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ADDRESS BY SENATOR TED STEVENS
BEFORE THE ALASKA STATE LEGISLATURE
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This year marks our twenty-first year as a state. This is my 12th report to Alaska Legislators as U.S. Senator.

Clearly, Alaskans share our nation's blessings and burdens. We have more of our nation's land, beauty and resources than any other state. Now, as we celebrate our state's 21st birthday, we are being tested again to demonstrate our maturity and our responsibility...

Our fishing industry is a classic case. As the Alaskan sponsor of the Fisheries Conservation and Management Act, I sought the 200 mile limit, to assure Alaskan management of our fisheries. Since then our exports to Japan alone have increased from \$8 million 1976 to \$250 million last year.

But we are challenged to develop our markets, our shore-based processing potential and our harbors to insure Alaskan fish products are top quality. Constant vigilance requires quick response to any claim that Alaska should be treated as less than an equal State. Our current surplus in state revenues is no excuse for exclusion from any federal program.

Even equality is not enough.

The Department of the Interior, through the Fish and Wildlife Service, has no right to deny a permit to Kodiak's Terror Lake Hydro-Electric Project. That project has no impact on critical habitat or endangered species. Typically, Alaska is being used as a guinea pig to test a new Federal theory: compatibility. The Fish and Wildlife Service asserts that a hydro project, regardless of the fact there is no adverse impact, is incompatible with a wildlife refuge.

Kenai's wetlands are another example of due process denied - this problem is statewide. Since tundra is classified wetland, almost 90 percent of Alaska could be subject to irrational, arbitrary restriction by a dictatorial bureaucracy.

The greatest test of our rights as a State concerns our lands. The other problems will not be resolved until our lands issues are resolved.

You know the status of the bill. The Senate version preserves the Alaskan lifestyle, protects our economy and our future potential. It is not the best bill we could get - it is the only bill we could get.

- *It revokes the massive monument withdrawals.
- *It enables the areas of greatest mineral potential to be examined.
- *It maintains most major sport hunting areas and specifically permits hunting-related activities.
- *It preserves all existing timber jobs.
- *It provides for a 5-year exploration of oil, and gas values in the Arctic Wildlife Range with private industry participation.
- *It offers the best access/transportation provisions granted any state with Federal lands.
- *It secures over 100 million acres in parks, recreation areas, refuges, national forests, conservation areas, and wild and scenic rivers for the American and Alaskan people.

While far from perfect, it is a liveable bill.

As you review it, I ask you to remember our history: we got the Statehood Act passed in 1958. In the next Congress, we obtained passage of the Omnibus amendments to that Act. In 1971, the Alaska Native Claims Settlement Act was rightly praised as a Historic Achievement. It has been amended each Congress - and the Alaska Lands Bill (S.9) has 37 more amendments to ANSCA in it. We can and will improve our situation once this basic bill is passed.

However, in the political arena of Congress, where Alaska's land issue is perceived as a cheap vote to placate the extremist wing of the Environmental Lobby, even S.9 is in jeopardy.

These are the political realities we confront. We cannot deny them nor delude ourselves. Above all, if we are to succeed in the present Congress, sophisticated in pressure politics, we cannot be naive.

The majority of Americans are uninformed and unaware of the implications of the Alaska lands legislation. They have no concept of the depth of our energy and mineral resource potential or its direct relationship to their economic future or national security. They have no idea that if Congress locks up Alaska's future, it forecloses their's as well.

Alaska should invest in sophisticated marketing services and media techniques to communicate, educate and mobilize citizens in crucial states. This is what the well-financed, environmentalist "Americans for Alaska" lobby has done with obvious success.

We must create an "Alaskans for America" campaign of equal force. We must awaken our fellow Americans to the truth.

The truth--so self-evident to us--must penetrate the homes, hearts, and minds of our fellow Americans in the "Lower 48". Alaskans for America should show them:

- *That America's future depends on balance in the intelligent resolution of the Alaska lands issues.
- *That preservation of Alaska's lifestyle is inextricably linked to the preservation of America's standard of living.
- *That rational development of Alaska's resources is integral to a viable national economy and vital to our national security.

*That by protecting our State and Alaskans' individual rights, we assure that the values unique and inherent to the American system will endure.

