Programs detailing the many phases of the petroleum industry and its effects on the Alaska economy are planned for Petroleum Industry Awareness Week November 8-14. The Resource Development Council will coordinate the events, sponsored by various Alaskan associations.

ARCO Alaska President Paul Norgaard will open the week's activities with a keynote address at noon Monday before the Anchorage Chamber of Commerce luncheon meeting at the Hotel Captain Cook.

Thursday the Council will host a forum on state oil and gas policy. Panelists will include officials from the Hammond administration, the legislature and industry. Mayors from major Alaska communities will speak of the industry's impact in their areas at the forum luncheon. The RDC event begins at 8 a.m. in the Anchorage Elks Club and will conclude at 1 p.m.

The Alaska Association of Petroleum Landmen will conduct a one-day seminar at 8:30 a.m. Friday at the Hotel Captain Cook. The seminar is geared toward state, federal and native agencies and local government officials responsible for the approval of oil and gas operations. During the luncheon, Donald L.

Simasko of Simasko Production Company will present a paper on the history of oil in Alaska. Simasko has been active in the Alaska oil industry since 1959.

ARCO Alaska will present an all-day symposium on contemporary consumer issues November 14. The symposium is by invitation only.

Petroleum Industry Awareness Week concludes with a "Big Blowout" at the Anchorage Elks Club from 8:30 p.m. to 1:00 a.m., November 14. The "foot-stomping, fun-filled" party is sponsored by the Resource Development Council. The event, which features live music, door prizes and dancing is open to the public and dress is casual.

Persons desiring reservations and more information on Petroleum Industry Awareness Week activities may call the Resource Development Council at 278-9615.

Attention Businesses
You can make a tax-deductible contribution of file cabinets to the Resource Development Council and make the staff so happy! We don't care what size, shape, color or condition they're in, just so they open and close.

RDC's research files are for you to use, and it's imperative that the approximately 60 pounds of information we receive and file each week be accessible for your purposes. Right now we're climbing over boxes full of file folders that are scattered from the attic to the basement. Our efficiency is much improved when all materials relating to a particular subject can be stored together. That is no longer possible after 6½ years of data collecting. And sure enough, every time we throw something away, we get a request for it.

The staff works hard, under Larry Hayden's supervision of all research materials, to help you find the documents you need. The acquisition of at least six file cabinets will make the job so much easier. The value of your contribution will be credited to your membership fee or on our records. Can you please help us???
Eakens Addresses Future Development

What development can Alaskans expect to see occur within their state by the year 2000?

"It is a mistake to assume that resource development will occur in the short run, or even in the long run, just because Alaska possesses large quantities of scarce resources which are in demand on the world market," states Richard Eakins, Director of the Alaska Office of Special Industrial Development.

Speaking before a conference on maritime commerce and port development in Anchorage last month, Eakins said "development will take place when the marginal rate of investment return is equal to or greater than other investment opportunities. He said there are many factors of production that interfere or inhibit development in Alaska because costs are greater than in other resource production centers.

Eakens cited Alaska's coal, minerals, fishing and tourism sectors as industries suffering from direct outside competition. "Alaska's low tech coal has to compete with Australia and South Africa higher bit coal," Eakins said. He pointed out Alaska minerals compete with low-cost third-world mineral producing countries and that Alaska has to compete with highly efficient low cost foreign fisheries to capture the bottomfish market.

Coal and fish in particular also retard economic development in the state, Eakins said. Construction cost differentials in Alaska compared to West and Gulf coasts run considerably higher and operational costs are higher due to climate and cost of living.

Eakens said capital investment costs are greater in the 49th state as industrial and community infrastructure is either nonexistent or insufficient. Furthermore, costs of operations are increased because parts and materials have to be shipped from long distances and the end product itself has to travel to distant markets.

However, Eakins said, the disadvantages that conflict with the advantages of processing tremendous stocks of raw material resources have narrowed considerably in the past ten years. But, serious cost disadvantages still must be overcome, Eakins added.

To overcome the obstacles on capital and operations in Alaska, Eakins says the state should consider "some ingenious financing method for large scale construction," suggesting "this could be done in cooperation with Alaska banks who would be unable to fully finance such investments alone. He added that the state's return on investments would occur in 20 years plus interest while providing industry with a cheaper capital investment load.

