

CONVEYANCE OF PUBLIC LANDS TO THE UNIVERSITY OF
ALASKA

JULY 19, 2000.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

together with

DISSENTING VIEWS

[To accompany H.R. 2958]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 2958) to provide for the continuation of higher education through the conveyance of certain public lands in the State of Alaska to the University of Alaska, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purposes of H.R. 2958 are to provide for the continuation of higher education through the conveyance of certain public lands in the State of Alaska to the University of Alaska, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 2958 entitles the University of Alaska to select up to 250,000 acres of federal land in Alaska, and up to an additional 250,000 acres of federal land to be matched on an acre-for-acre basis with land grants made by the State of Alaska. This means the University could acquire a total of 750,000 acres of federal/state land (500,000 federal/250,000 state).

Alaska is larger than the next three largest states combined, yet it ranks near the bottom of all States in terms of land grants for

higher education. In 1915 Congress reserved about 268,000 acres of public domain in the then-territory of Alaska for the Alaska Agricultural College and School of Mines (the former name of the University of Alaska). Land was to be conveyed only after it was surveyed. At the time, the extremely slow pace of surveying prevented most of the reserved public land from being transferred to the college. Between 1915 and the 1950s, less than one percent of all Alaska's land was surveyed, precluding most of the 1915 land grant from being conveyed. The slow conveyance of the 1915 land grant prompted Congress in 1929 to provide an additional grant of 100,000 acres of the territory's public domain outright to the college.

When Alaska became a State in 1959, all claims to unsurveyed lands pursuant to the 1915 reservation were eliminated. As a result, the university at present has a total of approximately 112,000 acres of land. By contrast the land grant college of the smallest state, Rhode Island (488 times smaller than Alaska), received at least 120,000 acres of land.

The original federal land grant was extinguished when Alaska became a State. Some suggest the State was supposed to complete the conveyance from its own land base. There is no evidence in the legislative history of the Alaska Statehood Act to support this view. It is true the Alaska Statehood Act voided the original land grant, but there is neither an explanation why nor a provision for fulfilling the original pledge. State university systems of several other Western states with significant amounts of federal land have obtained generous land grants, but not Alaska's.

The unfulfilled land grant has had its consequences. In Alaska, resource development on public lands is the primary source of jobs, personal income, and government revenue. The University's small land base has deprived it of a critical source of funding to support a higher education mission. Over the years, thousands of Alaska's brightest have sought a college experience outside their State because the University sometimes could not compete with its larger cousins in the lower 48 states. The University has observed that many Alaskans do not return when they seek an education out of State, while those who seek a college education in Alaska stay home.

The University Administration and Board of Regents believe the land grant authorized by H.R. 2958 will endow a stable and lasting source of revenues and a land base for expansion to meet the University's higher education mission serving residents in the entire State.

H.R. 2958 provides a meaningful land grant for the university. Every acre of land conveyed to the University will be dedicated to higher education.

The land grant under H.R. 2958 is conditional. None of the land transferred pursuant to this bill is taken from a conservation system unit. Additionally, to obtain its land grant the University must relinquish about 12,358 acres of inholdings within several major National Wildlife Refuges, National Forests, National Parks, and National Preserves.

In a State with over 220 million acres of federally-owned land, most of which is not eligible to be transferred to the University, H.R. 2958 is a reasonable and sensible measure to ensure that

Alaskans from Barrow and Kotzebue to Dutch Harbor and Ketchikan, have a State university endowed with the educational resources for their future.

COMMITTEE ACTION

H.R. 2958 was introduced on September 27, 1999, by Congressman Don Young (R-AK). The bill was referred to the Committee on Resources. On October 27, 1999, the full Committee held a hearing on the bill. On March 15, 2000, the Full Resources Committee met to consider the bill. No amendments were offered and the previous question was moved on the bill by voice vote. On April 5, 2000, the Full Resources Committee met again to consider the bill. The bill was ordered favorably reported to the House of Representatives by voice vote.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 and Article IV, section 3 of the Constitution of the United States grant Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in tax expenditures. According to the Congressional Budget Office, enactment of this bill will reduce offsetting receipts and increase direct spending by about \$5 million a year beginning in fiscal year 2002.