S.9 is a balanced bill--precisely balanced! Unless we provide the impetus for its passage--either the Tsongas or Udall bill will pass and be sent to the President without a conference before Alaska's primary election in August.

We do not want another generation of Alaskans to come of age without title to their land. We do not want the next generation of Americans to inherit a weak, poor nation due to mismanagement of the country's energy and mineral resources. Nor do we want Alaska's environment ravaged--irreversibility destroyed--as foreign sources dissipate and the "Lower 48" in desperation turns to tear out our resources.

Last year when I spoke here I discouraged you from supporting a constitutional convention to require a balanced federal budget. I still think a constitutional convention is the wrong way to go, but I may support a constitutional amendment to require Federal spending be held to a percentage of a Gross National Product. Alaska's economic situation enables you to work for a balanced state budget amendment. Our revenues should never have to fall short of our expenses.

We have a great stake in the national battle against inflation. Neither our state nor the Alaska Native funds will be worth much to future generations if we continue to have inflation at almost an 18 percent annual rate.

One way to help control inflation and to establish the new perception of Alaskans would be to stop voluntarily the escalation of the price of our royalty oil and take a close look at ways to reduce the price of all other Alaskan oil. A unilateral act to stop price increases, coupled with the assurance that the reductions must be passed through to American consumers, would do wonders to Alaska's national image. And it would be the first major step to combat inflation also.

Also I urge you to look closely at the rural energy cost problems. Congress has passed low income assistance which will provide Alaskans with some help. But because of our particularly high costs, harsh climate and transportation problems Congress cannot solve Alaskans problems completely. Action which would assure that all Alaskans get fuel at comparable prices without controls--would be hailed nationally. I believe it is possible.

The United States faces many problems. Our hostages are still being held in Tehran. The invasion of Afghanistan is a serious threat to world stability. I have been participating in almost daily briefings from the Secretary of State and will try to answer any questions you might have on international affairs.

As many of you know, in 1981 when Senator Milt Young from North Dakota retires, I will be ranking member on the defense subcommittee of the Appropriations Committee. I intend to use that position to assure a defense establishment that is second to none. The defense of our state must be improved.

Alaska is making a major contribution to our international security and adequate protection is essential. Our role is not fully appreciated by the policy makers.

During the research I did for the debate on the Salt II treaty I learned that our national policy makers defined as strategic a weapon that could fly from western Russia to the northeastern United States. They ignored the fact that a weapon with less than that range if launched from eastern Siberia threatens all of Alaska and much of the northwest.

As another example of Alaska being ignored, President Carter advocates using U.S. military forces to protect the oil supplies of the mideast, when the oil supplies of Alaska are protected by aircraft designed almost thirty years ago. Iran has seven times as many F 4's as there are in Alaska - and they have fifteen times as many other U.S. jet fighters on top of that.

Yet we are being told we must protect mid-east oil while Alaska's resources are locked up.

Development of Alaska's resources is yet another example of second class treatment. Alaskan's oil line was built under environmental stipulations which had never before been imposed on such projects and have not been imposed on projects in the lower 48 since. Our gasoline is already burdened with more restrictions than the oil line yet recent days have shown encouraging movement towards a financial plan. I applaud the state's commitment to participate in financing of the line - it will help ensure its construction and the conditioning plant is an excellent investment. I hope the financing plans will be approved quickly to allow construction to start.

I congratulate the Governor and all of you who worked on the ALPETCO project agreement. To me, that is the first--not the last--project which will use our arctic gas and oil resources. Industry throughout the world is watching this project--it will prove whether new industrial developments in Alaska have greater long-term stability than those abroad. It will prove whether U.S. technology and ingenuity still maintain their advantage in the market place.

Alaska's image is fashioned here - not in Washington. When financial circles want to assess our maturity and stability, they look to your actions, not mine. When national circles look to Alaska's resources, Alaska's politicians have more to do with the final decision than federal policies.

So far, we've struggled through. The problems we face now require restraint - the restraint of a mature state which seeks to contribute to national stability. You are national leaders - you can help fashion solutions to national problems by demonstrating the ingenuity to develop fiscally responsible answers to Alaska's problems.

I remain ready to work with you to do this.

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ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - SECOND SESSION

Juneau Alaska

Friday

March 14, 1980

Sixty-first Day

The House was not in session on this legislative day.

Irene Cashen
Chief Clerk