

Petroleum Industry Awareness Week Nov 9-14

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 on our records. Can you please help us???

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for Alaska, Inc.

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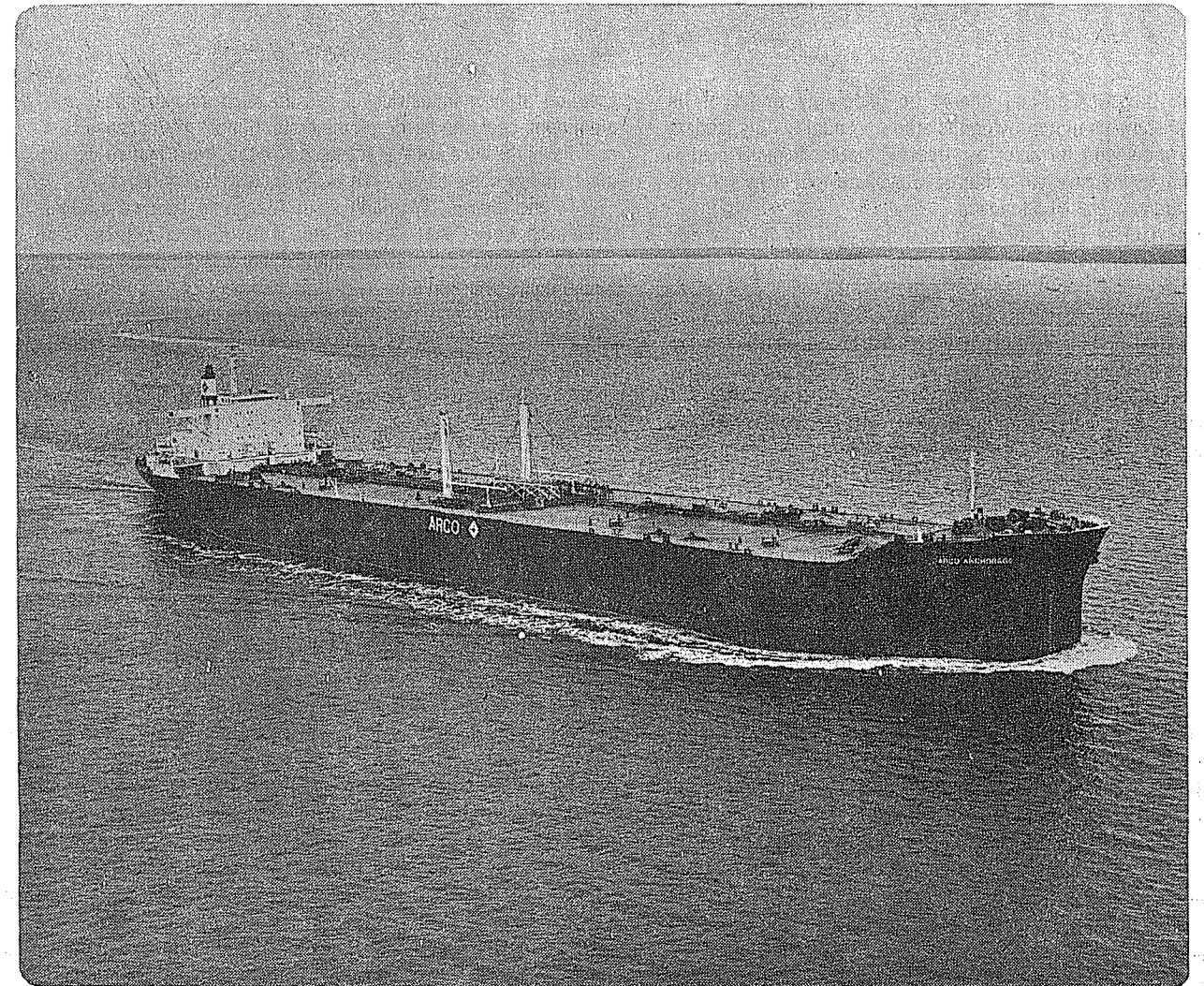
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Resource Review

November 1981



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Message from the Executive Director

Paula P. Easley

The City of Portland should be justifiably proud of its accomplishments in improving the area's air quality. City leaders make a good point, however, by stressing that much more must be done—not by industry, which has done its share—but by people who drive cars and use wood stoves.