3. Government Reform Oversight Findings. Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2958, a bill to provide for the continuation of higher education through the conveyance of certain public lands in the state of Alaska to the University of Alaska, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Reis (for federal costs), and Marjorie Miller (for the impact on state and local governments).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 2958—A bill to provide for the continuation of higher education through the conveyance of certain public lands in the state of Alaska to the University of Alaska, and for other purposes

Summary: H.R. 2958 would entitle the University of Alaska to select up to 500,000 acres of certain federal land in or adjacent to Alaska as a federal grant. In exchange for the first 250,000 acres, the university would convey to the Secretary of the Interior certain university land within the boundaries of national parks and wild-life refuges. The university's selection of the second 250,000 acres of federal land would be contingent on the state of Alaska granting an equal amount of state land to the university.

CBO estimates that enacting this bill would reduce offsetting receipts and thus increase direct spending by about \$5 million a year beginning in fiscal year 2002, or a total of about \$45 million over the 2001–2010 period. H.R. 2958 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but it could lead to a redistribution of resources among various state, local, and tribal entities in Alaska. This bill would improve no new private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The impact of H.R. 2958 on the federal budget is uncertain because it depends on which federal lands are selected by the University of Alaska. Depending on the lands selected, enacting the bill could lead to net losses of offsetting receipts ranging from about \$1 million a year to more than \$10 million a year. Such losses would probably not begin before fiscal year 2002. CBO's estimate of the most likely budgetary impact of H.R. 2958 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 800 (general government).

	By fiscal year, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING (including offsetting receipts)						
Estimated Budget Authority	0	0	5	5	5	5
Estimated Outlays	0	0	5	5	5	5
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	0	(¹)	(¹)	(¹)	(¹)
Estimated Outlays	0	0	(¹)	(¹)	(¹)	(¹)

¹ Less than \$500,000.

Basis of estimate

Direct spending (including offsetting receipts)

H.R. 2958 would entitle the University of Alaska to select up to 500,000 acres of certain federal land in or adjacent to Alaska. That action could lead to a loss of offsetting receipts that the federal government would otherwise collect under current law. The university's land grant holdings currently total 140,000 acres.

In exchange for the first 250,000 acres, the university would convey to the Secretary of the Interior about 14,000 acres of land within the boundaries of national parks and wildlife refuges. The bill also provides that if the state of Alaska grants up to 250,000 acres of state-owned land to the university, the university could obtain up to 250,000 acres of additional federal land on an acre-for-acre basis to match the land granted by the state. Thus, H.R. 2958 would allow the university to obtain up to 750,000 acres of federal and state land.

H.R. 2958 would allow the university to select up to 500,000 acres from federal lands, including the National Petroleum Reserve in Alaska (NPR-A), certain areas in the National Forest System, the outer continental shelf (OCS), federal onshore oil and gas leases, and surplus federal property. The bill also would direct the Secretary of the Interior to attempt to conclude an agreement with the University of Alaska and the state to share receipts from NPR-A leases. The bill specifies that such an agreement should provide the university with up to 10 percent of NPR-A receipts or \$9 million annually, whichever is less, in lieu of university land selections in the NPR-A north of latitude 69 degrees north. CBO cannot predict specifically which federal lands the university would pick under H.R. 2958, or whether the Department of the Interior (DOI) would reach an agreement with the university to share NPR-A receipts. However, an agreement to share NPR-A receipts would not necessarily preclude the university from selecting 500,000 acres of land outside the NPR-A.

If the university made all its selections from OCS lands, including areas expected to be leased over the next few years, we estimate that forgone receipts could average more than \$10 million a year over the next 10 years, net of any payments to the state of Alaska. If the university selected federal onshore oil and gas leases managed by the Bureau of Land Management, or if the university picked surplus government property that would otherwise have been sold, the loss of receipts to the federal government could range from \$1 million to \$10 million annually over the next decade, net of any payments to Alaska. If the university reached an agree-

ment with DOI and the state to share NPR–A receipts in lieu of land selections in NPR–A, the loss of receipts to the federal government could be as much as \$9 million each year, in addition to the loss of receipts from land the university selected elsewhere, depending on the terms of the agreement. The university also might choose federal lands that could be used for future commercial development, here the federal government might not collect any receipts over the next 10 years. Assuming that the university would select a number of different types of federal land, CBO estimates that enacting H.R. 2958 would increase direct spending by about \$5 million a year, net of payments to the state.

