High seas may scare us, but they don't stop us. For over 20 years our Alaskan friends have relied on Sea-Land container ships all year long. And we're still ignoring weather reports to bring Alaskans creature comforts from Outside. Important commodities like diapers. And fresh vegetables. And coffee and sweaters and dish soap and tires and flashlights. All the things that make pioneering the Last Frontier a little bit easier.

We're committed to keeping Alaskans comfortable. Come rain or shine. Or high seas that can make the trip a real challenge. But then again, what are friends for?

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Sea-Land
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Community leaders discuss economic diversification

Mayors, city managers, planners and private-sector officials from 20 Alaska communities met August 9 in Soldotna to discuss economic needs, opportunities and strategies for dealing with declining oil revenues. Sponsored by the Resource Development Council, in cooperation with the state Office of Enterprise, the economic development workshop was the third in a series of meetings this year wherein local communities addressed income and future growth potential.

Through its economic development workshops, the Resource Development Council is bringing together Alaska community leaders to delineate their current economic positions and potentials for achieving economic diversity. Workshop moderator Susy Collins, former mayor of Valdez, stressed that local communities must see themselves as part of the overall state picture, working together to solve common problems and supporting economic development projects at both the local and state level. Collins said "communities must establish common ground, direction and consensus on major issues." She added, "each community leader must become familiar with local problems and issues, recognizing the vital part the local community plays in strengthening Alaska's economic posture."

RDC Executive Director Paula Easley pointed out that Alaska's economic future depends almost solely upon the development of its natural resources. She said most future development will occur on state and native lands, and much of the development will be affected by Alaska's huge parks and refugees.

The RDC executive director stressed that the most important step Alaska can take to assure a sound economy is to retain the absolute maximum amount of local, state and federal land in multiple-use classifications. She said that is not happening, and unless Alaskans elevate this issue on the public policy agenda, there will be less land available for development.

Following a number of presentations by local communities and state and federal government officials, the forum featured regional workshop sessions with provocative discussion generated by a questionnaire focusing on the economic elements and development "climates" of local communities.

Preliminary analysis of the survey revealed that most community delegates envision more people moving into their areas within the next five years. Some communities such as Valdez and Sitka expect population increases ranging from 50 to 100 percent by 1990.

Nearly everyone attending the workshop reported that their fellow citizens are generally supportive of economic development. Most residents appear aware of the impact of declining oil revenues at the state level, but seem unaware as to how their own economic well-being could be affected by a combination of reduced revenues and losses in population.

Regarding reductions in state spending, mayors and city planners said more emphasis should be put on budget cuts at the state and local levels. Mayors and planners said that budgetary cuts at the state level could unduly impact local governments.

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Alaskans...Working with Alaskans to improve the quality of life through sound resource development.
State Strategies For Economic Development
Implications for Alaska

Few subjects generate as much spirited discussion in our state as what we ought to be doing to encourage economic development. Some, such as the University of Alaska’s Institute for Social and Economic Research, generally conclude there is little we can or should do to stimulate economic growth — "when the time is right, development will occur."

A small but vocal segment of the population says, "hey, I came here to get away from development." (Opinions surveys identify members of this segment as government, university personnel, professionals, the younger age bracket and people who have lived here the shortest time.)

Another segment, older folks who have lived here the longest, is most supportive of development, with one little quirk. They don’t want more people, Alaskans and only Alaskans should get the jobs available.

So we can conclude right off the bat that no two Alaskans are likely to agree upon the best economic development strategy for our state. Most advocates agree, however, that there is a "climate" for progress and entrepreneurialism, local economies will stagnate and deteriorate, and few people want to see their investments and jobs for excesses.

Should the strategies of other states, designed to lure high technology companies to their borders, be implemented in Alaska? High tech companies so far have had limited success in major research areas and universities that create the ideas and innovations that the companies then develop and market. These companies locate in areas with mature, developed infrastructure, highly-trained, technologically capable workers (who are willing to accept low wages) and near other technologically oriented industries. "Quality of life" considerations are of major concern in the site location equation. Cold weather, isolation from other states, high living costs and the lack of many community services and opportunities available elsewhere lower Alaska’s "quality of life" rating.

Rather than seek the glamorous high tech industries to locate in Alaska, a better course is to invest in the highest technology for application to existing industry. Mining, oil and gas, agriculture, forest products, transportation, telecommunication, and state-of-the-art technology for timber and fish processing all have huge potential for improvements in productivity, product quality, or delivered services.

Yes, high tech is for Alaska, but we’ll never see Route 128 or Silicon Valley in Anchorage or Fairbanks.