The goal of clean air must be a high priority for any city wishing to improve or maintain high standards of living for its citizens.

Exhaust fumes that made me physically ill on the crowded streets of Louisville, Kentucky had a major effect on my decision to go where there was pure air. Family ties, opportunity and Alaska's clean air made Alaska my choice.

I've been called a fanatic on the subject of clean air. People who know that don't hesitate to ask how I could possibly encourage

creation of new industries in Alaska such as petrochemicals, aluminum, coal and hardrock minerals. Simple. It's because I am convinced the laws are in place to assure that these industries will meet, and in some cases even exceed, clean air standards.

To the charge "We don't want Alaska to become another Pittsburgh, Love Canal, Newark, etc.," I say it never will. The new breed of industry leaders won't allow it, nor will our citizens or our government, and that's the way it should be.

Alaska's major air pollution problems are caused by individual users of autos and trucks, by dust from unpaved streets and by forest fires. We and the state's environmental groups could find common ground trying to pinpoint workable solutions to these problems.

City and Industry Officials Work for Clean Air

It has been a decade since the nation launched federal clean air laws. Today the air is much cleaner in cities like Portland, Oregon, where industry and city officials have worked together to bring about a clean environment.

Portland actually began to clean its air in the late 1960s, well before enactment of the federal Clean Air Act. State legislation focused on the most visible forms of pollution and tax incentive programs offering credits to industry for installation of pollution control devices were developed.

However, automobile emissions, road dust and wood stoves may be the main sources of pollution in Portland during the 1980s, according to the Portland Aerosol Characterization Study (PACS). Identifying the major sources of emissions in the Portland area, the report concludes that industrial sources contributed only 2 percent of the total suspended particulate in downtown Portland. As a result of these and other findings, industry officials feel federal lawmakers are pointing the finger at the wrong source.

Tom Donaca, general counsel for Associated Oregon Industries, says current air pollution-related problems are less related to industry and more to people, as documented in PACS. Yet neither the Clean Air Act nor Oregon law provides any regulations on the area sources generated by people, Donaca said.

Echoing Donaca's concern, Daniel Heagerty, chairman of the Portland Chamber of Commerce Environmental Standards Committee, says "the most interesting problem I've found in my work with this committee is that industry has paid its fair share in cleaning up the air, but private homeowners with wood stoves haven't paid it all.

Heagerty says the public continues to point its finger at industry when it thinks of problems with the airshed. Industry is not contributing to the problem as much as the public, says Heagerty.

Congressman Ron Wyden (D-Ore) says "it's a widely known fact that over 90 percent of the pollution in this nation today comes

from the automobile." In line with this, Wyden disagrees with the Administration's effort to roll back pollution standards on autos.

"On the other side of the coin, industry has done a first-rate job of helping put Oregon light years ahead of the rest of the country in terms of air quality progress," continues Wyden. "I feel the goals and standards of the act (Clean Air Act) should be retained, but industry should be given more flexibility in meeting those standards." Wyden said he would like to see a move toward performance standards instead of design standards.

Concern for the environment has brought government, industry and city officials together. These people have proved that an urban area such as Portland can accommodate industrial growth, have cleaner air and enjoy a high standard of living.

However industry officials stress it's becoming clear that in the future cooperation will have to come from every sector, including the public, if that quality of life is to remain at its present high level.

Eakins 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.

Eakins cited Alaska's coal, minerals, fishing and tourism sectors as industries suffering from direct outside competition. "Alaska's low btu coal has to compete with Australia and South Africa higher btu 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.