Spending subject to appropriation

Enacting H.R. 2958 also would likely affect discretionary spending, but the amount would vary greatly depending on which lands the university selects. On the one hand, reducing the amount of land managed by the federal government could decrease administrative costs. On the other hand, the university’s selections could increase costs to manage the remaining federal land depending on the new ownership patterns created, the type of land selected, and how the university uses the land it selects. Overall, CBO estimates that any such changes would likely net to an increase or decrease of less than \$500,000 a year in appropriated spending.

Pay-as-you-go considerations: the Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. As shown in the following table, CBO estimates that enacting H.R. 2958 would increase direct spending by about \$5 million a year, beginning in 2002. For the purposes of enforcing pay-as-you-go procedures, however, only the effects in the current year, the budget year, and the subsequent four years are counted.

	By fiscal year, in millions of dollars—										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays		0	0	5	5	5	5	5	5	5	5
Changes in receipts											Not applicable

Estimated impact on State, local, and tribal governments: H.R. 2958 contains no intergovernmental mandates as defined in UMRA. The exchange authorized by this bill would be voluntary on the part of the University of Alaska—an instrumentality of the state of Alaska.

While this bill would confer a significant benefit on the state of Alaska, it could lead to a redistribution of resources among various state, local, and tribal entities in the state. Because CBO cannot predict what land would be chosen by the university, however, we cannot predict the magnitude of these changes.

In order for the university to obtain the second 250,000 acres of federal land, H.R. 2958 would require the state to provide an acre-for-acre match of state land. If the state should choose to provide land that generates income, the bill would result in the diversion of receipts from general state use to the exclusive use of the university. State income might be further diverted to the university if the state agrees to give up part of its share of NPR–A receipts under an agreement with the university and DOI, as provided for in the

bill. CBO cannot, however, predict the terms of any such agreement.

Some of the federal land in the state of Alaska produces receipts that, under current law, are shared with local governments. To the extent that the university selects such lands, the result would be a shift of resources from local governments in Alaska to the university. Local governments also would lose federal payments in lieu of taxes due to the transfer of land from the federal governments to the state. Further, while the bill would preclude the university from selecting land already selected by the state or by Alaska native corporations, these selections by the university would reduce the pool of land available for selection by those other entities.

Estimated impact on the private sector: This bill would impose no new private-sector mandates as defined in UMRA.

Previous CBO estimate: On June 9, 1999, CBO transmitted a cost estimate for S. 744, a bill to provide for the continuation of higher education through the conveyance of certain public lands in the state of Alaska to the University of Alaska. S. 744 was ordered reported by the Senate Committee on Energy and Natural Resources on June 2, 1999. The two bills are identical, and the estimated costs are the same except that we now assume enactment in 2000 instead of 1999, delaying the first year of annual costs from 2001 to 2002.

Estimate prepared by: Federal Costs: Deborah Reis and Victoria Heid Hall. Impact on State, Local, and Tribal Governments: Marjorie Miller. Impact on the Private-Sector: Keith Mattrick.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

DISSENTING VIEWS

We can certainly understand the frustration of the University of Alaska which has faced budget problems for over a decade notwithstanding the many billions in state revenues that have been generated from North Slope oil fields. But we can not support this bill which would authorize the University to cherry-pick up to 500,000 acres of the most valuable federal lands in Alaska.

The State of Alaska received a land grant of 105 million acres which is about the size of the State of California and more than four times the amount of Federal land provided to any other state. The Statehood Act allowed for a general purpose land grant of 102.5 million acres, thus allowing Alaskans to determine for themselves how much land should be dedicated to support education. The University has received 185,000 acres of land, but two Governors—including current Governor Tony Knowles—have vetoed efforts by the state legislature to convey more land.