Besides, as John Van Houten reports in the next decade, the proportion of high tech jobs will only increase from the present 3% to a projected 4% of the workforce. He reminds us that all the jobs generated by high technology industries, less than a third are technologically in nature. The remainder is the usual mix of managerial, clerical, service, and production jobs.

What about luring manufacturers of high tech machinery to lure manufacturing from other states? With a few exceptions, such as computer manufacturing, the need for which is based on expanded instate demand, non-Alaskan firms do not consider it logical to pick up the stakes and head for the Far North.

The greatest potential for expansion of the metals industry is production of primary aluminum, and both Alcoa and Kaiser have expressed interest in setting up shop in Alaska. With bauxite imported from Australia, the key factor in determining an Alaska location would be accessibility to low-cost, stable supplies of electricity. This energy-intensive industry would virtually assure feasibility of the Susitna hydroelectric project, and it’s usability should be sited where few people even knew it existed. Aggressive approaches to this industry could pay off.

What strategies should Alaska use to strengthen its economic base? We need to recognize that Alaska’s economic future depends almost solely upon the development of its natural resources and that its major markets are foreign, not domestic. In recognition of this, public and private organizations in Alaska are developing relationships with Pacific Rim nations through trade missions, hosting visiting delegations, and by expanding our Asian trade offices. Both universities have created new programs to support Pacific Rim cultural exchange and economic development.

The foremost reason firms operate in Alaska is because this is where the resources are, not because they chose Alaska over Alabama as the place to be.

While other states are involved, for the most part, in shifting from an industrial society to a service, information, high-tech society, Alaska can be on the cutting edge in the new industrial development. While other states are trading dollars, Alaska can be developing its vast natural resources, the source of all new wealth. And, while other states are grappling with shutting down or retrofitting polluting industries and cleaning up polluted land and water, Alaska can demand that it’s done right.

Tom it appears that the state’s prospects for economic expansion are rosy and our children can step out of school and into productive jobs in the resource development arena, we should consider some of the constraints (not prioritized) designed business in Alaska.

(1) Lack of transportation and other infrastructure
(2) High labor costs, lack of skilled labor
(3) High transportation costs
(4) Remote areas
(5) Limited local markets
(6) Lack of significant utility development
(7) Institutional and regulatory problems
(8) Uncertain land status
(9) Environmental constraints
(10) Uncertain tax policies
(11) Lack of coordinated state development plan

State Strategies for Economic Development
Implications for Alaska

Federal government influence

While there has been general agreement with this list of inhibitors to Alaska development reported by Arthur D. Little, Inc. in 1979, one of us suggested that the development scene would likely change, it giving a higher level of importance to those issues listed under institutional and regulatory problems. These problems identified in the opinion survey was presented to the governor with dedicated leadership. We may not be able to change the weather, but we can make land and resources available for use and development.

We can collaborate, once and for all, Alaska’s image as a place where industry tax policies change as often as the seasons. We can put on the books a law that says no regulations will be adopted without full public hearings or a complete analysis of their cost to industry. If the costs outweigh the benefits, or this is the case since they have been denied access to the marketplace.

Once the governor and the legislature agree on a positive approach to the state’s development (it can happen!), state agencies would be brought into line to implement those policies.

Key to the success of state economic policy is the role of the governor. In state after state, we’re seeing dynamic direction from governors, concerned about their states’ economic vitality, as they act as powerful catalysts to solve contemporary problems.

Inholders air complaints

(continued from page 5)

The managerial role of governors was recently described by Lynn Muchovec in “State Government News”:

"Here the governor is looked at as an active and superior force who imposes upon the far-furcating bureaucracy a coherent fabric of goals and objectives and then guides the execution machinery toward that. He is more than a problem solver concerned that government functions smoothly and without corruption; he is a policymaker who sets the agenda for executive actions and shapes priorities that affect decisionmaking at every level.

These are the governors Larry Sabato in his study Goodbye to Goodwill who can call with the "emerging new breed" of capable, creative, forward-looking, experienced governors.

The role of the private sector is crucial as well, both in helping define and set the public policy agenda and in electing representatives at all government levels to give public policy the force of law.

With these forces working in tandem, a goal-oriented public-private partnership, Alaska can begin shaping an aggressive strategy of its own that will assure economic stability and environmental quality for future generations.

It is exciting and challenging to be part of the Resource Development Council for Alaska, Inc., an organization that works so diligently to advance these goals.

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Terry Overly is a multi-talented blacksmith, hunting guide, trapper and pilot. He notes that there might still be a few old grizzlies around the Chisana River valley that were youngsters when he first arrived in 1961.

