

Governor's Message Shocks...

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the native claims act;

- a revision of the education foundation program to allow each region to establish its own educational priorities;
- a new village road program;
- establishment of a council of economic advisors;
- the updating of the State Employment Security Program;
- a new Motor Vehicles Act;
- and legislation which would help alleviate the problems of the elderly in Alaska.

Egan predicted that this will be a year of phenomenal productivity in the legislative branch of government.

"Together," he said, "we can pave new roads" to benefit all Alaskans in their effort to improve their "quality of life."

Tim Wallis President...

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cided to hold elections, recognizing that their actions must be ratified or repeated by the first meeting of the official board of directors of the new corporate body.

The board at that time elected a new slate of officers. Al Ketzler, the president of the former "traditional" Tanana Chiefs was re-elected president, Horace Biederman of Eagle Vice President, Ruby John, Secretary and Adam John treasurer.

When a motion to the board of directors to accept those previous elections failed for lack of a second, elections were opened.

"This is the first elected office I've run for," proclaimed Melvin Charlie of Minto in his 'campaign speech.' He polled 14 out of the 36 votes cast on the first ballot. 18 went to eventual victor Tim Wallis, 3 to incumbent Al Ketzler and one to Alfred Grant.

A second ballot—to insure a clear majority, was taken after discussion at the urging of "elections judge" John Sackett who pointed out that since the president is subject to removal by majority rule he should at least have a clear majority at his election.

ANB Election...

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secretary—two which contained money, for "which there was no objection," Hotch said, and one in "regards to a candidate for office."

The letter concerning the candidate was a simple letter, Hotch said, and read: "If ANB needs good leadership for the future, we heartily endorse..."

No formal objection was made, Hotch said.

Then, he said, blank ballots were handed out and votes were cast. "No objections were made," he said, "until after the results were announced. I based my ruling on Robert's Rules of Order which states that when elections returns are announced, the candidate is automatically elected."

Some ANB members questioned his ruling, he said, but "it's a real normal procedure."

As far as he is concerned, he said, no changes will be made in the election, and his "executive officers agree."

There is no problem at all over the election, Hotch emphasized, "just poor losers, that's all."

CAB Ignores Claims Impact on Air Routes...

By the end of fiscal 1973, the Fairbanks parties say, "the Natives will have 62.5 million dollars in cash, an amount nearly equal to the total cash deposits and demand amount due in all Alaskan banks in 1969, the year in which the case was instituted."

By the end of fiscal 1974, the documents continue, "the Natives will have received in cash from the federal treasury a total of 132.5 million dollars, an amount greater than any territorial or state budget in Alaska before 1969."

In addition, the Fairbanks parties point out, the natives will be receiving "mineral royalties and selecting land equal in area to a good-size state. And, since money makes money, this seed capital will generate more."

The board should realize, the Fairbanks parties say, "the effect of the private property-business orientation of the claims Settlement... Under the Act, (most of) the twelve regional corporations... will be large enough

to rank on 'Fortune' magazine's 500 list..."

According to these documents, the CAB has ignored the "clearly foreseeable multi-billion dollar impact of the claims settlement," as well as the effects the "expected January 15 submission of the Department of Interior's pipeline environmental impact statement may have upon the massive oil development... and the conservationists' lawsuit which may well be settled or dismissed..."

In the document concerning trunk lines and regional routes, the Fairbanks parties make the following recommendations:

- that the board reconsider and leave Pan American's permanent Seattle/Portland-Fairbanks authority intact.
- that the board "reassert its view that Pan American's permanent Fairbanks-Seattle authority should not be altered, suspended or terminated in any manner..."

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- that the board "take no action to pre-judge... the requirements of the Anchorage-Seattle market, and grant Alaska Airlines authority as the second nonstop carrier between Fairbanks and Seattle..." (or) certificate either Alaska or Wien as a second nonstop carrier because of the market requirement... (or) at the very minimum, certificate Wien for seasonal summer service on a Fairbanks-Seattle nonstop...
- that the board extend Wien Consolidated to Seattle.
- that the board provide for single-plane service between Fairbanks and Southeast via Anchorage.

In the document concerning bush service in Alaska the Fairbanks parties recommend the following:

- that Wien Consolidated and Alaska Airlines retain their bush route authority but that the public be guaranteed an oppor-

tunity to have a voice in subcontracting procedures to assure that subcontracting policies would represent the public interest.