The State of Alaska has used its generous land grant to obtain some of the most valuable real estate in North America. The North Slope oil fields on state-selected lands have produced over 12 billion barrels of oil. Between 1977 and 1998, the state legislature appropriated \$56 billion in oil revenues. A dedicated savings account known as the Permanent Fund is now over \$28 billion and is projected to grow to more than \$63 billion in the next twenty years. Alaskans pay no state income on sales taxes, but each of the 575,000 residents gets an annual Permanent Fund dividend. Over \$1 billion was distributed to Alaskans in 1999, with each resident receiving a \$1,770 check. This year, the dividend checks are projected to be \$1,950 for each resident.

The important point is that the budget problems faced by the University were not created by any failure of Congress to provide the State of Alaska with an adequate land base. The real problem is that Alaskans have been unwilling to commit adequate funding to the University. Congress has been more than generous to the State of Alaska and there is no justification for an outright giveaway of important federal lands.

The University of Alaska receives an equitable share of federal education funding and has further benefitted from earmarks in the congressional appropriations process. But this bill does not provide an acceptable means to the end of supporting higher education. It allows the University to pick and chose oil-rich federal lands in the NPR-A and the Outer Continental Shelf. It opens to selection the entire Chugach National Forest and portions of the Tongass National Forest. Land selections could also include the Trans-Alaska Pipeline Corridor. And it adds insult to injury to federal taxpayers by waiving application of the National Environmental Policy Act.

It is not surprising that H.R. 2958 faces substantial public opposition. both the Secretaries of Agriculture and Interior have rec-

ommended that the President veto the bill, if enacted [see attached March 14, 2000 letter]. If brought before the House, it should be rejected.

GEORGE MILLER.
BRUCE F. VENTO.

THE SECRETARY OF THE INTERIOR,
Washington, March 14, 2000.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: This letter responds to your request for the views of the Department of the Interior on H.R. 2958, which would require the Secretary to convey to the University of Alaska up to 500,000 acres of federal lands in Alaska—up to 250,000 acres as selected by the University, and up to 250,000 additional acres on a matching basis if the State were to convey an equal amount to the University. These views were initially presented in oral and written testimony to the Committee on October 27.

We, the Secretary of the Interior and the Secretary of Agriculture, strongly oppose this bill and will recommend that the President veto the bill if it were to pass the Congress.

First, the underlying premise of this bill is faulty. It presumes that the Federal government failed to provide the University with an adequate land base, and as a result the University has failed to achieve its full potential. The fact is that over the years, starting in 1915, the Federal Government has, through several separate statutes, granted the State of Alaska about 105 million acres of Federal land. This is an area larger than the State of California. It is more than four times the amount of federal land provided to any other State. It is also a much higher percentage of land than any other State received. (A few Western States were granted about one-ninth, or 11% of the land within their borders through Federal land grants. The State of Alaska gained entitlement to about 27% of the land within its borders through Federal land grants.)

While about 185,000 acres of Federal land was conveyed to Alaska specifically for its University, most of it was in the form of a generally unrestricted grant. Congress chose the “block grant” approach deliberately, in order to provide Alaska with the independent discretion to chart its own course, to make its own decisions how to allocate these lands, and the proceeds therefrom, to specific purposes, including support of Alaska’s state university system, and other state institutions purposes. (We are attaching an Appendix that discusses the historical record in some detail.) To the extent the State has not allocated a portion of its large Federal land grant to the University, that has been its own choice. State governments are generally responsible for funding state universities. It is not the responsibility of the federal government to provide continuing funding to the University of Alaska—or any other state university—through an on-going series of land grants.

These points were underscored by a senior University official early last year in testimony to the Senate Resources Committee in

the Alaska legislature, essentially as follows: (1) State legislative proposals to give a land grant to the University have been very controversial for years, with a number of constituent groups within Alaska strongly opposed to such a grant; (2) a land grant would not make much difference to the school and would not solve its funding problem; (3) the Federal government's position that it doesn't owe the State any more land is "probably correct"; and (4) the fact that the Federal land grant at Statehood was in the form of a general grant rather than in specific allotments for specific purposes enabled the State to get more land than in otherwise would.