Alaska's cost handicaps 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.

Eakins 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.

In overcoming the high cost of investment and operations in Alaska, Eakins says the state should consider "some ingenious financing method for large scale construction," suggesting "this could be done in participation 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 30 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 system with deep water harbors and ports necessary to support modern, efficient, world scale industry," Eakins said. "If we want a manufacturing processing industry to add value onto the resource products prior to their export, 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, "Public Attitudes Toward Petrochemical Development in Alaska." The net results of the survey are reported as follows:

Should the State Encourage Petrochemical Development?

	Anchorage	Kenai	Seward	Mat-Su	Valdez	Fairbanks
Yes*	52%	74%	67%	71%	83%	76%
No	36%	16%	12%	21%	10%	20%
Don't Know	12%	10%	21%	8%	7%	4%
	100%	100%	100%	100%	100%	100%

The results are rather clear and uncomplicated. Now lets play a coloring game with other parts of the report. The Executive Summary states on page 4 the following: "...more Anchorage residents think their community will be a worse place to live with petrochemical development." Table 25 on page 52 reports the following:

	ANCHORAGE
Better place to live	26%
Just as good a place to live	31%
Worse place	39%
Don't know	4%
Total	100%

It would seem that 57% of the respondents think Anchorage would be a better or just as good a place to live with petrochemicals. Color that first statement black with small white dots. On page 4 of the Executive Summary the following is also reported: "The majority of adults in Valdez, Fairbanks, Kenai, Seward and the Mat-Su Borough want the State to encourage petrochemical development. Survey responses indicated 52 percent of the Anchorage population feels the same way, but potential errors due to sampling make it impossible to conclude whether a majority of Anchorage residents support petrochemical development in Alaska."

The question is "who established the size of the sample and the corresponding expected error?" We assume ISER did. Choose your own color for that statement.

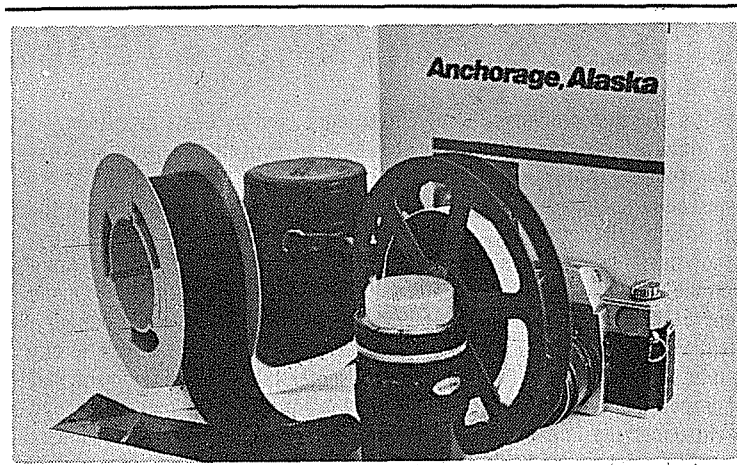
Throughout the report, a negative approach to positive results would prompt us to Color the Cover Green.

Court Rules Against Sierra Club

The United States Court of Appeals for the District of Columbia has ruled 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 aesthetic purposes. This would ultimately deny needed water for farming, ranching, industry and municipal uses.

The case was appealed by the Sierra Club after a lower court ruled in favor of arguments presented by the Mountain States Legal Foundation. MSLF contended that 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.



Big Time Productions In Anchorage?

Over the last decade state-funded film commissions have sprung up in almost every state for obvious reasons. In 1980 California residents and businesses benefitted 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 production company on location, the cast and crews 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 producers 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 Illinois Film 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 53 major film productions to the Windy City. With a six-year budget of \$800,000, the film office has seen a \$56 return for each dollar spent. Last year 19 feature films were shot in Illinois, a 50 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 59 major productions shot in New York City last year. Budgets for feature films in 1981 average between \$45,000 to \$50,000 per day with TV specials or series averaging up to \$40,000 daily. It is estimated that up to 40 percent of a film or commercial budget remains in the local economy.

