

Gov. Bill Sheffield surveys past, future accomplishments

This is the third in a series of interviews of candidates for public office in this year's election in Alaska. The Tundra Times is pleased to offer these interviews as a service to our readers. The interview with Gov. Sheffield was conducted by Tundra Times editor Jim Benedetto in the Governor's Office in Anchorage. Photos by Tundra Times publisher A.J. McClanahan.

TUNDRA TIMES: Governor Sheffield, can you tell our readers what first term accomplishments you are most proud of?

GOV. SHEFFIELD: Well, protecting the Permanent Fund; protecting subsistence; fiscal management of the state money; capping the budget and bringing us back to reality — living within our means; planning for the state's financial future; getting the capital budget under wraps so that every village and town in the state of Alaska goes through a public process of identifying projects they want for their environment, for their quality of life, like safe water, sanitation, dump sites, airports, runways, community halls, laundries... and they go through this public process and they establish their priorities, they send them to us, and that's what we fund. That, in my opinion, has been a big advantage in the past few years because the Legislature used to just pick the projects that they wanted; the community didn't really have a voice in whether they wanted them or not.

So, those are some of the accomplishments. Some of the other accomplishments are the enhancement of the fisheries — which is important to all Alaskans, both for subsistence reasons, and in most cases in the rural areas, that's the only means of income — and we've spent a lot of time and effort on the enhancement of the fisheries. Working on the interception of our salmon; we're not satisfied with our accomplishments there — no-one is — but we have to work with the federal government. We made some headway this last year, and we're going to continue to keep the pressure on.

We're appointing a task force made up of legislators, fishermen and Administration people to keep that pressure on the State Department, to let the Japanese know that we're serious about the problem. Plus we need oversight so that the federal government will continue to provide enforcement, data collections, research to help ensure the gains we've had in the movement of the interception of our salmon.

We signed agreements with the Japanese last year which are being implemented right now, for their aid and help in Mariculture — scallops, oysters, kelp beds, learning how to process Surimi — in Kodiak and Dutch Harbor. There's an awful lot of things that we're doing to enhance the fisheries because that's so important.

There are little fisheries, out on the coast, in the Bethel region, where halibut and cod are coming back; there are little pockets and areas where we can help those communities build processing plants, and cold storage plants, which they need; we can help with marketing, locating buyers, so they have someone to sell their product to.

I guess what I'm trying to say is that we have to work with what we have,



and here in Alaska, we have a lot.

That's just some of the accomplishments that affect the readership of your newspaper. But statewide, we've been helping mining. The Red Dog mine got started; that's a case where the government has participated with the private sector. And that will employ 450 people for over 70 years, in regions that virtually have no employment at all outside of government... We've been working with the placer miners to find new technology, new, innovative ways to placer mine, the object being to clean up the water for the downstream user...

While we have been very supportive of the oil and gas industry, and we will continue to be, because that's a lot of our income, we have also been able to get the proper stipulations... to protect subsistence, whaling, to protect their lifestyle.

We've been working hard on international trade, to market our oil, to market our gas, to market our coal, to market our minerals. No-one ever rewarded the free enterprise system for finding something if they couldn't sell it. And we need income to employ our people, to start new things, to run state government, and oil and gas is a very high productive income, so we need to continue to do that.

We're doing infrastructure around the state, marine repair facility in

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Ketchikan to repair our own ferry boats. That will be the southern terminus of the ferry system starting next year when that project is completed.

The railroad; we've purchased the railroad and we can expand it sometime, if it's feasible. We've got a coal port in Seward. We're in the process of forming a council of economic advisors. It will be a statewide council made up of community leaders across the state, as well as business people; and then we'll have small regional councils around Alaska with a smaller number of people. They'll look at things they can do in their areas to enhance employment, little things they can do to create jobs.

TUNDRA TIMES: *And what do you hope to accomplish in your next term, should you be re-elected?*

GOV. SHEFFIELD: All these things that we've accomplished dovetail into what we're going to do for the future. The most important thing in this election is the economy. The price of oil went to \$9; it was \$28 two years ago. It was \$26 last year; it's \$9 today. We need to lower our budget in state government down to a point where we can sustain ourselves on a reasonable basis; take care of our people's needs; and then to continue to improve our quality of life so when the oil rises and falls, it doesn't affect us so much. And if we have extra money, we can do extra things and save the future for our children.