If Alaskans want a mineral, bottomfish, agriculture, and petrochemical industry, "the state has to make the most efficient transportation systems possible. Deep water harbours and ports which are necessary to support modern, efficient, world scale industry," Eakins said. "We want a manufacturing processing industry to add value onto the resources prior to their export, and then the state has to have competitive power, water and sewer utility systems required to support world competitive industry." Eakins predicts the growth rate in Alaska over the next 20 years will be spectacular. However, in the bottomfish, coal, minerals and agriculture, industry growth will come slower than most people think unless the state moves toward the use of its oil wealth in the private sector, Eakins said.

Negative Approach Given to many Positive Results

The Institute of Social and Economic Research (ISER) of the University of Alaska published a report in August 1981 entitled, "Alaska Attitudes Toward Petrochemical Development in Alaska." The net results of the survey are reported as follows:

Should the State Encourage Petrochemical Development?

The United States Court of Appeals for the District of Columbia Circuit has held that a Sierra Club suit to reserve waters on federal lands is "totally without merit." The Sierra Club has contended that the federal government has a right to reserve waters arising on federal lands for public use that is not ultimately deny needed water for farming, ranching, industry and municipal uses. The case was appealed by the Sierra Club to a lower court ruled in favor of arguments presented by the Mountain States Legal Foundation. Federal water rights cannot be found to exist by the courts where they were not intended by Congress. Instead, the federal government must comply with state law if it wishes to claim a water right on federal land which has not been withdrawn from the public domain.

The results are rather clear and uncomplicated. Now lets play a coloring game with other parts of the report. The Executive Summary states: "Nor Anchorage residents think their community will be a worse place to live with petrochemical development." Table 25 on page 52 reports the following:

Table 26 on page 52 reports the following:

The question of processing tremendous stocks of raw material resources has narrowed considerably in the past ten years. But, serious cost disadvantages still must be overcome.

The case was appealed by the Sierra Club to a lower court ruled in favor of arguments presented by the Mountain States Legal Foundation. Federal water rights cannot be found to exist by the courts where they were not intended by Congress. Instead, the federal government must comply with state law if it wishes to claim a water right on federal land which has not been withdrawn from the public domain.

The question of processing tremendous stocks of raw material resources has narrowed considerably in the past ten years. But, serious cost disadvantages still must be overcome.
Over the last decade state-funded film commissions have sprung up in almost every state for obvious reasons. In 1980 California residents and businesses benefited by well over $4 billion in direct revenues from on-location filming. New York City brought in an estimated $650 million that same year. It’s easy to understand when you assume that for every dollar spent by a producer’s company on location, the cost and crew are spending more in the local economy. That kind of income easily convinces any business-minded state administration of the industry’s merits.

It was enough to convince the Municipality of Anchorage which just recently got in the act by forming the Anchorage Film Coordinator’s Office. Its first duty was publication of an attractive 24-page full-color brochure describing Anchorage and Southcentral Alaska as an ideal location for shooting major film productions and television commercials.

The new film office and brochure are the result of several months of work by the Anchorage Film Advisory Committee and the Mayor’s Office of Economic Development. The Film Coordinator will act as liaison between producer and government agencies whose approval is needed for film production in almost every location. The office will serve as a central contact point for all their needs when shooting in the Southcentral area.

And their needs are many. According to Lucy Salenger, head of the Information Office in Chicago, one film was a logistics nightmare, “The Blues Brothers.” The script called for 110 different locations to back up a multitude of outrageous stunts. The Blues Brothers company spent three and a half months in Illinois filming exterior shots costing $5.7 million.

Salenger says, “The most thrilling part of it all is creating new jobs. I am really committed to that.”

Since 1975 Salenger’s office has been partly responsible for bringing $30 major film productions to the Windy City. With a six-year budget of $500,000, the film office has seen a $55 return for every dollar spent. Last year 19 feature films were shot in Illinois, a 30 percent increase over the year before.

In three months last summer, the film industry spent nearly $600,000 in Tucson, Arizona and an average of $4 million on each of 50 major productions shot in New York City last year. Budgets for feature films in 1981 averaged between $40,000 to $50,000 per day with TV specials or series averaging up to $400,000 daily. It is estimated that up to 8 percent of a film’s or commercial budget remains in the local economy.