The film industry spent over \$350,000 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 Squalm Lake, New Hampshire. The Squalm Chrysler dealer collected \$40,000 in car rentals while the local lumber company grossed \$23,000 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.

Officials Work to Lift TAPS Restrictions

Widespread belief still persists among Americans that oil flowing through the Trans Alaska Pipeline (TAPS) is shipped to Japan. Currently 1.5 million barrels of oil flow through the pipeline from Alaska's North Slope each day and all of it is marketed in the United States.

However, government officials and others are working to lift restrictions on the export of TAPS oil to Japan. A bill now before Congress would allow export of oil to Japan to help the Japanese reduce their reliance on insecure supplies of crude from the Middle East. The United States would gain the economies in transportation costs accruing from selling Alaskan oil to Japan. The U.S. would purchase substitute oil from nearby sources in the Gulf of Mexico and from East Coast domestic refineries.

U.S. Ambassador Mike Mansfield is pressing for the right to sell Alaska oil to Japan in exchange for more U.S. imports from Mexico.

"It would benefit both countries because it would give Japan crude at a cheaper price as far as transportation is concerned and it would help decrease our imbalance of payments in trade," Mansfield said. Ships now carrying Alaska oil to the East Coast pass ships carrying Mexican oil to the west through the Panama Canal.

Some political observers have suggested that the export of Alaskan oil to Japan might be used as a bargaining chip in U.S. efforts to limit Japanese car exports to America and at the same time increase sales of certain U.S. agricultural products to Japan.

Mansfield said an oil swap with Mexico makes more sense than simply allowing the export of Alaska oil. If there were another Middle East oil embargo, Japan could return to buying oil from Mexico, and the United States could rely on Alaska oil, he said.

Japan imports 70 percent of its oil from the Middle East.

Magazine Gives Alaska "D" Grade

The report cards are out and Alaska didn't fare too well. In fact, the 49th state barely passed, scoring a grade of "D."

Inc. Magazine, based in Boston, assigned each of the 50 states a letter grade from A through F in analyzing the small business climate in each. *Inc.* researched over 50 factors in six areas of doing business: tax burdens, labor, capital resources, official commitment to small business, energy costs and quality of life.

While Alaska came in second in the energy costs category, it failed to rank among the top ten states in the other categories. Loan programs, wage rates and unemployment taxes were considered in the ratings.

The magazine's editors said the survey findings were confirmed by statistics showing a direct correlation between high performance companies and high performance states. The greatest number of fast-growing enterprises is found in the top ranked states.

No Alaska companies were listed on *Inc.*'s roster of the 200 fastest growing publicly-owned small companies.

Overall results of *Inc.*'s survey revealed ten states scoring A's while 18 received B's and eleven C's. Alaska and five other states, Maryland, Iowa, Michigan, New Jersey and Rhode Island, picked up D's while Delaware, Hawaii, Missouri, Nevada and West Virginia failed with an F.

In the energy cost category, Hawaii rated number one with the lowest energy bills in the nation despite some of the highest energy rates. The Islands' warm climate and ocean breezes allow for virtually no heating of buildings.

Alaska, despite a large number of heating days, managed to score second due to no cooling bills and the availability of natural gas at one-third the national average cost. Washington and Oregon ranked high because of "dirt cheap" electricity generated by abundant hydro electric power.

Alaska didn't do too well in the tax rate bracket. The 49th state earned the dubious distinction of last place with the highest tax rates on corporations and small business. In fact, Alaskans per capita pay a staggering \$3,541. Hawaii placed second worst behind Alaska with a per capita payment of \$1,091. Nebraska, Arizona and Texas were noted with having the best tax structures favorable to business.