Second, the bill would allow the University to select federal lands of great financial and environmental value to the citizens of the United States, with potentially profound impacts. For example, the University could select lands in the National Petroleum Reserve-Alaska, the Trans-Alaska pipeline corridor, the Tongass and Chugach National Forests, or the outer continental shelf. Although the bill would prevent selecting federal land within a Conservation System Unit (as defined in the Alaska National Interest Lands Conservation Act), there is no prohibition on University selection within other areas notable for conservation values such as the Colville River Special Area with nesting peregrine falcons, the Steese National Conservation Area of the White Mountains National Recreation Area. (The attached Appendix also includes a short discussion of some specific features of the bill in relation to these concerns.)

Land selections under this bill would likely pit Alaska landowners and users against one another and spawn conflicts and litigation between the University, local governments, and Native interests. It would result in additional pressure for lands to be developed for timber, mining, and oil and gas uses in sensitive areas and at the expense of other uses such as hunting, fishing, subsistence, tourism, recreation, and other values of importance to Alaskans and other Americans. University management of its lands has historically been subject to pressure for short-term revenues without the more stringent environmental standards that apply to Federal and other States lands. On the Kenai Peninsula, for example, approximately 5,000 acres of University lands have been logged with little reforestation, apparently because the University is exempt from State reforestation requirements if the harvest does not provide enough revenues to support reforestation. The University is also exempt from the requirements for streamside buffers and fish and wildlife protection measures that apply on National Forest System or other State lands. In addition, the University does not have to prepare an environmental analysis under the National Environmental Policy Act for oil and gas, mining, timber harvest or other major development projects. For these reasons among others, Native interests, environmentalists, fishing interests, some local governments and others have expressed concerns over proposals like that found in H.R. 2958.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

BRUCE BABBITT,
Secretary of the Interior.

DAN GLICKMAN,
Secretary of Agriculture.

Enclosure.

APPENDIX

Federal land grant legislation in Alaska

The Act of March 4, 1915, (38 Stat. 1214), set aside each surveyed section 33 in the Tanana Valley for the support of a Territorial agricultural college. Twenty-six of these sections were surveyed and 11,850.60 acres were transferred to the Territory of Alaska for the benefit of an agricultural college and school of mines.

The 1915 Act was repealed by the Alaska Statehood Act in 1959, although the sections that had already been surveyed continued to be reserved for future conveyance to the State. There was a lingering dispute in 1980 between Alaska and the Federal government concerning which land grant sections vested in the State at the time of statehood and which sections were revoked in the Alaska Statehood Act.

To resolve this, in 1980, Congress passed section 906(b) of the Alaska National Interest Lands Conservation Act, granting the State 75,000 additional acres of land and clearly stating that any and all Federal obligations under the Act of March 4, 1915, had been extinguished. Section 906(b) states that:

In full and final settlement of any and all claims by the State of Alaska arising under the Act of March 4, 1915 * * * as confirmed and transferred in section 6(k) of the Alaska Statehood Act, the State is hereby granted seventy-five thousand acres which it shall be entitled to select until January 4, 1994, from vacant, unappropriated, and unreserved public lands. In exercising the selection rights granted herein, the State shall be deemed to have relinquished all claims to any right, title, or interest to any school lands which failed to vest under the above statutes at the time Alaska became a State (January 3, 1959), including lands unsurveyed on that date or surveyed lands which were within Federal reservations or withdrawals on that date.

The Act of January 21, 1929, (45 Stat. 1091), provided an additional 100,000-acre grant to the Territory on behalf of the University. The 1929 Act did not restrict the land grants to sections in place, but instead allowed Alaska to select vacant, unappropriated, and unreserved land anywhere within the Territory's boundaries. This gave the Territory the opportunity to choose the highest value land from all lands meeting the selection criteria. To date, 99,417 acres of this grant have been transferred to the State.

The Alaska Statehood Act of 1958, (72 Stat. 339), provided a general grant of 102.5 million acres of Federal land for higher education and other public purposes. Congress made it clear that in giving the State this land entitlement, it was extinguishing and fully satisfying previous university land entitlements. In other words, Alaska was given a block land grant with a proviso that the grant was “in lieu” of future grants for internal improvements.