The film industry spent over $300,000 in Alaska filming a segment of “Raise the Titanic” and the Anchorage economy realized over half the amount. The shooting of “On Golden Pond” was accomplished on a $2 million budget at Squalik Lake, New Hampshire. The Squalik Chrysler dealer collected $40,000 in car rentals while the local lumber company grossed $20,000 in construction sales to the film industry.

The Municipality of Anchorage deserves a hardy pat on the back for its aggressive efforts in forming the film office with intentions of attracting major productions to Southcentral Alaska. The foresight expressed by the city will do much to stimulate the economy and promote Alaska as a producer’s paradise and a cameraman’s dream.

Easley Addresses Coal Officials

“Now quickly and aggressively coal developers bite into Alaska will depend to a large extent on the state’s lease and taxation policies” says Paula Easley, Executive Director of the Resource Development Council.

Speaking before the American Association of Port Authorities Coal Ports West Conference in Sacramento last month, Easley discussed Alaska’s coal potential and problems facing coal developers in the state.

“The tax burden here must be lower than in other states to offset the high costs of creating the chicken, the egg and the nest all at one time,” said Easley. She told the large international audience that a sizable campaign is underway to convince state legislators that everything possible must be done to bring Alaska coal fields into production.

Following her presentation, Easley was overwhelmed with over 100 requests for copies of her speech, indicating a mass interest in Alaska coal from those attending the conference. Easley’s remarks were given further attention when the New York Times and Commerce printed a front-page story in its national editions about the Alaska coal picture as presented by the Council’s director.

In concluding her presentation, Easley revealed “we’re in the coal export business now and plan to be in it in a big, big way before the end of this decade.”
The bedrock of Alaska’s economy is not oil, coal, minerals, fish, timber or government, it’s small business, says Republican Senator Mike Colletta of Anchorage.

Addressing a Resource Development Conference in September, Colletta said: “The time has come where we have to recognize that the cost of capital, taxes and regulations have created an atmosphere in which small business activity is increasingly becoming an endangered species.”

To foster small business in Alaska, Colletta recommends cutting or eliminating corporate taxes, developing an adequate loan program and reducing regulations.

“Small business needs to borrow, there should be a simple, quick state loan program available,” the Senator said. “There should be a program that provides financing at reasonable interest rates.”

Despite legislative efforts to create such a loan program, “we are still burdened by a multiplicity of loan programs, separately administered and largely unrelated and uncoordinated,” Colletta said.

The time has come to consolidate the state business loan programs into one program, Colletta stresses. “We need one program which will clearly define criteria and adequate funding to meet the needs of Alaska’s small business.”

Colletta says even if the state eliminates taxes on small businesses and develops an adequate state loan program, “we will still not have a healthy private-sector economy until we address the problems which government has created through over-regulation.”

According to Colletta, Alaska has created over 10,000 regulations affecting business activity. Over 80 state agencies either promulgate regulations or enforce those against businesses, the Senator says.

“Unless people can solve the complexity and related problems of energy, productivity and capital formation, Alaska will still be doing so long after the oil is gone,” Colletta said.

Colletta says small business will provide businesses pay in taxes.

While admitting some regulations are clearly required to protect the public’s health and safety, Colletta insists Alaska should follow President Reagan in launching a comprehensive review of all state regulations with an eye to eliminating those which are not essential.

Colletta says another problem small business in Alaska faces today is that it has become the “neglected majority.” He says Alaskans have lost sight of the fact that it was the “little guy with the good idea and only a boat repair facilities, fabricated steel facilities, crappot, boat repair facilities, fabricated steel facilities and a plastic industry are viable cottage industries Colletta sees blooming from development of resources. “Certainly, we can add anywhere from 100 to 100 percent on the value of our resources if we can process them in our state,” the Senator stated.

“I will use the initiative to make the in-state processing of our resources our highest priority,” Colletta said. “The opportunities will blossom into reality.”

Typical Cost of Energy Project

<table>
<thead>
<tr>
<th>Year</th>
<th>1973</th>
<th>1977</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$120 million</td>
<td>$240 million</td>
<td>$360 million</td>
</tr>
</tbody>
</table>

Energy Delays Hurt U.S. Trade

Colletta: Small Business "Bedrock of Economy"