"It’s different now," Overly said. "They’re describing an Alaska heritage, the traditions of how to live and work in the wilderness. When you hear a plane today you think, ‘Oh, what do they want now?’" The Gates of the Arctic plan says the Park Service through its management is discouraging local residents and others from visiting the park.

The Park Service class increased tourism counts in the park system as proof that it is doing a good job promoting visitor use. However, an examination of the figures indicates that most residents see no change in their access to the Park and Preserve while a dozen other parks comprising over 40 million acres of land receive little to no use. RDC contends other states are grappling with shutting down or retrofitting polluting industries and cleaning up polluted land and water, Alaska can demand that it’s done right.

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Mayors discuss diversification

(continued from page 1)

state level rather than the local level. They complained of a bloated state bureaucracy.

Communities also expressed deep concern with the number of regulations that have come onto the books in recent years. Both rural and urban officials said they didn’t want to see their local communities bear the brunt of revenue cuts, but would rather see a reduction in the size of state government and the many regulations they view as a needless hindrance to renewed economic growth.

A majority of mayors and city planners completing the survey voiced serious reservations with the current expansion of wetland and wetlands permitting. Redesigning of local projects in wetland areas was singled out by a number of communities as a waste of valuable resources.

Communities such as Valdez believe its local coastal zone management program provides more flexibility in pursuing economic development goals than would have been possible under the state coastal zone management program.

The mayors recommended a number of steps to raise funds in light of declining oil revenues. They spoke of special tax assessments, increased user fees, mill rate increases, bond financing and a resumption of the personal income tax without fear of excessive state regulations whether those operations are timber, mining or grazing.

The Resource Development Council last year urged Alaska Attorney General Norm Gorski to join the Coastal Commission in its lawsuit against Granite Rock. Despite a substantial number of letters and telegrams in opposition to the join the lawsuit, Gorski remains firm.

RDC believes that Alaska’s intervention sent yet another strong signal of opposition to oil and mining development on federal lands.

Court ruling favors miners

In a major victory for miners and other public land users which let explorers better define the geological structure of oil and gas fields, the federal District Court ruled in a major victory for miners and other pub.

filling the void for new energy resources… Many of these tracts are just now becoming attractive because of new long-range potential that will allow federal lands from Alaska to Texas and from the Atlantic to the Pacific Ocean to be explored as potential source regions of non-conventional oil and gas that could eventually be converted to a marketable product.

NPLAC urges Hodel to reverse OCS decision

The National Public Lands Advisory Council has asked the Secretary of the Interior to reverse his preliminary decision prohibiting energy exploration on federal air-- off the coast of California.

Paula P. Easley, representing Alaska on the 21-member Council, reported on the action she advanced through the Energy and Minerals Subcommittee. The Council’s meeting concluded Saturday in Boise, Idaho.

Easley said while the Council’s charge of advising the Interior Secretary and Bureau of Land Management Director on public land-related issues excluded avoiding on OCS issues, members believed the California lease sale would be an example of a serious energy project.

The action referred to a July agreement between Interior Secretary Don Hodel and some California congressmen to extend a moratorium on the most prospective oil and gas leases in federal waters outside the three-mile limit. Of over 10,000 tracts, the agreement would allow only 195. Only 2% of the federal tracts off California have been leased in the past. Most of the 218 tracts the BLM has on file hold little interest to the petroleum industry, given geology, technology and economics.

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Park Service Regulations:
Inholders fight to maintain freedom and individual rights

Over a foot of silt covers the floors of Doug Vaden's cabins on North Fork Island after three years of flooding. Toni Hankins, Vaden's granddaughter, said the damage could have been avoided with a few hours of upstream work on a gravel bar of the White River. The National Park Service would not permit the work which Hankins said would have returned the river into its original channel while saving the island from destruction.

Wrangell guide Terry Overly pointed out reporters that operations such as his simply do not in any significant way detract from the wilderness experience and in fact enhance that experience by facilitating access for many individuals who would not otherwise be able to take advantage of the park's resources. Overly, owner of Pioneer Outfitters, operates a wilderness outpost at Chisana, an historically mining town in the northeastern section of the park. Overly has lived year-round in Chisana since 1981 and has built numerous small guest cabins, a beautiful radio lodge, other small buildings and a corral for over 20 horses. From his heavily wooded 80-acre site, visitors ride horses off the property into a wilderness of glaciers, steep mountain slopes and wide gravel flood plains.

Wrangell's functional, neat and orderly homestead site stands as proof of his respect for the environment is apparent. Overly pointed out that the typical homestead site stands as proof of his respect for the environment. Overly once used this property for hunting as well as the older log structures.

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