Congress’s original approach to provide support for higher education in the States came in the landmark Morrill Act of 1862. This Act awarded each State an amount of land based on the State’s population, not its size. Had Alaska been a state in 1862 when the original Morrill Act passed, it would have received a total of 90,000 acres (30,000 acres each for one Representative and two Senators). When Alaska was still in territorial status, it received more land (through the Acts of March 4, 1915, and January 21, 1929, described above), than it would have under the Morrill Act. Although some other states also received lands in excess of Morrill Act entitlements, in a few cases considerably more, no other state has received anything remotely approaching the 102.5 million acre general grant provided to Alaska at statehood.

Section 6(l) of the Alaska Statehood Act explicitly states that Alaska will not be entitled to receive any additional lands under the Morrill Act. This made clear that Congress’s omission of a separate grant for the University was not an omission, but reflected a clear congressional understanding that it was adequately providing for the needs of the University and all state institutions through the general purpose grant of 102.5 million acres in section 6(b).

Both the House and Senate Alaska Statehood bills (H.R. 7999 and S. 49) addressed the “in lieu” issue in identical terms:

The grants provided for in this Act *shall be in lieu of the grant of land* (emphasis added) for purposes of internal improvements made to new States by section 8 of the Act of September 4, 1841, (5 Stat. 455), and sections 2378 and 2379 of the Revised Statutes (43 U.S.C. sec. 857), and in lieu of the swampland grant made by the Act of September 28, 1850, (9 Stat. 520), and section 2479 of the Revised Statutes (43 U.S.C. sec. 982), and in lieu of the grant of thirty thousand acres for each Senator and Representative in Congress made by the Act of July 2, 1862, as amended (12 Stat. 503; 7 U.S.C. secs. 301–308 (The Morrill Act)), which grants are hereby declared not to extend to the State of Alaska.

Due to other differences in the two bills, conferees met and agreed upon H.R. 7999 with certain concessions to S. 49, including a quantity grant of 102,500,000 acres. Both houses passed the bill as amended by the conferees. The final version, as reflected by section 6(b) of the Alaska Statehood Act, provided a quantity land grant of 102,550,000 acres with only a very few internal improvement grants, namely: 6(a) (800,000 acres) for community expansion; 6(c) and 6(d) for government buildings in Juneau; 6(e) for improvements used in fish and wildlife conservation and protection, and another 1.5 million in section 6(k), confirming and transferring to the State lands previously granted to the territory of Alaska.

Comments on some specific provisions of the land selection features of H.R. 2958

Section 2(b)(4) establishes a framework for land selection within the NPRA, and a possible royalty-sharing agreement between the University of Alaska and the Department of the Interior for NPRA lease revenues. The University could select up to 92,000 acres within the NPRA above 69 degrees North latitude, or unlimited amounts below it, and in lieu of any selections above the line, could elect to receive up to 10 percent of annual leasing revenues from the NPRA. The Federal government has no discretion in that election. It is unclear how that 10 percent lease share affects the current 50–50 sharing of lease revenues between the Federal government and the State. The University could apparently take the 10 percent revenues for waiving selections above the 69 degree line and still make unlimited land selections in the NPRA below the line.

Any of the various scenarios for this NPRA agreement process would reduce future federal royalties and most likely also the State's share of NPRA production. Private development would exclude the United States and the State of Alaska from any share of royalties.

Depending upon the tracts selected, the costs of the proposed legislation in terms of naturally important lands and future lost revenue to the federal treasury could be significant. Onshore and offshore leasable minerals, including the outer continental shelf, could be selected.

In addition to lost lands and revenue, planning costs, survey, adjudication and management costs of the proposal could be significant. Procedures in the bill are unworkable. Litigation risks are high.

With respect to the Tongass National Forest, while the language in section 2(b)(3) is not clear, it appears to limit Tongass selection to cut-over second growth within areas classified as LUD [land use designation] III and IV by the Forest Service. It should be noted that LUD III [moderate development] or LUD IV [intensive development] are terms from the 1979 forest management plan. That plan was revised, changing Land Use Designations for 18 areas of the Tongass National Forest. The changes are contained in the 1999 Record of Decision signed by Jim Lyons, Under Secretary of Agriculture for Natural Resources and Environment. It is likely that the University would pursue multiple tracts of high-value timber producing lands from the Tongass National Forest, the United States' premier temperate rain forest located in southeastern Alaska. The effect could be to undermine the Tongass National Forest Land Management Plan by harvesting areas that had been designed in the 1999 plan for protection.