Some people talk, Jim, about a computer-chip factory on the Tanana; I don't think we're going to have any great silicon valleys on the Tanana. But we do have a lot of resources, and we do have an awful lot to work with in Alaska. We need to work with just that: it's fishing, it's coal, it's minerals, it's people, it's tourism, and those kinds of things that we have here now. Little things, not big, giant things.

We're working on a gas line. In the 1990s, we may be able to start building a gasline to Tidewater if we can find our markets in Japan and Korea to sell our gas. And we're going to ship oil to Japan or Korea starting this winter from Cook Inlet. We're going to press real hard on the federal government to get Congress to allow us to ship our oil anywhere we want to ship it. So we can make more money if we can ship our oil to Japan; lighten the glut down in the Lower 48, and it would get our foot in the door to sell them more gas, coal, minerals, things of that nature. And we'd bring into line the balance of payments between Japan and the federal government.

TUNDRA TIMES: *There have been some favorable signs from the Congress on that issue recently, if we're not mistaken.*

GOV. SHEFFIELD: Yes. And there's a window open there now because of changing conditions that we're going to try to take advantage of.

TUNDRA TIMES: *You have indicated in the past that the appropriate action for the Governor's Office to take to ensure that the people of Anaktuvuk Pass continue to have access to their traditional subsistence grounds in and around the Gates of the Arctic National Park, is to inform your appointees to the National Park Service Subsistence Resource Commission of your concerns. Do you have any information that the situation has improved? And if not, do you believe that mechanism is an effective one?*

GOV. SHEFFIELD: Well, it should be adequate protection if the Subsistence Resource Commission has the opportunity to provide adequate input into the Park Service. I'm not sure, as I sit here, that they do. I've talked to the head of the U.S. Park Service on that problem, in fact, the day after I got back from Anaktuvuk Pass last year. He happened to be here for a social call.

You see, the federal government has their rules and regulations, and that's fine. And it was pretty well set in D-2, though, that there would be an access corridor over to the next drainage, for example, and so there is an access between one drainage and the next for those people — a narrow access — but if they just wander off of it 15 feet, they get a ticket. That, in my opinion, is crazy! I mean, those people have been going over and back there for hun-

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dreds of years. They have a reason to protect their land; they don't want to mess it up. And I think that the Park Service needs to be mindful of the laws. They've been on the books since Richard Nixon. They've got to be realistic; those people have got to go hunt. If they're going to shoot a caribou up there, they've got to go and get it. The Park Service is going to start a war, if they don't all get along. And that's exactly what I told the U.S. Park Service director. He's a Reagan appointee, because he was his park service director in California.

You know, they hire some guy from Oregon to sit out there all summer long and be a Park Service person, and he's going by this book. You can't do that! You've got to be realistic.

If I lived in Anaktuvuk Pass, I'd be damned mad if some guy in a green jacket sat out there and watched me every time I went across there in my little vehicle that I was allowed to use, and went off the trail 15 feet and got my caribou. You know what I'd tell him!

On the other hand, I'm trying to say, we have laws, and we have environmental protections, and there's a reason for it. But it's not that we have 500 people off the boat everyday from New York City just climbing those mountains.

TUNDRA TIMES: *You've taken the lead in using your influence to protect subsistence rights even in cases arguably outside the province of state government, such as your support for the North Pacific Fur Seal Treaty and the Porcupine Caribou agreement. Does the state have plans to reclaim responsibility for marine mammal management from the federal government?*

GOV. SHEFFIELD: We started to go through that public process about two years ago, and only completed the hearings across the state on takeover of marine mammals, I guess about six or eight months ago. It was put on hold by the Department of Fish and Game until the subsistence bill was cleared up; of course, that's passed now. My bill was passed by the Senate this last May, and now the determination has not been made by the AF&G or myself to go ahead or not.

It seems like it's about evenly split on both sides, for and against it, both urban and rural, so we have not made a determination about whether to go forward with it or not.

