

NORB SKINNER BLASTS SB152

Former Legislator Says Bill Could Rob State Billion Dollars

The controversy around the SB-152 continues to rage and another voice against it was raised this week commenting on the competitive and noncompetitive leasing and how it might effect the future of the state and its people.

A so called "rotten lease bill" calling for the curtailing of competitive oil leasing in favor of non-competitive could rob the people of Alaska of from \$250-million to a billion dollars in revenues, a former state legislator told the Tundra Times this week.

Former State Rep. Norb Skinner said SB-152 would allow a few wealthy men and lease speculators—many of them outsiders—to fill their pockets at state expense.

"This bill has already earned the label rotten-lease-bill, and I think if it passed it probably would be the rottenest piece of legislation to pass our legislation in a quarter century," Skinner said.

Skinner said he has many times criticized Commissioner of Natural Resources Tom Kelly, but said that Kelly's action in withdrawing north slope lands in behalf of the people was "just plain right."

SB-152 would tie the Commissioner's hands in protecting the rights of the Alaska people in land leasing, he indicated.

The former legislator said he was not an expert on the complicated question of land claims, but said he felt that limiting the state's financial sources so severely would undoubtedly affect the claims question.

"I do know that these lease speculators, and little Fairbanks millionaires, do NOT want the land freeze lifted because it would bring an end to their wild speculation," he stated.

Skinner said state law provided that Kelly must withdraw the north slope tract in the name of the state, and that the land be

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put up for competitive bidding.

"Actually the area withdrawn has many approved leases within it, and these leases will be recognized by the state," he said.

"What is not recognized are just the lease applications filed since the land freeze.

"And these people have not risked one red cent except their \$20 filing fee. They can hold their lease filing for years and the rental period will not begin until the land freeze is lifted.

"This means virtually no money is risked and that due to the unique situation created by the land freeze they can file on hundreds of leases that previously they could not have afforded to do," Skinner explained.

"I don't think the federal leasing agency ever contemplated the situation as created by the land freeze here," he added.

"There is a tremendous difference between the guy who has a lease application under the freeze.

"The owner of a lease must cough-up his \$2,500 lease rental every year, and that make's a fellow think twice, but the lease applicant does not have to cough-up annually as long as the freeze is on.

"The lease applicant due to the freeze gets a free ride at no risk. He has only an application with actual rental starting when the freeze lifts, so he can sit tight at no cost for two, three, maybe four years—until the freeze is lifted.

"In addition many of these lease applicants have already sold their applications to oil firms for a handsome profit despite the fact they never really owned the lease," Skinner charged.

"Many lease applications were turned for three to four hundred per cent profit, with more to be delivered by the oil company when title is cleared.

"These lease brokers and their clients are having a field day, but the only loophole was the state had prior rights over their applications.

"So that due to oil discovery Kelly was compelled by law to select these lands for the state. The speculators had full knowledge of the state's prior rights when they filed," Skinner said.

Skinner said that the information given to him was that of 119 lease blocks involved that 46 were held by outside interests.

"And I don't buy that making a bunch of junior millionaires will be good for Alaska because they will invest their money here," Skinner said.

"These same people are those also playing the stock market, and if that's investing in Alaska somebody's kidding someone."

The crucial question is whether we make a few wealthy and buy the ridiculous argument that they might invest their money here, or we provide the state with bonus money and develop programs like "tax-sharing" with local communities to alleviate property tax burdens, and promote education and other needs such as our critical rural village problems, Skinner explained.

"Actually the major oil firms were the big losers in Kelly's action," Skinner said. "They stand to lose the money they paid on applications and also full lease ownerships that lapse early in 1969."

"You don't hear them squawking because they know they don't have a legal or moral leg to stand on, and because public opinion would be against the "big boys" seeking such a legislative remedy.

"But the lease brokers and Alaskan little-big-shots figure they can hoodwink the public as the so-called LITTLE GUYS and sneak their rotten lease bill through the legislature.

"In other words they don't like the rules of the game so they are going to go change them and make it retroactive.

"Then of course the next serious question is how many of our legislators own leases and lease applications, and if they DO are they capable of giving the general public an honest judgement and fair break?"

During the 4th State Legislature, Norb Skinner introduced a resolution calling for a study that would compare Alaska's oil and gas legislation with the rest of the states. The resolution was defeated.

The following year, he introduced oil legislation to increase the oil severance tax from one per cent to eight per cent. The bill called for the taxes derived from this increase to be applied against Alaska individual income tax.

At that time, Norb Skinner was referred to by some of his colleagues as an irresponsible legislator introducing irresponsible legislation.

"Today," he said this week, "we find that time indeed has supported my beliefs and that it is apparent now I was not ahead of my time, but perhaps we may reflect on the fact that majority of the legislators were behind the times."