Nevada, Wyoming and South Dakota were given F marks in small business commitment while California and New York rated the highest.

RDC Seeks Common Position on Rail Bill

The Resource Development Council has initiated meetings of various organizations to formulate a common position on transferring the ownership of the Alaska Railroad to the state.

RDC efforts are aimed at persuading Governor Hammond to take a strong stand on the state's obtaining the same optimum advantages the federal government now

enjoys as owner of the ARR.

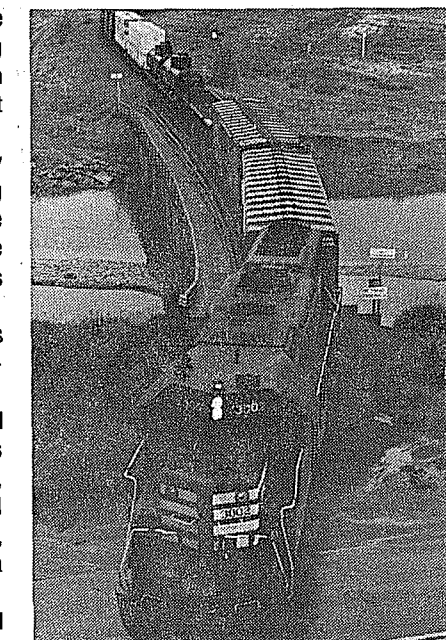
Representatives of Commonwealth North, Anchorage Chamber of Commerce, the Alaska Miners Association, Alaska Truckers Association and various labor groups and municipalities, are meeting to come to a "common ground on the many issues that have developed from the federal bill transferring ownership," says Joyce Munson, Director of RDC. of RDC.

At issue, Munson says, are questions on rights-of-way, designation of corridors for expansion of the rail, and patented railroad land. RDC has stated that the legislation as proposed by Stevens would make it almost impossible for the state to extend the railroad.

"The right of the state to use the power of eminent domain to acquire the rights-of-way can be used but this would be a lengthy process including possible litigation," Munson said. "Since no rights-of-way across federal land are included in the bill, procedures under the Alaska Lands Bill must be followed which includes the possibilities of needing an act of Congress to obtain them."

Munson added that corridors need to be identified in the bill for expansion of the railroad and assuring its continued viability. She stresses that since railroad lands also are not identified, the state would have to negotiate for them after the bill is passed.

"The bill as drafted leaves too many questions unanswered, especially the big one and that simply is 'exactly what are we getting?'"



Alaska Railroad

Easley Addresses Coal Officials

"How 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.

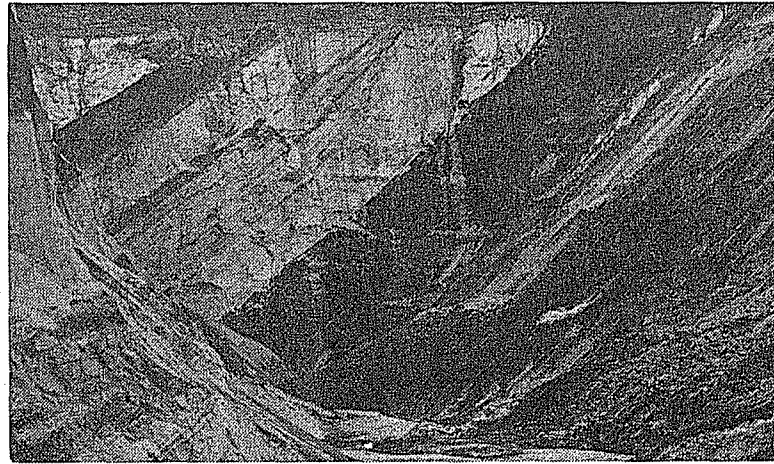
Speaking before the American Association of Port Authorities Coal Ports West Conference in Sacramento last month, Easley discussed Alaska's coal potential and problems facing coal developers in the 49th state.