For a lot of reasons we should; for a lot of reasons people are concerned about it if we do. It's expensive, also. But I've always thought that we ought to have control so we can manage our own fish and game totally in the state, and marine mammals are a part of it. And so, we're going to have to take a good look at that before we go forward.

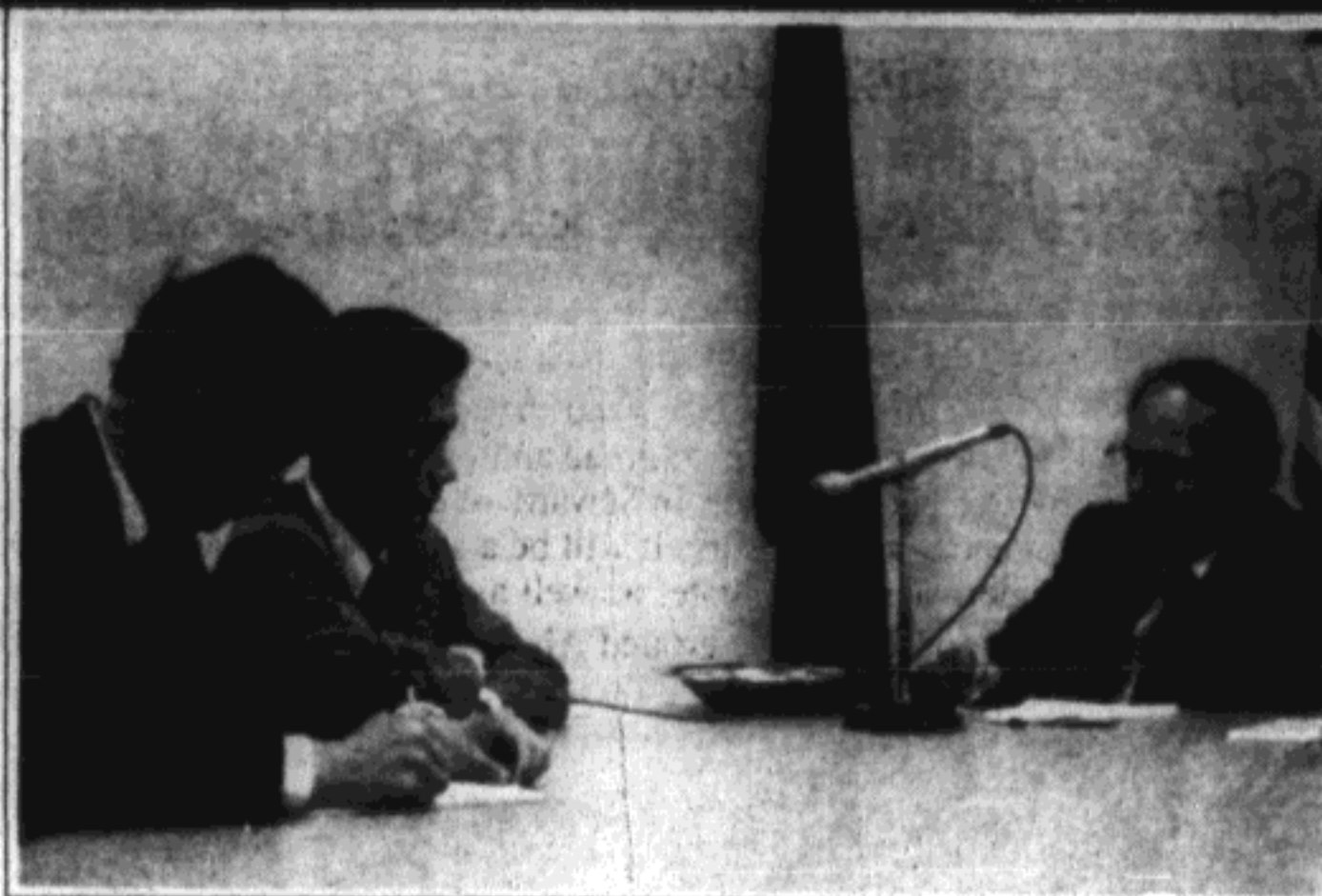
TUNDRA TIMES: *You are no doubt aware of the dissent over the Governor's Task Force Report on State, Federal and Tribal Relations, and the fact that a minority report was submitted. Do you plan to officially accept the report? And if so, how will this report influence state policy toward tribal governments?*