- that "the contracting carrier is duly certificated on at least some route authority either by the Civil Aeronautics Board or the Alaska Transportation Commission, and
- (that) "each contract is duly filed with the CAB and direct notice is given to all affected communities and to the ATC, and time is allowed during which private persons or civic parties may object to the contract and have a hearing thereon in Alaska..."
- that there should be "some way of assuring that all cases of federal subsidy benefits are passed on to the subcontractors..."
- that Wien's certificate not be rewritten to provide for more direct routing for Wien to Nome and Kotzebue.

North Star

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North Star III, which has serviced communities for over half a century, guarantees delivery to the communities for which the freight is intended.

"Commercial carriers don't do that," he said, pointing out that a clause in contracts with commercial carriers allows the carriers to deliver freight to the nearest port if weather conditions are bad. Then, Moore said, "it's up to the person who has the freight to move it to where it is needed."

Alaskan "tide, wind, water and weather conditions do not make this feasible in any year" along the coastal regions of Alaska, Moore said.

In fact, Moore said, it was because BIA could not find commercial carriers who would guarantee delivery to schools in Alaska, that BIA began to operate the North Star III here.

Throughout the years, he said, the program has grown to the point where personnel from the supply ship have provided special services in the communities they service.

Examples?

The North Star III provides "engineers to go ashore and repair village lights plants," Moore said, "at no additional cost to the community except parts..."

Personnel from the ship install bulk fuel tanks or radio antennas in communities, and the ship provides "transportation for persons for medical care," he added.

"We don't believe" the government can service these communities cheaper by contract carrier, Moore said, if "we are to provide the kind of services the North Star III has historically provided for the coastal communities."

In addition, Moore said, BIA officials "also have a difference of opinion" (with the GAO audit team) on what "the discharge point is for some communities."

As an example, Moore cited the village of Wales. The audit team's rationale is, he said, "Why should two ships go to the same port?" But, Moore, said, the North Star III goes to Wales. The contract carrier "goes to Tin City, several miles north, in deep water, with good anchorage."

The only way residents of Wales can get their supplies to that community from Tin City, Moore said, is by "small craft— or by waiting till freeze up and going overland."

"Either way," he emphasized, "it is an additional cost to the people of Wales."

Glimpse Into Financial Impact of Claims

(EDITOR'S NOTE—the following tables, prepared by the attorneys for the Fairbanks North Star Borough and the Fairbanks Chamber of Commerce for documents filed with the Civil Aeronautics Board, provide a dramatic financial picture of the impact of the Alaska Native Claims Settlement Act on Alaska.)

TABLE I

REPRESENTATIVE ALASKAN ECONOMIC INDICATORS COMPARED TO CASH AND MINERAL ROYALTY PORTION OF ALASKA NATIVE CLAIMS SETTLEMENT ACT.		
Native Claims Settlement, Cash from U.S. Treasury, fiscal 1972-1982.		\$462,500,000
Native Claims Settlement, Mineral Royalties from federal and state lands (received as development and exploration proceed)		500,000,000
Budgets, General Fund, State of Alaska:		
1968:		116,457,200
1969		144,812,600
1970		302,577,500
1971		292,104,000
Value of Major Resource Production (including 1980 estimate by Dr. George Rogers)		
1960		176,100,000
1969		498,800,000
1970		549,000,000
1980		2,654,000,000
Alaska Banks: Total Assets	1965	362,254,000
	1969	586,262,000
	1970	706,920,000
Alaska Banks: Demand Amounts Due from Other Banks, and Total Cash		
1965		40,068,000
1969		73,352,000
1970		87,986,000

Sources: P.L. 92-203 (1971).

SLA 1968, ch. 236, p. 1
SLA 1969, ch. 114, p. 1
SLA 1970, ch. 250, p. 1
SLA 1971, ch. 131, p. 1

FAI-102, updated by Appendix I to the Brief of Fairbanks Parties to Civil Aeronautics Board, Alaska Service Investigation, Docket 20826 (trunkline phase), and further corrected by "Alaska Banks, Comparative Statement of Condition as of December, 1969," and "Alaska Banks, Comparative Statement of Conditions as of December, 1970," State of Alaska, Department Commerce Publication.

TABLE II

SCHEDULE OF PAYMENT OF CASH PORTION OF NATIVE CLAIMS SETTLEMENT		
Fiscal Year:	1972	12,500,000
	1973	50,000,000
	1974, 75 & 76	70,000,000
		per year
	1977	40,000,000
	1978 thru 82	30,000,000
		per year
TOTAL CASH		\$462,500,000

Source: Alaska Native Claims Settlement Act of 1971, P.L. 92-203