"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 sizeable campaign is underway to convince state leaders 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 the speech, indicating a massive interest in Alaska coal from those attending the conference. Easley's remarks were given further attention when the New York Journal of Commerce printed a front-page story in its national and international 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."

RDC Plans International Coal Conference In February



A major two-day Alaska coal conference featuring national and international experts, will take place February 18-19 at the Westward Hilton Hotel in Anchorage.

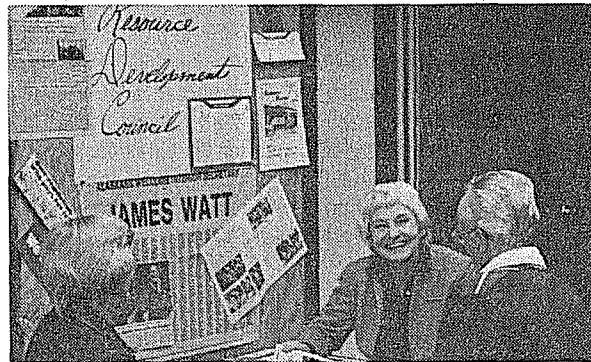
Geared to Alaska's export potential, the conference is being coordinated by the Resource Development Council, which staged Alaska's first major conference on coal exports last January. The 1982 programs are expected to draw a large national and international audience.

Carl Bagge, President of the National Coal Association, will address the national outlook for steam coal exports at a Friday afternoon luncheon. J. Ron Brinson, president of the American Association of Port Authorities, will address port facilities, planning and financing. Other programs to be addressed by

specialists of the field include the world energy crisis, demand for steam coal in the Pacific Rim, Alaska's coal resources, the labor picture, how to obtain coal leases, current research projects, rail and water transport, coal-oil mixtures, legislative priorities and international financing of Alaska coal ventures.

In addition, a report on the Western Coal Export Task Force Study will take place as well as a coal operators and leaseholders panel discussion.

Further details on the conference will be released next month and a brochure detailing the various programs will be published shortly. For additional information, call the Resource Development Council at 278-9615.



Joyce Munson, Deputy Director of Resource Development Council, speaks with guests visiting the Council's exhibit at the 14th annual Arctic Oil and Mining Show last month. Over 5,000 people attended the two-day event directed by Jack Silbaugh.

Udall Attacks Watt

Environmentalist Congressman Morris Udall is demanding the resignation of Interior Secretary James Watt, stating "You shouldn't underestimate the fear and loathing he has created in the environmental community."

In a radio interview, Udall said "It would be a big favor to the country" and a "big favor to President Reagan" if Watt were to resign.

Environmentalists across the nation are decrying Watt's determination to return management of the public lands to a more balanced multiple-use approach which recognizes the nation's needs for preservation and enhancement of the environment while developing energy and non-fuel mineral resources within these lands.

During the reign of former Interior Secretary Cecil Andrus, environmental organizations and appointees dominated policy decisions within the Carter Administration and dictated a harsh anti-development stance on use of the public lands by the general public.

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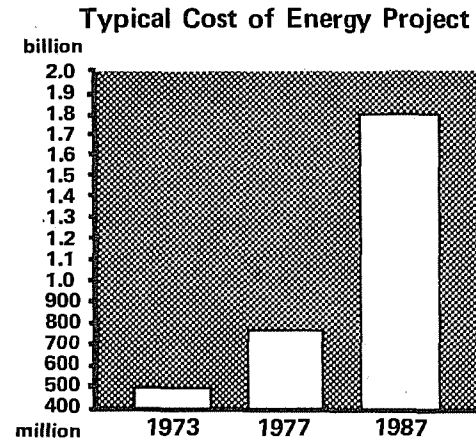
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NOTABLE QUOTE

"You just can't work in government and understand how the private sector works and thinks. You get terribly provincial and parochial if you stay on the public side of this thing too long. It's those guys (in the private sector) who have an accountability mechanism that won't quit, and that's the bottom line. They go broke if they make mistakes, and they disappear once they do that. On the government side, we get a supplemental appropriation.

