited from harvesting moose on the refuge, depending on the outcome of a legal review.

At issue is whether or not there is enough game on federal lands to accommodate the needs of both subsistence users and sport hunters. By law, subsistence users have first priority. Before subsistence hunting can be restricted, sport hunting must be eliminated.

On Thursday, the Federal Subsistence Board voted to restrict subsistence moose hunting, effectively shutting out sport hunters.

But the fight over moose could just be the beginning. Sport hunting for caribou, sheep, goat, black bear and brown bear is already severely

restricted. If subsistence hunters are given the right to harvest those species, there may not be enough left over to allocate to sport hunters while still ensuring healthy game populations.

Subsistence hunts for big game other than moose could be made as early as next year.

"This is way beyond my wildest imagination of where this was going to lead us," Doshier said. "It paints a pretty bleak picture."

Doshier isn't the only federal land manager taken off guard. Although no subsistence hunts are being discussed on the 1 million acres of Forest Service land on the peninsula this year, that would likely change in 1996 under the current proposal.

"It's hitting us cold," said Duane Harp, manager of the Forest Service's Seward Ranger District. "We don't know the consequences yet."

The subsistence board's decision is far from final. After undergoing a standard review, the pro-

posal will be open for public comment for at least 30 days. The board will then meet again to make its final decision. That meeting will likely take place around the middle of July, said the U.S. Fish and Wildlife Service's Taylor Brelsford.

Sport hunters' hopes bank on the board changing its view on what qualifies a community for subsistence rights. On Thursday, the board determined that all seven of the peninsula's "rural" communities had a "customary and traditional use" of game.

According to Brelsford, the Alaska National Interest Lands Conservation Act, or ANILCA, does not clearly define what constitutes "customary and traditional" use, leaving wide room for interpretation.

So far, the subsistence board and its peninsula advisers have broadly interpreted the term.

Gary Oskolkoff, a member of an advisory council for subsistence issues on the peninsula, said coun-

Peninsula Clarion, April 17, 1995 5

cil members determined that "customary and traditional use" is applicable to all communities whose residents have hunted game for at least three generations.

The community of Hope has been in existence since the turn of the century. Cooper Landing was founded in the 1920s and Whittier in the 1940s.

The area around Kenai, Soldotna, Seward and Homer do not qualify for subsistence because they are not considered "rural" under the law.

The subsistence board voted 5-1 to accept the advisory council's definition of "customary and traditional use." If sport hunting is going to be allowed on the refuge in the near future, Doshier believes that decision will have to be reversed.

"Once they voted to accept the customary and traditional determinations, it was pretty much locked," Doshier said. "I think the only possibility for relief is to change the customary and traditional determination."

Ruling may squash musk ox sport hunt

ANCHORAGE (AP) — A federal ruling that only rural subsistence hunters be allowed to hunt musk oxen on the Seward Peninsula may force the state to drop plans for a sport hunt there, officials say.

The Federal Subsistence Board decided last week that state plans for hunting in the Nome region did not satisfy local needs. The state may ask for a reconsideration, based on grounds that the federal plan could endanger the health of the herd on federal lands.

The turf battle over who gets to hunt is taking a strange twist in the case of the musk oxen, which did not exist on the Seward Peninsula

when white explorers and whalers arrived in the mid-19th century.

Musk oxen have flourished since being transplanted by the state to the Nome region in 1970. Biologists said last year the herd had reached 925 animals, enough to support hunting.

The state Board of Game voted in January to open a sport season on the musk oxen. The state wrote rules giving local villagers an advantage for part of the hunt, which was split into fall and spring seasons. The board refused to grant villagers a subsistence preference, however, contending that musk oxen had not been hunted there since prehistoric times.

But the federal board ruled that even an aboriginal tradition was enough to qualify modern-day rural residents for subsistence rights.

The dispute comes from a small grammatical difference between state and federal regulations, said Dick Marshall, acting deputy director of subsistence for the U.S. Fish and Wildlife Service.

State law requires a subsistence preference for species that "are" traditionally used. The federal regulation provides subsistence for species that "have been" traditionally used.

Prehistoric musk ox bones found in the region convinced
See HUNT, back page

Prain Clarion Thursday, April 20, 1995

...Hunt

Continued from page 1

anthropologists that musk oxen once were hunted by Eskimos on the Seward Peninsula.

By the late 19th century, however, musk oxen had been exterminated in Alaska. They were transplanted back from Greenland in 1935 — first to Nunivak Island in the Bering Sea, and later to the North Slope and the Seward Peninsula.

The federal board decided subsistence hunters could take 24 musk oxen from federal lands in the

region. That's the total proposed by a cooperative management plan for the herd and it leaves no animals for a sport hunt.

"We were happy because they pretty much promised the villages they'd be able to hunt for musk oxen when it finally opens," said Jake Olama, a subsistence specialist with Kawerak Inc., the regional Native nonprofit corporation in Nome. "They're the ones who have been watching and nurturing these animals on corporation land."