GOV. SHEFFIELD: Well, first of all, let me just say that on the 1991 issues that are before Congress, we are in favor of those 1991 amendments. And as far as we're concerned, they have no relationship to the sovereignty issue at all. A lot of people try to tie that together, but there is no relationship, in our opinion. We are for the Native corporations and the Native people retaining ownership to their lands; we don't want that to change. We are also in favor of those 12 corporations in Alaska being profitable and healthy, because they are a vital part of our economy. And we also want maintain the status quo as far as no taxes on undeveloped lands.

Our attorney general's office has met with Community and Regional Affairs, and themselves, Health and Social Services, Fish and Game, and they have come up with a policy on sovereignty so that they are consistent in their treatment of individual cases that may arise... We're trying to come up with a policy so that we are consistent. We may not be right in everybody's mind, but we are consistent so that we apply the same rationale to every case.

So what we need to do now is to take that report, and discuss with everybody involved on both sides of the issue, and look at those concerns that they have. There are some concerns that people have for Native sovereignty that are things that the state can solve, or can do. There are some things that the federal government can do. Remember, the federal government is a part of this. They'd like to step out of it and take a powder on this, and so would our congressman

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Gov. Sheffield discussed fishing issues with members of the delegation from the People's Republic of China July 23.

photo by Jim Benedetto

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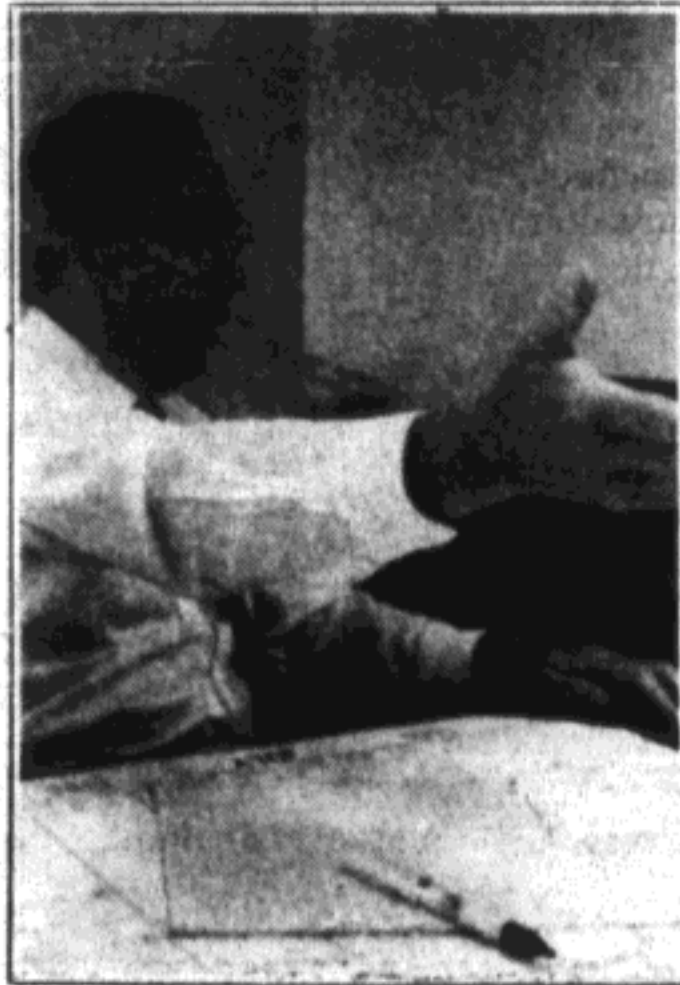
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and our senators. But they need to stay in the loop on this thing at all times, because they are the ones that have the power to issue constitutions for the villages...

(A) lot of these things will be decided in the courts. My whole goal is to have us operate as one people and walk down some common road together, and I think this thing is just going to be a slow process of evolving.

In the meantime, Jim, we're treating every village the same: we give them revenue sharing, municipal assistance, police protection, we do all these things, health and social services, education. I'm sure that there are things that could be done better, but whatever we're going to do — us, the federal government, or the courts — has to be done right. We'll look at the report and work with it.

TUNDRA TIMES: *So the report that was submitted is the very one that will be used to determine some aspects of policy?*



We are for the Native corporations and the Native people retaining ownership to their lands; we don't want that to change...

GOV. SHEFFIELD: Well, it would be the report that the state will use for information that it gathered from all these public hearings which addresses the concerns that people have. We need to sift that out and talk about it.

TUNDRA TIMES: *HB 255 authorizes the Department of Health and Social Services to enter into agreements with tribal governments for the purpose of sharing the responsibility for Indian child welfare issues. But there are other areas in which Native nonprofits and tribal groups can provide necessary services more efficiently and for less money than can the state. Especially in light of the recent revenue shortfall, isn't it logical for the state to actively encourage these types of organizations to carry more of the burden of providing these*

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services?

GOV. SHEFFIELD: The state's position always has been that if there's a nonprofit out there with the ability to provide that service, and there's a consensus of opinion that that's what they want to do in that region, then we're going to do it to the extent that we feel that we're protected and the service is being rendered properly to the people that need to have it.

Where we don't do it sometimes, we can't get a consensus of opinion in that region that that's the best organization to do it, and that there's problems.

But we want to do it, and we will do it. We'll do more of it. Because they can sometimes do it cheaper, they can do it more efficiently — they're there, we're not — they know better, and have more local knowledge. So, that's our attitude.

TUNDRA TIMES: *There is a problem, however, in the way that the system*



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has worked so far. There is some evidence that the requirement for "consensus" has been used by state employees, who themselves are presently providing the services, to frustrate the attempts of Native organizations to administer these services. State employees may also have made it appear, through some sleight-of-hand, that those same organizations are incapable of providing the service at a cost savings to the state.

GOV. SHEFFIELD: Because state employees didn't want to lose their jobs.

TUNDRA TIMES: Yes.

GOV. SHEFFIELD: Let me just say this: government is getting smaller. We're going to be relying more and more on those nonprofits to handle those problems out there, and to take our money and do the job. If we can do it more efficiently, and it costs less money, and provide good service, then I see no reason why we can't be contracting out.

TUNDRA TIMES: *The most recent budget proposal, which eliminates a lot of the capital budget, is undoubtedly going to hurt some Bush communities. What steps will you be taking to minimize the harm that will be done to communities such as Lower Kalskag, which depends on the government for something like 85 percent of its revenue?*

GOV. SHEFFIELD: First of all, on all projects of \$50,000 or less, on those municipal grants, we're going to let those go immediately. On the larger projects, we may well have to phase those projects out over a couple years; instead of doing them in one year, phase them over two years. That way, we can let most of the projects go... we'll just do them slower. We'll do some work this year, some work next year, so that we'll be able to employ people in the villages this year, and next year.

And we're working with their legislators, in those areas, this week. And OMB (Office of Management and Budget) is talking to the mayors of all the villages this week, every town across the state, to come up with their priorities.

All federal projects will continue like normal. If it's a federal road project, if it's a federal airport job in the area, those continue on anyway.

Priorities — emergency projects, life, safety, health projects — will continue on, as best we can.

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The problem is, we have a billion-dollar shortfall. ONE BILLION DOLLAR SHORTFALL. So we're cutting operation of state government back; we're going to reduce the salaries of state employees; we're going to reduce the amount of money we're giving in revenue sharing municipal assistance to the towns and cities across the state; we're going to reduce the amount of education aid. Because 40 percent of our budget is in revenue sharing municipal assistance and aid to education. So we have to cut that back, otherwise we don't have enough left over here to cut back. So everybody's going to have to bear the brunt. I know villages and towns have been living on capital project for a long time. We're going to minimize the impact as much as possible...

What we have to do is save \$250 million out of the capital budget this year. We can do that with my plan, with minimal impact, but I've got to be honest with you; the state has less money. Next fiscal year, we only have income of \$1,100,000,000. That's 25 percent of what Gov. Hammond spent in his last year of office. So that other \$3 billion was doing something out there that we can't do.

But we're still meeting the people's needs; we're still putting the infrastructure in and improving the quality of life. So we're doing something right; we're not going to dry up and go away. □