You've got to build-in structures that achieve an honest give-and-take between the public and private sectors on fundamental policy."

Roy Romer, Treasurer
State of Colorado



Delays, obstructions, postponements and cancellations of vital energy projects are having a serious long-term effect on the competitive position of the United States in world trade.

According to John C. Abram, chairman and chief executive officer of Southern California Gas Company, narrowly-focused minority interests are bringing to a standstill many of the initiatives by which this nation

Energy Delays Hurt U.S. Trade

might hope to solve its pressing problems. Speaking before a natural gas industry conference earlier this summer, Abram said there is a growing misuse of due process.

"Our system used to ask 'Is it for the good of the majority?' but now demands 'If you can't avoid offending even the smallest and most self-seeking segment of the population or impacting any element of the flora and fauna, you'd better not do it at all,'" Abram said.

A major project proposed in 1973 at a cost of \$500 million would under the impact of actual inflation cost \$700 million in 1977, Abram pointed out. Delaying the same project to 1987 would bring the cost to \$2 billion, Abram projected.

"The residential consumer has little recourse beyond what he can do to cut back or use his energy more efficiently," Abram said. "The industrial customer can conserve, too, but beyond the limits of conservation, he is going to have to pass his higher energy costs on to his customers in the form of higher prices

for his product...and so costs are driven up and our ability to compete in world markets is hindered."

Unless the United States can solve the closely related problems of energy, productivity and capital formation, Abram says the survival of our country, its economic system and standard of living are in jeopardy.

"What is needed is a cooperative effort by the private sector, labor and government, that will attack the problem of red tape, delay, and obstruction in whatever form it manifests itself, be it in regulatory procedures, duplicative governmental requirements and jurisdictions, or the abuse of the court system through unlimited access to due process," Abram said. "We need a law and legislative system that is responsive to the problems we face and responsive in a timely way," he added. "We must solve these problems while still retaining the rights of individuals to have their day in court. But it should be a day in court, not a lifetime!"

Colletta: Small Business "Bedrock of Economy"

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 Council breakfast 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.

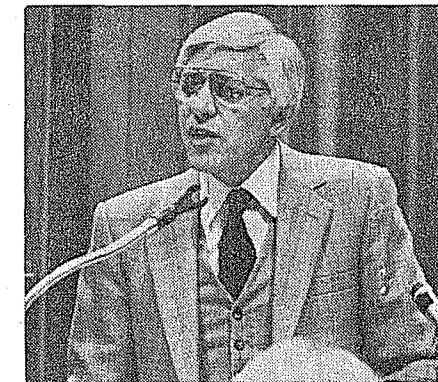
"When a small business needs to borrow, there should be a simple, quick state loan program available," the Senator said. "There should be a program that provides financing at reasonable interest rates."

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 see a healthy private-sector economy until we address the problems which government has



Senator Mike Colletta

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 them against business, the Senator says.

The cost to the small business person in complying with all regulations has been estimated to be over 20 percent of the gross revenues earned by all businesses in Alaska. Colletta says the figure is more than most

businesses pay in taxes.

While admitting some regulations are clearly required to protect the public's health and safety, Colletta suggests 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 few hundred bucks in his pocket who kept this territory and state going. He still does and he will still be doing so long after the oil is gone."

Colletta says small business will provide added value to the state's resources by creating cottage industries in Alaska to process and manufacture products from the resources. Woodchips, fishmeal, fishnet, crabpot, 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 100,000 percent to the value of our resources if we can process them in our state," the Senator stated.

"If we will just take the initiative to make the in-state processing of our resources our highest priority, the opportunities will blossom into reality."