The federal decision zeroes out the cooperative plan put together by federal and state biologists and local organizations, said John

Coady, regional wildlife supervisor for the Alaska Department of Fish and Game.

That plan defined where the harvest should take place, ensuring that different segments of the herd would be impacted, Coady said. The game board used that plan in establishing a sport hunt.

Musk oxen don't migrate like caribou, so concentrating the hunt on federal lands could lead to over-harvest in some places, Coady said. "We are concerned about essentially extirpating every musk ox in certain areas on federal lands," he said.

Concentrating the hunt on federal

lands has other consequences. Federal land on the Seward Peninsula tends to be far from villages around Kotzebue and nearer villages around Nome.

That has prompted a disagreement between the two regional advisory councils set up under federal law to make subsistence recommendations. Kotzebue area villages want state management.

Coady said the state would be unlikely to continue with its planned hunt if it resulted in an over-harvest.

The Game Board probably would be asked to go along with any Fish and Game decision to cancel the sport season, he said.

Fisheries balance altered

Ruling opens door
for subsistence

By TONY LEWIS
Peninsula Clarion

A recent court ruling may pave the way for subsistence fishing on the Kenai River and other popular peninsula fishing streams.

The 9th U.S. Circuit Court of Appeals ruled Thursday that federal subsistence laws apply to Alaska rivers that flow through federal lands.

The court did not list the affected rivers, but said those adjoining national parks, forests and wildlife refuges would fall under federal control.

Roughly half of the Kenai River flows through the Kenai National Wildlife Refuge and the Chugach National Forest.

Other rivers that flow through the wildlife refuge include the Kaslof River, Crooked Creek, Swanson River, Mouse River, Killey River, Funny River, Russian River, Fox River, Sheep Creek and Chickahoon River.

The court did not propose specific sub-

See FINANCING, page 3

...Ruling

Continued from page 1

sistence fishing seasons on any of the rivers. Those decisions will be left to the Federal Subsistence Board.

Recent actions by the board suggest subsistence fishing could be allowed on the peninsula in the future.

"We are very concerned that the decision leaves the door open to federal subsistence management of all commercial and sport fisheries, including such popular rivers as the

Kenai River — maybe even this summer — and that would be unacceptable," said Alaska Senate President Dore Pearce and House Speaker Gail Phillips in a prepared statement.

One week before the court decision, the board tentatively approved broad subsistence rights for residents of the peninsula's "rural" communities, including Cooper Landing, Nintchik and Hope. Those board based on their "customary and traditional" use of the peninsula's resources. For now, those rights extend only to big game animals, such as moose and caribou, but fish could be added to the

list.

Under federal law, subsistence users have a priority over all others for Alaska's fish and game. A proposed subsistence moose hunt on the peninsula could close the Kenai refuge to sport hunting.

Commercial and sport fishers fear their seasons could be significantly scaled back if subsistence fishing is allowed on the peninsula.

"I don't know what this will mean to us," said Refuge Manager Dan Doshier. "One would have to suspect this could have a major impact on fishing in the area given the recent customary and traditional findings by the subsistence

board."

The U.S. Fish and Wildlife Service's subsistence division met Friday to decipher the meaning of Thursday's court decision. Assistant Regional Director Dick Pospahala said a group has been formed by the court to make guidelines for determining the Alaska rivers that will fall under federal control.

Dave Nelson, who heads the Alaska Department of Fish and Game's sportfish division in Soldotna, did not know Friday how the court decision might affect management of the Kenai River's prized salmon and rainbow trout fisheries.

HJR

61

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO.

No. 1
Bill Version: HJR 61
(H) Publish Date: 3/25/96

Title: A Resolution opposing the proposed changes in the functions of the Federal Office of Veterans Affairs in Anchorage
Sponsor: House State Affairs
Requestor: _____

Dept. Affected: Office of the Governor
BRU: Executive Operations
Components: All components
Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0	0	0	0	0	0

POSITIONS:

Full-time						
Part-time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by:

Pete Scott
Representative Peter Scott
Co-Chair
House Special Committee on Veterans
Military & Veterans Affairs

Date: 3-21-96
Phone: 465-3777
Phone: _____

First Committee of Referral

DATE: 4/22/96

FURTHER:

DATE TURNED IN. OFFICE: 5/2/96

The State Affairs Committee considered HOUSE JOINT RESOLUTION NO. 61

Opposing the proposed changes in the functions of the federal Office of Veterans Affairs in Anchorage.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>Paul E. (POB)</i>	✓				
<i>Loren A. Leman</i>	✓				
<i>Wane W. Wiley</i>	✓				
CHAIR: <i>[Signature]</i>		CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>House Special Comm. on Military/Vet. Affairs</i>	<i>3/21</i>	<i>0</i>	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill