FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2811

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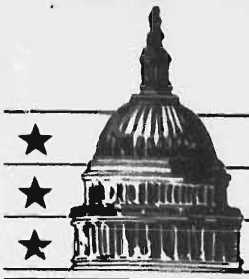

DEMOCRATIC
CONGRESSIONAL
CAMPAIGN COMMITTEE

MUR 2811

Beryl Anthony, Jr., AR
Chairman

FEDERAL ELECTION COMMISSION
RECEIVED
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89040760163

January 27, 1989

Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

The Democratic Congressional Campaign Committee ("DCCC") files this Complaint charging violations of the Federal Election Campaign Act of 1971, as amended ("FECA"), 2 U.S.C. Sections 431 et seq., and related regulations of the Federal Election Commission ("FEC"), 11 C.F.R. Sections 100.1 et seq., by Jan Faiks and Lloyd Jones, members of the Alaskan state senate (referred to collectively hereafter as "Respondents").

Respondents have violated the FECA by making expenditures exceeding $1,000.00 for the purpose of influencing a federal election, but failing to register and report as a political committee in accordance with the requirements of the Act. In addition, the source of the funds used to make these expenditures may include funds prohibited under FECA.

Facts

These are the simple facts of this case. During the week immediately preceding the 1988 general election, Respondents, two Republican Alaskan state senators, traveled to Long Island, New York, to make several appearances to "discuss" issues related to Alaska's Tongass National Forest. The choice of Long Island was not coincidental. Respondents traveled to the congressional district of Robert Mrazek, a Democratic member of the United States House of Representatives, who is the sponsor of a bill that the Alaskan senators oppose. Congressman Mrazek also "happened" to be seeking reelection in the 1988 general election, an election in which his position on this issue was debated in partisan terms.

430 SOUTH CAPITOL STREET • WASHINGTON, DC 20003 • (202) 863-1500

Contributions to the DCCC are not tax deductible
Paid for and authorized by the Democratic Congressional Campaign Committee

The travel and other expenses of the two state senators was reportedly paid by a fund called the Senate Leadership Fund. The fund apparently consists of appropriated Alaska state funds and was established to pay operational expenses of the Alaskan Senate members while the state senate is out of session. Funds are disbursed at the discretion of the state senate president -- currently, Jan Faiks. Reports in the press indicate that the expenses incurred by Respondents in connection with their travel and stay in Long Island exceed $1,400 for one of the senators and "several hundred dollars" for the other. Attachment 1.

Press reports published on Respondents' trip to New York characterized their travel as a "campaign trip" for the purpose of defeating Congressman Mrazek. Attachment 2. Respondents have protested that this was not their purpose, but the evidence contradicts this assertion.

Legal Analysis

The issues surrounding the management of the Tongass National Forest have been subject to argument since Congressman Mrazek's bill was initially introduced in July of 1986. Yet Respondents chose the period immediately preceding the general election as an appropriate time to discuss these issues. Furthermore, they chose a location far removed from their state senate districts. Respondents made a point of traveling to the congressional district of the prime sponsor of legislation which they oppose during the critical period when he was seeking reelection to the United States Congress. Respondents have, moreover, virtually conceded that the timing was not an accident. State senator Jones in a press release issued while he was in New York is quoted as stating the purpose of his trip to Long Island as follows:

> I am hopeful we will get our point across to the business people of the area who will in turn get it to Mrazek. With so many jobs at stake in our area I feel obligated to do everything in my power to resolve this issue.

Attachment 3. Senator Faiks was less subtle. She is quoted in press reports as stating, "we are victims of [Congress'] votes, so of course the more people who are pro-Alaska development in Congress the better off our economic environment will be." Attachment 1.

Respondents have protested in letters and through the press that their efforts were not made in connection with Congressman Mrazek's reelection. The Federal Election Commission, however, must not judge the purpose of Respondents' communications by their claimed intention, but rather by the objective facts and circumstances surrounding this case. This facts and circumstances are legally conclusive on the question of an electioneering "purpose." See, for example, FEC Advisory Opinion

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1983-12, 1 Fed. Election Camp. Fin. Guide (CCH) Paragraph 5718; see also AOs 1984-14 and 1984-62, 1 Fed. Election Camp. Fin. Guide (CCH) Paragraphs 5819 and 5813.

Congressman Mrazek's support of the Tongass bill was known as an issue in his campaign. His Republican challenger, Robert Previdi, is quoted as opposing Congressman Mrazek's involvement in Alaskan issues. "My point of view is that I don't think a New York congressman should be up there throwing his weight around." Attachment 4. Congressman Mrazek's involvement in the Tongass bill was viewed as political even in Alaska, where a humorous write-in campaign had been launched to have him elected congressman from Alaska. Thus, the atmosphere in Alaska and in New York surrounding Congressman Mrazek's involvement in the Tongass bill was purely political.

Thus, despite protestations to the contrary, this electioneering purpose was made clear -- and was clearly understood. Attached to this Complaint are several newspaper clippings, editorials, and letters to the editor which indicate this understanding was widespread. Attachment 5.

The expenditures to fly Respondents to New York to oppose Congressman Mrazek's reelection were for the purpose of influencing a federal election. As such, the expenditures made by Respondents, or on their behalf, are subject to the provisions of the FECA, including the source restrictions and disclosure requirements of that Act. The source of the funds is unknown. News reports indicate that payment was made by a fund established by the State of Alaska for use at the discretion of the state senate president, a respondent in this matter. The trip was organized, however, and the state senators were accompanied by, an executive of the Alaskan Pulp Corporation (a Japanese-owned corporation), who also serves as a lobbyist for the Alaskan Loggers Association. The Federal Election Commission must investigate to ensure that the funds used for these expenditures were from lawful sources under the campaign laws and did not involve the expenditure of corporate or other prohibited funds.

In addition, the group which apparently paid these expenses has failed to register and report as a political committee under the Federal Election Campaign Act. The FEC has taken the position that an unincorporated association which makes expenditures to influence federal elections in excess of $1,000 is a political committee required to register and report the source of those funds. See, e.g., Matter Under Review 2464 (June 30, 1988).

Conclusion

On the basis of the foregoing the DCCC requests that the FEC conduct an investigation into the facts of this Complaint and enter into prompt conciliation with Respondents to remedy the

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violations alleged herein. Furthermore, the FEC should take all steps necessary to ensure that no further violations occur and to impose any and all penalties grounded on the violations found in this Complaint.

Respectfully submitted,

RICHARD M. BATES
EXECUTIVE DIRECTOR

SUBSCRIBED AND SWORN TO BEFORE ME
this 27th day of January, 1989.

Wilton A. Smith, Jr.
Notary Public

My Commission Expires:

Wilton A. Smith, Jr.
Notary Public, District of Columbia
Commission Expires October 14, 1992

89040760156

Attachment 1

Legislators talk timber Outside

11-8-88

Falks, Jones speak in district of 'anti-Alaska' congressman

By DAVID POSTMAN
Daily News reporter

State Sens. Jan Falks and Lloyd Jones flew to New York last week on a trip arranged by a lobbyist and paid for by the state to talk about timber sales and oil development in Alaska.

Sen. Jan Falks

Sen. Lloyd Jones

Falks and Jones spoke to a business group in the home district of a congressman running for reelection who sponsored a bill they said was anti-Alaska.

But while the trip was five days before the election, and Jones and Falks are Republicans and Rep. Bob Mrazek is a Democrat, the state senators said their trip should not seen as an attempt to get involved in Long Island congressional politics.

Mrazek, though, was unhappy. "I know that if I used New York taxpayer funds to go campaign against someone in Alaska I would be in terrible political hot water," he told the Juneau Empire. "Maybe your representatives just wanted to come east to see a good Broadway play. There are a number of them open at the moment."

Said Jones, "It doesn't matter that he is a Republican or Democrat, it's a bipartisan issue as far as I'm concerned. He just happens to be a Democrat and that's his business. But it's our business when he comes up here and and wants to lock up Alaska."

Mrazek sponsored a bill last year that would have cut federal subsidies for logging in the Tongass National Forest. Jones said that would have cost thousands of Alaska jobs and it was important to get that message out.

Falks, who flew to New York from Washington, D.C., where she was on state business, spoke about opening the Arctic National Wildlife Refuge to oil drilling.

The trip was paid for by the Senate

LONG ISLAND: Faiks, Jones talk timber sales

Continued from Page C-1

Leadership Fund, which provides travel money and pays for other expenses while the legislature is out of session. Jones said his trip cost about $1,400 and Faiks said the New York leg of her visit east was only several hundred dollars, including a $120 cab fare from the airport to Long Island. They also spoke to editorial writers at Newsday, a Long Island newspaper, and the New York Times.

Jones and Faiks said they did not mention Mrazek's name during their talks before the environmental committee of the Long Island Association, the largest business organization on Long Island. But Jim Clark, the lobbyist for the Alaska Loggers Association who arranged the trip and accompanied the two senators, did bring up the three-term congressman.

"I mentioned his name when one of the people we were talking to said, 'Why are you here telling us this?' I told them it was obviously an important issue in Long Island because a congressman there has been a leader in it. He didn't know that," Clark said.

"We were there to get people to support us. We were not there against Mrazek."

It was Clark's idea that Faiks and Jones travel to Long Island. And he said they did such a good job he hopes they can travel with him again. Clark has made similar trips through the Northwest and next week travels to Florida and Georgia.

Jim Larocca, president of the Long Island Association, said it was Clark, whom he knows from Washington, D.C., who telephoned and asked if there was a forum where the Alaska politicians could speak.

"He said they would provide an overview of this issue and what impact the issue had on their economy, but we said it was not appropriate in terms of discussing it in terms of congressional politics," Larocca said. "They kept to that pledge."

Clark said the trip had nothing to do with the election. But he did say, "Look, that guy has come into Alaska and talked back in Congress about how this part or another in Alaska supports his position," Clark said. "We want to say, 'Look, there are groups in New York that support our position.'"

Faiks conceded she thought it was in Alaska's best interest for Mrazek to be replaced. "We are victims of (Congress') votes so of course the more people who are pro-Alaska development in Congress the better off our economic environment will be."

Jones and Faiks said they were pleased with their trip and hope more lobbying is done Outside.

"I think we need to put together a plan to get into these congressional districts and tell the story," Jones said. "The one thing congressmen listen to is letters from their constituents. I want to make it a bipartisan issue."

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Attachment 2

Faiks, Jones campaigning in New York

By CHUCK KLEESCHULTE
THE JUNEAU EMPIRE

Two state senators this week have been on the East Coast talking about Alaska resources, and at least one has campaigned against a New York congressman.

Senate President Jan Faiks, R-Anchorage, and Sen. Lloyd Jones, R-Ketchikan, have been on a trip funded by the Senate interim operations fund.

According to Faiks aide Cheryl Frasca in Anchorage, Faiks was participating in a trip organized by Jones intended to explain Alaska's position on logging in the Tongass National Forest and opening the Arctic National Wildlife Refuge to oil exploration to East Coast media.

Frasca said she had few details on the trip, but Faiks was due back in Anchorage this afternoon.

An aide to Jones in Ketchikan, Ray Matiashowski, said today that Jones, accompanied by Juneau attorney Jim Clark, the lobbyist for the Alaska Loggers Association, Wednesday began a two-day campaign trip to Long Island, N.Y., the district of Democratic U.S. Rep. Robert Mrazek.

Mrazek is the original sponsor of legislation backed by environmentalists that would have made significant changes in the management of the Tongass National Forest, which encompasses most of Southeast Alaska.

Mrazek during the summer passed leadership of the environmental issue on to California Congressman George Miller, the second-ranking member of the House Interior Committee, who sponsored legislation that eventually passed overwhelmingly in the House but died in the Senate.

Jones, in a prepared statement issued Thursday by his Ketchikan office, said he was campaigning against Mrazek in his home district to plead the case for logging as a key part of Southeast's economy.

"It's time we let the people of Congressman Mrazek's district know that we have opinions and will fight for what is right. These people have to be made aware that we have a healthy economy with a tremendous amount of potential," said Jones.

Mrazek, reached late this morning, said he didn't personally bear

Please turn to Faiks, Page 8

Faiks...

Continued from Page 1

the campaign comments of Jones or Faiks but has been told the two met with the Long Island Association, a leading business group, with the editorial board of Long Island's main newspaper, Newsday, and possibly with his Republican opponent, who has been attempting to make the Tongass an issue in the campaign.

Mrazek said he doubts that Jones and Faiks effort will have any effect on his reelection chances.

"The Tongass just hasn't proven to be a big issue in a New York election, the fate of Long Island Sound is a much larger environmental issue here," said the congressman.

He said he found it funny that Alaska legislators would be using state funds to campaign against him.

"I know that if I used New York taxpayer funds to go campaign against someone in Alaska I would be in terrible political hot water. Maybe your representatives just wanted to come east to see a good Broadway play; there are a number of them open at the moment," joked Mrazek.

He said their efforts strengthened his resolve to reintroduce pro-environmental Tongass legislation early in the next session of Congress – legislation that likely will be stronger environmentally than Miller's bill last session. And he said he's confident he can get the bill passed by a veto-proof margin in the House within the first six months of a new term.

"I want to give the bill plenty of time to move through the Senate," said Mrazek.

Attachment 3

ALASKA STATE LEGISLATURE

While in Ketchikan
352 Front Street
Ketchikan, AK 99901
907-225-9675

While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

JONES TAKES TIMBER FIGHT TO MRAZEK'S HOME TURF

"It's time we let the people of Congressman Mrazek's (Mer-Az-Ik) district know that we have opinions and will fight for what is right." Says District One Senator Lloyd Jones of a trip to Long Island, New York. Jones and Alaska Timber Lobbyist Jim Clarke are currently in Long Island for two days to meet with area business groups and the New York Times newspaper. The purpose of the trip is to plead the case of Southeast Alaska's economy. Congressman Bob Mrazek of Long Island, is a leading proponent in the U.S. Congress of locking up more of the Tongass National Forest. Mrazeck has proposed a bill that changes ANILCA and which results in job losses and jeopardizes two of the largest manufacturing plants in Alaska, the Ketchikan and Sitka Pulp mills. It will also impact independent logging contractors, who employ many in Southeast Alaska.

"These people have to be made aware that we have a healthy economy with a tremendous amount of potential." Jones continues, "I am hopeful we will get our point across to the business people of the area who will in turn get it to Mrazek. With so many jobs at stake in our area I feel obligated to do everything in my power to resolve this issue."

Legislation critical to continued timber harvest in the Tongass has been a political football in Congress for several years, with environmental groups anxious to designate more of the forest as wilderness thus making timber harvest impractical.

For More Information Contact
Ray Matiashowski 225-9082

Please Embargo Until 5:00 AM
November 3, 1988

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bi Anchelle Per... nal Committee for the Furtherance o... tion, explained why this event, unknown to and never before so widely commemorated, has ve a major observance.

's the idea of synagogues being burned and bust- s that had Jewish names on them. Crashing You knew, people running in the streets. It's thing very — it's a specific act," said Perl, 34, was born in London, where his Romanian father d after his release from a concentration camp. bbi Jerome K. Davidson of Temple Beth-El in Neck said, "It's easier to grasp it with the mind let us say, some kind of rehearsing of what took

Please see KRISTALLNACHT on Page 17

1938 photo shows a storekeeper cleaning up broken windows in the aftermath of Kristallnacht

Alaskans Make Mrazek an Issue

Rep. Robert Mrazek

By Nicholas Goldberg

Rep. Robert Mrazek, the popular three-term congressman from the North Shore, doesn't face much of a re-election threat on Long Island this year — but his campaign in Alaska is in serious trouble.

Still, even if he only gets a few hundred votes, that's impressive for a man who is facing two elections more than 3,000 miles apart. Particularly since the Centerport Democrat didn't know he was running in Alaska until last week.

But the fact is, Mrazek has become quite a cause célèbre in Alaska. On one hand, a group called Alaskans for Mrazek has begun urging voters to write him in as a candidate for Congress this November. But at the same time, Alaskan officials who oppose him (including the president of the State Senate) have traveled as far as New York to argue against Mrazek's positions on Alaskan issues.

"It's flattering to me that they would travel thousands of miles to deliver this message on Long Island," Mrazek said. "I guess they believe they're in a position to damage my re-election possibilities here."

Mrazek's relationship with the people of Alaska began more than a year ago, when he helped Alaskan environmentalists by sponsoring a law to preserve the 17-million-acre Tongass National Forest — natural habitat of the grizzly bear and bald eagle — in southern Alaska from logging proposed by timber companies. Along the way, Mrazek won the support of environmentalists and the enmity of local officials and timber companies, who argued that thousands of jobs for Alaskan timber workers were at stake.

And now, with the measure's future still up in the air, neither side will let him forget his place in Alaskan politics.

Last week, Jan Faiks, president of Alaska's Senate, along with another state senator and the general counsel of the Alaska Loggers Association, kicked off a national lobbying effort by flying to New York,

Please see MRAZEK on Page 19

Rep. Don Young

DEC 13 '88 14:17

Attachment 4

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PAGE.005

Newsday / J. Conrad Williams Jr.

Double Jackets

A woman in Valley Stream uses two jackets to protect herself from yesterday's rainstorm. Variable clouds are expected today, with the risk of a shower and a temperature of about 65.

agreed to [illegible]
al lists as proof of residence.

Last month's sudden enrollment of students at Stony Brook — where more than 7,000 people live in campus dorms — is a surprise to those who will be asking for their votes in the future.

"This news is news to us," said Joseph King, superintendent of the Three Village School District, where the school budget passed in June by a vote of 1,808 to 687, but where residents turned down a proposal to extend bus service 1,404 to 1,047. "I tend to [illegible]

"We've asked [illegible]
control traffic on Election Day, [illegible]

Because many Stony Brook students do not have cars, a special campus bus service has been set up to take them to the polls.

Several students on campus last week said they decided to vote locally, instead of by absentee ballot from home, because it was more convenient and because they would have more control over what is important to them.

Mrazek Caught in an Alaskan Brouhaha

MRAZEK from Page 7

where they complained to members of the Long Island Association and a Newsday editorial writer that Mrazek had misunderstood their issues and their position. Although they spoke about a variety of Alaskan land questions, they said they had come first to Long Island because it was the home of the congressman who had fought them.

"Basically, it looks like it was a junket paid for by public funds as an attempt to influence Congressman Mrazek's election," said Scott Highleyman, field representative for the Southeast Alaska Conservation Council, an environmental group.

Meanwhile, environmentalists have made their point as well, beginning several months ago, when bumper stickers exported from Long Island began showing up all around Alaska stating: "I'm Proud of My Congressman, Bob Mrazek." One appeared on an outhouse in the small fishing village of Pelican, Alaska, where the bumper sticker was visible to everyone who arrived on the island, said Bart Koehler, director of the conservation council.

And late last month a chain letter began making the rounds, signed by a group called Alaskans for Mrazek and calling on voters to write in Mrazek as a candidate against Rep. Don Young (R-Alaska) and his Democratic challenger, Peter Gruenstein.

"On a range of issues, from his opposition to funding for the contras to his spirited defense of mass transit funding, Bob Mrazek is the kind of politician many Alaskans would like representing them," the letter says. "Bob Mrazek has been to Alaska, likes Alaskans and has shown a *greater willingness to hear our concerns than any person in our delegation.*"

Not leaving any bases uncovered, included with the letter were gummed labels imprinted with Mrazek's name to stick on the ballot.

No one seems to know who started the letter or how widely it has been circulated. Conservation council officials say they're not involved but also that it's possible that several hundred people will vote for Mrazek.

Mrazek's efforts to preserve the forest also have drawn opposition in his Long Island campaign, in which Republican challenger Robert Previdi has conceded Mrazek is a heavy favorite to win re-election. "My point of view is that I don't think a New York congressman should be up there throwing his weight around," Previdi said. "Would we like it if a congressman from Alaska were here telling us what to do with our lives?"

[illegible]

NEWSDAY, SUNDAY, NOVEMBER 6, 1988

DEC 13 '88 14:18

Attachment 5

Anchorage Daily News

Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Gerald E. Grilly
Publisher

Howard Weaver
Managing Editor

Michael Carey
Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

An Alaska fairy tale

Once upon a time, there was an evil congressman from Long Island. This nefarious fellow believed timber subsidies to Alaska's Tongass National Forest should be cut and that the Arctic National Wildlife Refuge should be closed to oil development.

But in the Alaska Senate there were two good fairies. The two decided to go to the evil congressman's district and make a case for contrary positions on those two issues.

The good fairies had a legitimate mission, except...

They just happened to show up a mere five days before the evil congressman faced a re-election vote.

The good fairies just happened to be Republicans; the evil congressman just happened to be a Democrat.

They paid for their trip with state funds.

They didn't mention the congressman's name, but...

The Alaska timber lobbyist who set up the speaking engagement, when asked why the two senators were there, explained the local connection to the issues.

By way of justification afterward, the timber fairy, Ketchikan Sen. Lloyd Jones, said "It's our business when he (the evil congressman) comes up here and wants to lock up Alaska."

Said the oil fairy, Anchorage Sen. Jan Faiks: "We are victims of (Congress') votes, so of course the more people who are pro-Alaska development in Congress the better off our economic environment will be."

But both good fairies denied their state-funded trip was an attempt to influence the evil congressman's election chances.

Right.

And if you believe that, you probably believe in fairy tales.

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Trip was a waste of state money

11-22-88

I reacted with anger when I read about the recent trip to Long Island that Sens. Fahn and Jones recently took at state expense. We should let the lobbyists (not our legislators) fly all over the country at the expense of the industries they represent (i.e., oil, timber, etc.) instead of having "Alaska" foot the bill.

Traveling Outside is where intervening in government spending needs to start. Our legislators have no more business flying to a congressional district in New York than that congressman would have flying to Alaska to complain about Don Young's voting or bill sponsorship on a New York issue. The other states seem to realize this would be a waste of public money and inappropriate. Why is it Alaskans continue to pay for extravagant trips all over the world for their legislators while basic public programs and services are constantly cut back?

I think it's time we let them know there is plenty of work to do right here, and they don't accomplish it by taking trips such as this one.

— Carol Jensen

We should applaud senators

11-24-88

I must take issue with your Nov. 11 editorial, "An Alaska fairy tale." Instead of condemning our senators, we should be applauding them for taking the initiative. What better use of state funds than promoting development of Alaska's resources?

It's too bad the strategy of hitting these eastern congressmen in their home districts had not been implemented during the years of "D-2," and continued as a policy. Besides discouraging their "cheap shots," Alaska's economic health would be in far better shape than it is now. We might not be burdened with the millions of acres presently locked up in wilderness or in other land reserves not available for multiple use and free enterprise.

— Richard W. Tindall

Thanks for the help, Jan

11-23-88

If Congressman Bob Mrazek (D-New York) wasn't determined enough to pass a Tongass reform bill before, he ought to be now after Jan Faiks and some of her cronies went to Long Island to campaign against him. Thanks, Jan, we need all the help we can get to stop the rape of the Tongass National Forest at taxpayers' expense.

— David McCargo Jr.

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AND THE WINNERS ARE

And now, the moment you've all been waiting for — The 1988 awards have been waiting for — well, at least some of you

THE ADVERTISING, LIKE LIFE, IS WHAT YOU MAKE IT AWARD

A tie. To the state Division of Tourism, for its doctored photo showing Mount McKinley facing the wrong way and a happy family in front of it on a newly mowed lawn. And to Holland America-Westours, for its doctored photo showing a railroad train traveling east to west very near McKinley, when in fact the tracks run north and south and much farther away.

THE ELLIOT NESS GOLDEN TOMMYGUN

To the state Alcohol Beverage Control Board. After years and years of letting the liquor industry do pretty much what it wanted, the ABC board cracked down — on sellers of liquor-filled chocolates, candies and cakes, and makers of home brew.

THE ALL THE WORLD'S A STAGE TROPHY

To Tom Fink, for portraying a mayor for an entire year.

THE JOE ISUZU PLAQUE

To Republican state Sens. Jan Faiks and Lloyd Jones. They flew to New York at state expense on a trip arranged by timber lobbyist Jim Clark to criticize Democratic U.S. Rep. Bob Mrazek, an opponent of Tongass timber subsidies, five days before the election. They said the trip wasn't political.

THE 1988 SOAPY SMITH AWARD

To the three California gray whales, the North Slope Borough, the National Oceanographic and Atmospheric Administration, Ted Stevens, several oil companies, the Alaska National Guard, the Barrow Whaling Captains' Association, NBC, ABC, the Anchorage Daily News and other media outlets too numerous to mention, for holding the world captive for 10 days in what Prince Phillip subsequently described as well as "a circus."

AND, FINALLY, THE FRANK REID AWARD

To the captains and crews of the two Soviet icebreakers, who set the whales and the rest of us free.

SOAPY SMITH AWARDS

Anchorage Daily News 1-8-89

8904076017 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 3, 1989

The Honorable Tim Kelly, President
Senate Leadership Fund
PO Box V
Juneau, AK 99811

RE: MUR 2811
Senate Leadership Fund

Dear Mr. Kelly:

The Federal Election Commission received a complaint which alleges that the Senate Leadership Fund may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2811. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Senate Leadership Fund in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Phillip Wise, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

99044076017 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 3, 1989

The Honorable Jan Faiks
Alaska Senate
PO Box V
Juneau, AK 99811

RE: MUR 2811
Honorable Jan Faiks

Dear Mr. Faiks:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2811. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

89040760178

If you have any questions, please contact Phillip Wise, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9904076017 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 3, 1989

The Honorable Lloyd Jones
Alaska Senate
PO Box V
Juneau, AK 99811

Re: MUR 2811
Honorable Lloyd Jones

Dear Mr. Jones:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2811. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

89040760180

If you have any questions, please contact Phillip Wise, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 3, 1989

Mr. Richard M. Bates
Executive Director
Democratic Congressional Campaign
Committee
430 South Capitol Street
Washington, DC 20003

RE: MUR 2811

Dear Mr. Bates:

This letter acknowledges receipt on January 27, 1989, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by State Senator Jan Faiks, State Senator Lloyd Jones, and the Senate Leadership Fund. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2811. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

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RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 FEB 16 AM 10: 30

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2811

NAME OF COUNSEL: Tom Carroccio

ADDRESS: 1155 Connecticut NW
9th floor
Washington D.C.

TELEPHONE: 202-466-6800

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

2/10/89
Date

Jan Faiks
Signature

89 FEB 15 PM 3: 37

RESPONDENT'S NAME: Jan Faiks

ADDRESS: P.O. Box V
Juneau AK 99811

HOME PHONE:

BUSINESS PHONE: 907-465-4523

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OFFICE OF THE PRESIDENT

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 FEB 17 AM 10: 57

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3822

P.O. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 561-7612

SENATOR TIM KELLY

February 13, 1989

89 FEB 21 AM 9: 12

Federal Election Commission
Office of the General Counsel
Washington, D.C. 20463

ATTN: Phillip Wise

RE: MUR 2811; Senate Leadership Fund

89040760184

Dear Mr. Wise:

I have received the commission's letter of February 3, 1989 regarding the above matter. For the record, the letter was received February 9, 1989.

While I will cooperate with the Federal Election Commission in it's investigation of the matters arising out of the complaint filed by the Democratic Congressional Campaign Committee, the commission should understand what the "Senate Leadership Fund" is and what my connection to it is.

The "Senate Leadership Fund" is the informal term used to describe a portion of a line item in the appropriation Act for the general operating expenses of the state government. On page 94, line 12, of ch. 154, SLA 1988, funds were appropriated to the "Legislative Operating Budget." The fund is, therefore, an account in the state operating budget. The account is equally divided between the House and the Senate, is under the control of each houses presiding officer and is used for legislative travel, committee expenses, staff expenses and whatever else the Presiding Officer deems a public purpose.

While the records involved in the expenditures of state funds are public documents and are available to the commission upon your request, at the time relevant to your inquiry, the "Senate Leadership Fund" was under the control of Senator Jan Faiks who was then President of the Alaska State Senate.

As President of the Alaska State Senate only since January 9, 1989, I have no personal information on the expenditure of the funds involved in MUR 2811.

I believe that the "Senate Leadership Fund" has not violated any provision of Federal Law. The jurisdiction of the commission does not seem to require that the fund itself be made a party to your investigation. I request, therefore, that the "Senate Leadership Fund" not be made a party to any proceedings of the commission.

Respectfully Submitted,

Tim Kelly

TIM KELLY, President
Alaska State Senate

Subscribed and sworn to before me this 13th day of February, 1989.

Nancy Quinto

Notary Public
My Commission expires: 10-24-91

TK:rp

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FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

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SANTARELLI, SMITH, KRAUT & CARROCCIO
A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

A. THOMAS CARROCCIO
RICHARD S. KRAUT
DONALD E. SANTARELLI, P.C.
EDWARD J. SMITH, JR.
STEPHEN V. WEHNER

RALPH J. CACCIA
NANCY E. MACHADO

1155 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036

TELEPHONE
(202) 466-6800

TELECOPY
(202) 463-0969

OF COUNSEL
LANGHORNE M. BOND
RICHARD E. HILL

February 17, 1989

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Phillip Wise, Esquire

Re: Senator Jan Faiks
Senator Lloyd Jones
MUR 2811

Dear Mr. Wise:

Pursuant to our telephone conversation of this day, we request, on behalf of our clients, Sen. Jan Faiks and Sen. Lloyd Jones, that the time for these respondents to file responses to the Complaint initiating the referenced proceeding be extended twenty (20) days to March 16, 1989.

This firm has not previously represented either Sen. Faiks or Sen. Jones. In order to effectively and efficiently respond to the Complaint, it will be necessary to familiarize ourselves with this matter and the facts surrounding it. This task is made more difficult by the geographic distances separating this office, Senators Faiks and Jones, and the site of the alleged violation. Accordingly, grant of this request will serve to afford this firm an opportunity to fully investigate the allegations of the Complaint and to prepare an appropriate response, which, in turn, will allow the Commission to dispose of this proceeding in the most expeditious and efficient manner.

It is my understanding that you have already received from Sen. Faiks a statement designating this firm as her counsel. Enclosed with this request is Sen. Jones' statement designating this firm as his counsel.

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FEDERAL ELECTION COMMISSION

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Thank you for your assistance and cooperation. Should you have questions or comments regarding this proceeding, please communicate with either the undersigned member of this firm or our associate, Ralph J. Caccia.

Sincerely,

SANTARELLI, SMITH, KRAUT
& CARROCCIO

By: A. Thomas Carroccio

Counsel for
Senator Jan Faiks
and
Senator Lloyd Jones

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2811

NAME OF COUNSEL: A. Thomas Carroccio

ADDRESS: Santarelli, Smith, Kraut and Carroccio
1155 Connecticut NW, Suite 900
Washington, D.C. 20036

TELEPHONE: (202) 466-6800

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

2/14/89
Date

Lloyd A. Jones
Signature

RESPONDENT'S NAME: Lloyd A. Jones

ADDRESS: P.O. Box V
Juneau, AK 99811

HOME PHONE: 907-789-3815

BUSINESS PHONE: 907-465-3743

89040076018

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 23, 1989

A. Thomas Carroccio, Esquire
1155 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2811
Senator Jan Faiks,
Senator Lloyd Jones

Dear Mr. Carroccio:

This is in response to your letter dated February 17, 1989, which we received on February 21, 1989, requesting an extension until March 16, 1989 to respond to a complaint filed against your clients. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on March 16, 1989.

If you have any questions, please contact Phillip L. Wise, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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SANTARELLI, SMITH, KRAUT & CARROCCIO

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

A. THOMAS CARROCCIO
RICHARD S. KRAUT
DONALD E. SANTARELLI, P.C.
EDWARD J. SMITH, JR.
STEPHEN V. WEHNER

RALPH J. CACCIA
NANCY E. MACHADO

1155 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036

TELEPHONE
(202) 466-6800

TELECOPY
(202) 463-0969

OF COUNSEL
LANGHORNE M. BOND
RICHARD E. HILL

March 16, 1989

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Phillip Wise, Esquire

Re: Senator Jan Faiks
Senator Lloyd Jones
MUR 2811

Dear Mr. Wise:

Transmitted herewith for filing, on behalf of our clients, Sen. Jan Faiks and Sen. Lloyd Jones, are the original and one copy of their "Joint Response to Complaint" in the referenced proceeding.

Should you have questions or comments regarding this matter, please communicate with either the undersigned member of this firm or our associate, Ralph J. Caccia.

Sincerely,

SANTARELLI, SMITH, KRAUT
& CARROCCIO

By: A. Thomas Carroccio
A. Thomas Carroccio

Counsel for
Senator Jan Faiks
and
Senator Lloyd Jones

89 MAR 16 PM 5:27
FEDERAL ELECTION COMMISSION
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Before the
FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

In the Matter of:	)	
	)	
The Honorable Jan Faiks	)	**MUR 2811**
The Honorable Lloyd Jones	)	
	)	

JOINT RESPONSE TO COMPLAINT

Senator Jan Faiks and Senator Lloyd Jones, by their counsel,[1] hereby jointly request that the Federal Election Commission ("Commission") dismiss the complaint initiating this proceeding and take no action against either of them. In support of their request, they hereby state as follows:

I. PROCEDURAL STATUS

The captioned proceeding was initiated by a January 27, 1989 Complaint ("Complaint") filed by the Democratic Congressional Campaign Committee ("DCCC"). The Complaint was served on Sen. Faiks and Sen. Jones by letters from the Commission's General Counsel, dated February 3, 1989. Said letters were received by Sen. Faiks and Sen. Jones on February 9, 1989.

By letter of February 17, 1989, counsel for Sen. Faiks and Sen. Jones requested that the time for filing their responses to the complaint be extended to March 16, 1989. The requested

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[1] Senator Faiks and Senator Jones each have filed with the Commission a Statement of Designation of Counsel specifying the undersigned as counsel of record.

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extension was granted by the General Counsel's letter of February 23, 1989.

II. FACTS

Jan Faiks serves in the Alaska State Legislature as a Senator from Anchorage. Lloyd Jones serves in the Alaska State Legislature as a Senator from Ketchikan. At the time of the activities which are the subject of the Complaint, Sen. Faiks also was serving as President of the Senate.

The economy of the State of Alaska is dependent upon the continued development and utilization of the state's natural resources, including those situated on federal lands. The vast majority of land in Alaska, however, is owned and controlled by the federal government. Accordingly, federal land use policy is of critical interest and concern to Alaskan officials such as Sen. Faiks and Sen. Jones.

As members of their state legislature, Sen. Faiks and Sen. Jones have been active in efforts to build the Alaskan economy and provide jobs for the people of Alaska. Sen. Faiks has been especially interested in promoting economic development of the Arctic National Wildlife Refuge ("ANWR"), and has developed substantial expertise on that subject. Sen. Jones has been particularly concerned with federal policies regarding logging activities in the Tongass National Forest ("Tongass"), which is located in his senatorial district.

Alaskans recognize that the overwhelming federal presence in their state results in many economic and land use decisions being made by individuals not directly responsive to an Alaskan constituency. Historically, Alaskans have responded to this problem with education programs implemented through cooperation among governmental officials, citizen groups and industry associations. These education programs began with the Alaska statehood battle, and have addressed issues such as the Trans-Alaska Pipeline and the Alaska Native Interest Land Claims Act ("ANILCA"). For example, in the late 1970's, when Congress was considering the ANILCA, Alaskan government officials worked in coordination with a citizens coalition, Citizens for the Management of Alaska Lands ("CMAL"), in an effort to educate the rest of the United States regarding the economic implications of that legislation. The expenses of citizen delegations sent to the rest of the country were borne by CMAL. Most of the expenses incurred by government officials were met through funds specifically appropriated to the Steering Council for Alaska Lands. In addition, state officials relied upon funding from the Governor's office and upon a special appropriation to cover state legislators' expenses when the legislature was not in session. These state funds were used to pay travel expenses of state officials when they traveled to other parts of the United States to make issues presentations or to participate in media interviews.

During the 100th Congress, the Tongass Timber Reform Act, H.R. 1516 (the "Bill"), was introduced in and passed by the U.S. House

of Representatives (the "House"). That Bill sought to curtail logging activity in the Tongass. The principal sponsor of the Bill was Representative Robert J. Mrazek of New York. The Bill expired when it was not acted upon by the U.S. Senate prior to the termination of the 100th Congress, but Rep. Mrazek repeatedly and emphatically expressed his intent to reintroduce the Bill in the 101st Congress.

While the Bill was pending in Congress, Rep. Mrazek travelled to Alaska, where he made several presentations in favor of his Bill. During his travels in Alaska, Rep. Mrazek also sought to enlist Alaskan support for the Bill. As a result of Rep. Mrazek's efforts, a few Southeast Alaskan groups provided him with statements endorsing the Bill. Rep. Mrazek attempted to present those statements to the U.S. Congress as being reflective of the position of a majority of Alaskans on the Bill.

During 1988, in response to both the Bill and Rep. Mrazek's issues campaign in Alaska, the Alaska State Legislature adopted Legislative Resolve No. 83 (Exhibit A), which was signed by the Governor of Alaska. Sen. Jones was the prime sponsor of the resolve, and Sen. Faiks was one of its co-sponsors. The resolve urged the House to provide for the continued development of the Tongass, with due consideration for environmental factors. This resolve reflected the official position of the executive and legislative branches of the Alaskan government on federal land use policies regarding the Tongass.

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In 1988, the Alaska State Legislature also adopted Legislative Resolve No. 47 (Exhibit B), which addressed economic development issues regarding ANWR. Sen. Faiks and Sen. Jones both were co-sponsors of this resolve, which also was signed by the Governor of Alaska. Resolve No. 47 urged the United States Congress to open the coastal plain of ANWR to environmentally responsible oil and gas exploration, development, and production. This resolution reflects the position of the executive and legislative branches of the Alaskan Government with regard to economic development of ANWR.

Because of the impact the Bill would have on the Alaskan timber industry, James Clark, a lawyer representing the Alaska Loggers Association ("ALA"), undertook the development of a program to educate the rest of the country regarding Alaskan land use issues. He began development of the program in September 1988, and, on October 15, 1988, proposed the program, and a list of target organizations and publications (Exhibit C), to the semi-annual meeting of ALA's Board of Directors. At that time, the ALA board approved the program and authorized Mr. Clark to begin its immediate implementation.[2]

While he was developing the educational program for ALA, Mr. Clark contacted Sen. Jones, and requested that Sen. Jones participate in the program. Sen. Jones, who is a former president of ALA, agreed to participate in any presentations that could be

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[2] Unless otherwise noted, the facts set forth in this section are derived from the affidavits of Sen. Faiks, Sen. Jones and Mr. Clark (Exhibits D, E and F, respectively).

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scheduled during periods when the Alaska State Legislature was not in session. Sen. Jones also agreed to solicit and coordinate the participation of other Alaskan officials.

During the week following the ALA Board meeting, Mr. Clark contacted the Long Island Association ("LIA"), a nonpartisan business group in New York, in an attempt to schedule a presentation to that organization. The timing of any presentation to LIA was restricted by Mr. Clark's own schedule, which already called for other presentations, professional commitments, and an extended trip to China. The staff of the LIA informed Mr. Clark that one opportunity for an ALA presentation was the scheduled November 3, 1988 meeting of LIA's environmental committee. After ascertaining the availability of Sen. Jones and, through Sen. Jones, the availability of Sen. Faiks for that date, Mr. Clark confirmed the presentation date with all parties.

Sen. Faiks was asked to participate in the presentation to the LIA by her legislative colleague, Sen. Jones. She agreed to participate because her official schedule already called for her to be on the Eastern Seaboard at the time of the scheduled LIA meeting. When the presentation date was confirmed, she adjusted her schedule and itinerary to include the presentation in New York.

Mr. Clark's objective in meeting with the LIA was to seek support for the Alaskan position on the Bill from at least one influential organization and its membership among Rep. Mrazek's constituency. In fact, the briefing paper distributed to the LIA by Mr. Clark, concludes with a specific request for such support

(Exhibit G). Mr. Clark hoped such support would offset the statements Rep. Mrazek had solicited from Alaskan groups. Sen. Jones shared Mr. Clark's objective, and also hoped to educate Rep. Mrazek's constituency on Alaskan land use issues, and, thereby, to influence Rep. Mrazek to modify his position on such issues. Mr. Clark, Sen. Faiks and Sen. Jones also viewed their newspaper interviews as opportunities to influence the editorial policies of those papers regarding Alaskan land use issues.

Sen. Jones, accompanied by his teenage son, departed Alaska on November 2, 1988 and arrived in New York early on the morning of November 3, 1988. Prior to leaving Alaska, Sen. Jones prepared a press release (Exhibit H) regarding his trip, and arranged for it to be released at the time of his presentation to the LIA.

As soon as the presentation date was confirmed to her, Sen. Faiks had a packet of nonpartisan, informational materials regarding ANWR assembled and shipped to Long Island for distribution at the LIA presentation. Sen. Faiks then departed for Washington, D.C. on October 31, 1988. After spending November 1 and 2, 1988 attending to official matters in Washington, D.C., Sen. Faiks flew to New York on the morning of November 3, 1988. She took a cab from the airport, and joined Sen. Jones and Mr. Clark at the LIA environmental committee meeting site. The additional expense occasioned by the New York portion of her trip totalled $466.48.

On November 3, 1988, Sen. Faiks, Sen. Jones and Mr. Clark made a presentation to the environmental committee of LIA. Sen. Faiks

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addressed the potential for economic development of ANWR, while Sen. Jones focused on economic activity in the Tongass. Sen. Faiks distributed her packet of materials (Exhibit I). Mr. Clark distributed a briefing paper on the Tongass (Exhibit G) and a brochure entitled "Keeping Alaska Alaska" (Exhibit J). Sen. Jones did not distribute any materials, but a copy of his speech text is attached as Exhibit K. All of the comments and materials presented to the LIA by Sen. Faiks, Sen. Jones and Mr. Clark were restricted to issues regarding the Tongass and ANWR.

At no time during their presentations to LIA's environmental committee did Sen. Faiks, Sen. Jones or Mr. Clark advocate the election or defeat of any political candidate, nor did they solicit or accept any campaign contribution. Rep. Mrazek was not mentioned by name in any direct presentation by Sen. Faiks, Sen. Jones or Mr. Clark. In fact, the only time Rep. Mrazek's name was mentioned before LIA was when Mr. Clark, in response to an audience question, identified him as the "New York Congressman" Mr. Clark had mentioned as the sponsor of the Bill. The lack of political content in the presentations to the LIA is best exemplified by the statement of Jim Larocca, President of the LIA. Attachment 1 to DCCC's own Complaint quotes Mr. Larocca as follows:

> [Clark] said they would provide an overview of this issue and what impact the issue had on their economy, but we said it was not appropriate in terms of discussing it in terms of congressional politics. They kept to that pledge.

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Following their presentation to LIA, Sen. Faiks, Sen. Jones and Mr. Clark met with Elizabet Van Nostrand, an editorial writer for Newsday, a daily newspaper published on Long Island. They then met with Peter Passell, a representative of the editorial board of the New York Times. Each of those interviews was restricted to a discussion of issues relating to ANWR and Tongass. In neither of the interviews did Sen. Faiks, Sen. Jones or Mr. Clark advocate the election or defeat of Rep. Mrazek or any other candidate.

On November 4, 1988, after staying overnight in New York City, Sen. Faiks flew home to Anchorage from New York. Sen. Jones and his son remained in New York City until November 5, 1988, when he returned by airplane to Alaska.

The official expenses incurred by Sen. Faiks during both her trip to Washington, D.C. and her side trip to New York were paid entirely out of the Alaskan Senate's portion of the Legislative Interim Budget Account. That account is maintained for the purpose of meeting official expenses of legislators, including expenses of travel to educate others about Alaska, during the time the Legislature is not in session. As President of the Senate, Sen. Faiks managed the Senate's portion of that fund.

Sen. Jones' travel expenses in connection with his appearance before the LIA totalled $1,544.22. These expenses were paid entirely out of the Senate's portion of the Legislative Interim Budge Account. Sen. Jones' other expenses, and all of the expenses attributed to his son, were personally borne by Sen. Jones.

Upon their return to Alaska, Sen. Faiks, Sen. Jones and Mr. Clark became aware of newspaper reports alleging that the purpose of their trip had been to campaign against Rep. Mrazek's election. Sen. Faiks and Sen. Jones responded to press inquiries by pointing out that their activities had included only factual presentations on land use issues of concern to them as representatives of the Alaskan people. On November 10, 1988, Mr. Clark, in an attempt to set the record straight, wrote to Rep. Mrazek ("Exhibit L). Rep. Mrazek never responded to Mr. Clark's letter.

III. LEGAL ANALYSIS AND ARGUMENT

Were the Commission to impose the sanctions sought by the Complaint, it would improperly infringe on the First Amendment free speech rights of Sen. Faiks and Sen. Jones. In addition, any attempt by the Commission either to sanction Sen. Faiks or Sen. Jones' past activities, or to restrict their future activities would constitute undue interference with the legitimate governmental functions and objectives of the State of Alaska.

The expenses incurred by Sen. Faiks and Sen. Jones in connection with their presentations in New York were not incurred for the purpose of influencing any federal election and, therefore, did not constitute expenditures, as that term is defined by the Federal Election Campaign Act of 1971, as amended ("FECA"), 2 U.S.C. Sections 431 et seq. Because their expenses were not "expenditures", they did not fall within the purview of the Act

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and, therefore, neither Sen. Faiks nor Sen. Jones are subject to the registration and reporting requirements of FECA.

"Expenditure" is defined in 2 U.S.C. § 431(9)(A)(i) as:

> Any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for federal office.

The courts have determined that the First Amendment requires that the clause "for the purpose of influencing any election" must be defined to include only the "express advocacy of the election or defeat of a clearly identifiable candidate".[3] This specific, restricted definition is essential to the preservation of political free speech rights under the First Amendment.

As the court acknowledged in Orlosky, the Commission has developed and utilized a two-prong test for determining whether an activity is a political event, i.e., for the purpose of influencing a federal election. An activity is not a political event if (1) there is an absence of any communication expressly advocating the nomination, election or defeat of any candidate for federal office, and (2) there is no solicitation, making or acceptance of a contribution to a campaign for federal office. This standard has been repeatedly and consistently applied by the Commission.[4]

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[3] Orlosky v. Federal Election Commission, 795 F.2d 156, 166-67 (D.C.Cir. 1986), citing Buckley v. Valeo, 424 U.S. 1 (1976).

[4] See, AO 1977-54, 1 Federal Election Campaign Financing Guide (CCH) ¶ 5301 (funds contributed by corporations and others to an issues campaign would not be considered contributions, even though the campaign included activity by a candidate for federal office, provided that the campaign did not involve electioneering for any federal candidate); AO 1981-37, 1 Federal Election Campaign Financing Guide (CCH) ¶ 5623 (no contribution or expenditure

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As reflected by the above cited Advisory Opinions, the Commission has recognized that governmental officials, including elected officials, are free to continue the performance of their official duties and responsibilities, even during election periods. As long as officeholders, federal or state, refrain from injecting overt electioneering activity into the performance of their duties and responsibilities, they may continue to address issues confronting them and their constituencies, and may actively advocate and support such issues, without becoming subject to the registration or reporting requirements of FECA.

In assessing whether any activity or event is for the purpose of influencing a federal election, the Commission looks to the objective facts and circumstances characterizing the event or activity. A review of the nature of the presentations, and accompanying materials, delivered by Sen. Faiks and Sen. Jones to the LIA and the newspapers clearly demonstrates that their activities, and the costs incurred with respect thereto, were not for the purpose of influencing any federal election.

The presentations made by Sen. Faiks while in New York dealt exclusively with ANWR and included the distribution of a significant amount of nonpartisan literature concerning that issue.

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results under the Act where the purpose of the activity is not to influence the nomination or election of a candidate for federal office, but instead is in connection with the duties of an officeholder); AO 1980-89, 1 Federal Election Campaign Financing Guide (CCH) ¶ 5537 (donations of food and beverages by corporations and others to a reception held by a federal officeholder for his advisory committee on the arts were not contributions as long as electioneering was not part of the reception).

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At no point during the course of her presentations did Sen. Faiks mention Rep. Mrazek's name, advocate his defeat, promote the candidacy of his opponent, solicit funds for any candidate, or in any way, shape or form attempt to influence the election votes of the members of her audiences.

Similarly, Sen. Jones' presentations specifically addressed an issue, the development of the Tongass. A review of Sen. Jones' speech text establishes that the objectives of his presentations were to educate his audiences regarding the Tongass, and to enlist their support for legislation which would allow for the development of the Tongass in an ecologically responsible manner. Absolutely nothing in Sen. Jones' presentations advocated, promoted, or suggested, either explicitly or implicitly, the defeat or the election of Rep. Mrazek, his opponent or any other candidate. Moreover, at no point during Sen. Jones' New York trip did he solicit, make, or accept any contributions for on behalf of any candidate.

Further evidence of the character of Sen. Faiks and Sen. Jones activity in New York is provided by the materials distributed by Mr. Clark. Specifically, Mr. Clark's briefing paper contains a succinct statement of the objectives of the Alaskans. That briefing paper concludes with a "Request for Assistance". That request is devoid of any mention of an election. Instead, it seeks the audience's philosophical support for the Alaskan position on the Tongass. (See Exhibit G).

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Lacking any hard evidence to support its allegations, the DCCC, in its Complaint, attempts to draw unwarranted inferences from the timing and sites of the Alaskans' issues presentations. These inferences do not withstand even the most causal scrutiny.

The timing of the presentations is thoroughly and credibly addressed in the affidavits of Sen. Faiks, Sen. Jones and Mr. Clark (Exhibits D, E, and F). These affidavits demonstrate that the timing resulted from the coordination of several schedules. In fact, Sen. Faiks, Sen. Jones and Mr. Clark adjusted their schedules to meet the already established schedule of the LIA. It also should be noted that several similar presentations have been made subsequent to the election period, and more are scheduled to be made in the future.

The allegation that Sen. Faiks and Sen. Jones traveled to the congressional district of the prime sponsor of legislation which they opposed is wholly irrelevant to the question of whether their trip was for the purpose of influencing a federal election. Sen. Faiks and Sen. Jones both acknowledge in their affidavits that the purpose of their presentations was to educate, and influence Rep. Mrazek's constituents regarding legislation of which Rep. Mrazek was the prime sponsor. Moreover, the content of their presentations, and the nature and substance of the materials which they presented in connection with those presentations clearly demonstrate their purpose was not to influence any election.

In its complaint, the DCCC alleged that Sen. Jones' press release "virtually conceded that the timing [of the presentation]

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was not an accident". That allegation is an unconscionable distortion of the truth. Sen. Jones' press release does not support the DCCC's allegations in that regard. Instead, it clearly demonstrates that the purpose of his New York presentations was to educate Rep. Mrazek's constituents regarding Tongass, and, thereby, to develop support within that constituency for the Alaskan position. Enlisting support for a legislative position is a far cry from seeking to influence a federal election. The timing of the presentation was driven by the schedules of the organization and individuals involved in the presentations, not by the pendency of Rep. Mrazek's re-election campaign.

The DCCC also alleged that press reports of statements by Sen. Faiks evidenced her intent to influence Rep. Mrazek's re-election campaign. That allegation ignores the fact that the comments attributed to Sen. Faiks were made after her return to Alaska, and did not occasion any expenditure. Sen. Faiks was simply responding to the Alaska media with an expression of her opinion, which statement is fully protected by the First Amendment and does not fall within the scope of the Commission's jurisdiction. If anything, the contrast between Sen. Faiks' "at home" statements and her presentations in New York support the inevitable conclusion that her trip to New York was not for the purpose of influencing Rep. Mrazek's re-election.

The most accurate characterization of the Alaskans' presentation is contained, albeit inadvertently, in the Complaint.

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Attachment 1 to DCCC's Complaint quotes Jim Larocca, President of the LIA, as follows:

> [Clark] said they would provide an overview of this issue and what impact the issue had on their economy, but we said it was not appropriate in terms of discussing it in terms of congressional politics. They kept to that pledge. (emphasis added)

Sen. Faiks, Sen. Jones and Mr. Clark went to New York with the understanding that their presentation to the LIA would be limited to a discussion of Alaskan land use issues. As demonstrated by all the evidence, they adhered to that understanding during their presentation to the LIA. Their newspaper interviews also were limited to a discussion of issues affecting Tongass and ANWR. In short, no part of their respective trips to New York were for the purpose of influencing an election.

IV. CONCLUSION

All of Sen. Faiks and Sen. Jones' activities during their respective trips to New York were undertaken in furtherance of their duties as members of the Alaska State Legislature. They each made a determination that the interests of their respective constituencies would best be served by a full exposition of Tongass and ANWR issues before organizations and publications with the potential to impact the policies and actions of any federal officials with influence over issues affecting the economic well being of Alaska. None of the expenses incurred by Sen. Faiks and Sen. Jones in connection with their issues presentations in New

York were incurred for the purpose of influencing an election for federal office. Therefore, they did not constitute expenditures under FECA, and were not subject to the registration or reporting requirements of FECA.

Respectfully submitted,

JAN FAIKS
LLOYD JONES

By: A. Thomas Carroccio

Ralph J. Caccia

SANTARELLI, SMITH, KRAUT
& CARROCCIO
1155 Connecticut Avenue, N.W.
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Washington, D.C. 20036
202/466-6800

Counsel for
Jan Faiks and Lloyd Jones

March 16, 1989

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EXHIBITS

EXHIBIT A:	Alaskan State Legislature - Resolve No. 83
EXHIBIT B:	Alaskan State Legislature - Resolve No. 47
EXHIBIT C:	ALA List of Organizations and Publications
EXHIBIT D:	Affidavit of Jan Faiks
EXHIBIT E:	Affidavit of Lloyd Jones
EXHIBIT F:	Affidavit of James Clark
EXHIBIT G:	Briefing Paper Distributed by Mr. Clark
EXHIBIT H:	Sen. Jones' Press Release
EXHIBIT I:	Sen. Faiks' Packet of ANWR Materials
EXHIBIT J:	"Keeping Alaska Alaska"
EXHIBIT K:	Sen. Jones Speech Text
EXHIBIT L:	Mr. Clark's Letter to Rep. Mrazek

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STATE OF ALASKA

THE LEGISLATURE

1988

Source: HCS SJR 15(Pts)

Legislative Resolve No. 83

Relating to maintaining timber industry employment, funding of U.S. Forest Service operations, and the allowable timber harvest level in Southeast Alaska and amendment of sections 703 and 705 of the Alaska National Interest Lands Conservation Act.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the House Interior Committee of the U. S. Congress has passed a bill that would make a number of major changes in the sections of the Alaska National Interest Lands Conservation Act of 1980 (ANILCA) that affect the Tongass National Forest; and

WHEREAS holders of the 50-year contracts, independent timber interests, Native corporations, local communities, and fishing, tourism, and environmental advocates are working hard to achieve a compromise; and

WHEREAS representatives from Southeast Alaska are working hard to achieve a compromise and the Congress should work to achieve a compromise developed by Alaskans; and

WHEREAS a reasonable compromise should provide for

(1) adequate input from the people of Southeast Alaska;

(2) meaningful consideration of the issues set out in the ongoing Tongass Land Management Plan (TLMP) revision process;

(3) maintenance of job levels in the dependent and independent timber industries;

(4) adequate fish and game protection;

(5) an adequate wilderness system;

(6) recognition of community interests; and

(7) protection of subsistence;

BE IT RESOLVED that the Alaska State Legislature urges the United States House of Representatives to review sections 703 and 705 of ANILCA and the bill that passed the House Interior Committee and continue working with all parties from Alaska to achieve a reasonable compromise that will

(1) consider the issues raised in the TLMP revision process;

(2) maintain the timber supply needed to support existing timber industry employment in the Tongass National Forest;

(3) protect subsistence, fish and game habitats, and commercial fisheries;

(4) provide for mining opportunities;

(5) support local community self-determination;

(6) recognize the growing tourism industry; and

(7) maintain transportation and utility corridors.

COPIES of this resolution shall be sent to the Honorable Richard E. Lyng, Secretary of Agriculture; the Honorable Donald P. Hodel, Secretary of the Interior; the Honorable Patrick J. Leahy, Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry; the Honorable J. Bennett Johnston, Chairman of the Senate Committee on Energy and Natural Resources; the Honorable E de la Garza, Chairman of the House Committee on Agriculture; the Honorable Morris K. Udall, Chairman of the House Committee on Interior and Insular Affairs; the Honorable George Miller, Chairman of the Subcommittee on Water and Power Resources, House Committee on Interior and Insular Affairs; Dale Robertson, Chief of the U.S. Forest Service; William P. Horn, Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

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STATE OF ALASKA

THE LEGISLATURE

1988

Source

HCS CSSJR 7(Res) am H

Legislative Resolve No.

47

Relating to oil and gas exploration, development, and production within the Arctic National Wildlife Refuge, Alaska, and declaring state policy.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS in 1980 the United States Congress suspended the operation of the Mineral Leasing Act of 1920 (30 U.S.C. 191) on the coastal plain of the Arctic National Wildlife Refuge to allow for the study of management alternatives for the coastal plain; and

WHEREAS the coastal plain has been found to have the best potential for onshore oil and gas discoveries in the United States; and

WHEREAS Congress recognized the environmental importance of the coastal plain by placing it in the national wildlife refuge system in 1980, and the wildlife and habitat deserve a high standard of protection if oil exploration and development proceed; and

WHEREAS exploration and development of oil and gas on the coastal plain could reduce the nation's trade deficit, increase energy security, prevent erosion of the oil and gas industry, improve the national and state economies, and occur with full environmental protection and safeguards; and

WHEREAS even when the strictest standards of environmental protection are applied there still can be some risk to land, water, and wildlife from development activity, and Alaskans dependent on subsistence resources of the Arctic National Wildlife Refuge should be protected in the event that there is any damage to subsistence resources; and

WHEREAS the people of Alaska, based on the provisions of the statehood compact, are to be treated equally and fairly in the decisions of the United States government regarding revenue sharing, leasing, and development of public lands, including the coastal plain; and

WHEREAS the state's economy is in bad condition, with high unemployment, property foreclosures, and shrinking investment; and

WHEREAS the United States Department of the Interior is exploring a number of legislative proposals for the early oil and gas development of the coastal plain;

BE IT RESOLVED that the Alaska State Legislature adopts the following consensus points on management of the coastal plain, and strongly urges Congress to act on them:

(1) the United States Congress should open the coastal plain to environmentally responsible oil and gas exploration, development, and production under the authority of the Mineral Leasing Act of 1920 (30 U.S.C. 191);

(2) the United States Congress should provide for maximum participation and job opportunity for Alaska residents in coastal plain exploration and development;

(3) the United States Congress should treat Alaska equally and fairly on revenue issues and not depart from the spirit of the statehood compact; and

(4) the United States Congress should include language in any coastal plain legislation that addresses indemnification for subsistence users in Alaska, as it did in the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653); and be it

FURTHER RESOLVED that the Alaska State Legislature urges the state administration to be involved in all aspects of the Arctic National Wildlife Refuge oil and gas development process to ensure that the best interests of the state are protected.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives; the Honorable George P. Shultz, Secretary of State; the Honorable Donald P. Hodel, Secretary of the Interior; the Honorable J. Bennett Johnston, Chairman, and the Honorable James A. McClure, Ranking Minority Member, of the Senate Committee on Energy and Natural Resources; the Honorable Quentin N. Burdick, Chairman, and the Honorable Robert T. Stafford, Ranking Minority Member of the Senate Committee on Environment and Public Works; the Honorable George J. Mitchell, Chairman, and the Honorable John H. Chafee, Ranking Minority Member of the Subcommittee on Environmental Protection of the Senate Committee on Environment and Public Works; the Honorable Morris K. Udall, Chairman of the House Committee on Interior and Insular Affairs; the Honorable George Miller, Chairman, and the Honorable Charles Pashayan, Jr., Ranking Minority Member of the Subcommittee on Water and Power Resources of the House Committee on Interior and Insular Affairs; the Honorable Walter B. Jones, Chairman, and the Honorable Robert W. Davis, Ranking Minority Member of the House Committee on Merchant Marine and Fisheries; the Honorable Gerry E. Studds, Chairman of the Subcommittee on

Fisheries and Wildlife Conservation and the Environment of the House Committee on Merchant Marine and Fisheries; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

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PUBLICATIONS AND ORGANIZATIONS WITH WHICH WE SHOULD MEET

ALASKA

Organizations

Alaska Municipal League
(Scott Burgess)
Alaska State Chamber of Commerce
Alaska Visitors' Association
Anchorage Chamber
Audobon Society
Fairbanks Chamber
Resource Development Council

Publications

Alaska Business Review
Alaska Journal of Commerce
Anchorage Daily News
Anchorage Times
Fairbanks Daily News Miner

N.W. REGIONAL

Organizations

ALA Associate Members
California Timber Assn./Dennison
Northwest Business Coalition
Pacific Logging Congress
Portland Chamber
Seattle Chamber
Seattle Propeller Club
Spokane Chamber
WFIA

Publications

Denver Post
L.A. Times
Oregonian
San Francisco Chronicle
Seattle P.I.
Seattle Times
Spokane Newspaper

NATIONAL

Organizations

AFA
AFI
Ducks Unlimited
Fish and Wildlife Association
(Kelly - D.C.)
International Association of Fish and Game (Commissioner Max Peterson)
International Association of Wildlife Managers
Long Island Association
National Association of Counties
National Forest Products Association (NFPA)
National Rifle Association
National Taxpayer's Union
National Wildlife Refuge Association
Rocky Mt. Elk Foundation - (Missoula, Mt. - Bob Munson)
SAF
Southern Forest Products Assn.
WFIA
Wildlife Management Institute (D.C. - Dan Poole)
Wildlife Society (D.C. - Harvey Hodgeson)

Publications

Atlanta Constitution
New York Times
Newsday
Philadelphia Inquirer
Reader's Digest
U.S. News & World Report
Washington Post

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AFFIDAVIT OF JAN FAIKS

I, Jan Faiks, under penalty of perjury, hereby declare and state as follows:

1. I serve in the Alaskan State Legislature as a Senator from Anchorage. During the last session of the legislature, I served as President of the Senate.

2. In 1988, the legislature of the State of Alaska adopted Legislative Resolve No. 47 calling for the United States Congress to allow certain economic activity in the Arctic National Wildlife Refuge ("ANWR"). In 1988, the legislature of the State of Alaska also adopted Legislative Resolve No. 83 calling for the United States Congress to allow certain economic activity in the Tongass National Forest ("Tongass"). I was a co-sponsor of both resolutions and, since their passage, have endeavored to achieve the objectives of those resolutions.

3. In 1988, I was invited to visit the National Science Foundation ("NSF") program on polar research in Antarctica. In conjunction with this program, it was necessary for me to go to Washington, D.C. to receive a briefing prior to a program expedition to Antarctica. On October 12, 1988, in conversations with representatives of NSF, I scheduled the briefing for November 1, 1988. The briefing date was confirmed in a telephone conversation of October 20, 1988.

4. During the week of October 17, 1988, I was contacted by Senator Lloyd Jones regarding my availability

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to participate in a presentation to the Long Island Association ("LIA"). I informed Senator Jones that my schedule called for me to be in Washington, D.C. on November 1, 1988, and that I would be willing to make a presentation regarding ANWR if it could be scheduled around the NSF briefing. On either October 25 or 26, 1988, Senator Jones informed me that the issues presentation before the Long Island Association had been confirmed for November 3, 1988.

5. Upon receiving confirmation of the presentation date, I made arrangements to have packets of materials on ANWR assembled and sent to Long Island for distribution at the presentation. Those packets were dispatched from my office on October 28, 1988 by DHL Express.

6. In accordance with my pre-arranged schedule, I flew to Washington, D.C. on October 31, 1988. On November 1, 1988, I met with Peter Wilkniss, Director, Division of Polar Programs, Directorate for Geosciences, National Science Foundation, who provided me with the Antarctica briefing. On November 2, 1988, I met with various Congressional staffs and with Washington representatives of Alaskan interests.

7. On the morning of November 3, 1988, I flew to Long Island and participated in a presentation before the environmental committee of the LIA. During that presentation, Sen. Jones addressed issues relating to Tongass, and I addressed issued relating to ANWR. Also appearing with Sen. Jones and me was James F. Clark, a representative of the Alaska Loggers Association.

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8. At no time during our direct presentations did Sen. Jones, Mr. Clark or I make any reference to Congressman Mrazek. During a question and answer period following our presentations, a member of the environmental committee inquired as to the identity of the "New York Congressman" Mr. Clark had mentioned as a sponsor of legislation affecting Alaskan interests. Mr. Clark responded by naming Congressman Mrazek as the sponsor of federal legislation regarding the use of the Tongass National Forest.

9. In addition to our presentation before the environmental committee of LIA, Sen. Jones, Mr. Clark and I also met with a reporter for Newsday, a daily newspaper published on Long Island, and with the editorial board of the New York Times. These meetings addressed the Alaska land use issues of the Tongass and ANWR.

10. On November 4, 1988, after staying overnight in New York City, I flew from New York back home to Anchorage.

11. At no time during my November 3, 1988 visit to New York did I discuss Congressman Mrazek reelection campaign, promote the candidacy of his opponent, or solicit contributions with regard to any federal election. My participation in the issues presentations in New York were not arranged through or coordinated with Mr. Mrazek's campaign opponent or any member of the opponent's staff. To the best of my knowledge and belief, I have never had any contact with Congressman Mrazek's campaign opponent or with any member of the campaign opponent's staff.

12. My participation in the presentations in New York were undertaken by me in furtherance my responsibilities as

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a representative of my constituency. In doing so, I acted in the tradition of a long line of Alaskan officials who have joined with Alaska's citizenry and industry in past efforts to educate the rest of the country regarding Alaskan issues.

13. The cost of my briefing trip to Washington, D.C. was paid out of the Senate's portion of the Legislative Interim Budget Account, which is maintained for the purpose of meeting official legislative expenses during the time the legislature is not in session. The costs of my trip to New York, which totaled $466.48, were also paid out of that fund. The use of this fund reflects the fact that my activities were in furtherance of the Alaskan interests which were the subject of the legislative resolutions.

IN WITNESS WHEREOF, I have set my hand and seal this 14 day of March 1989.

Jan Faiks

Jan Faiks

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AFFIDAVIT OF LLOYD JONES

I, Lloyd Jones, under penalty of perjury, hereby declare and state as follows:

1. I serve in the Alaska State Legislature as a Senator from Ketchikan.

2. In 1988, the legislature of the State of Alaska adopted Legislative Resolve No. 47 calling for the United States Congress to allow certain economic activity in the Arctic National Wildlife Refuge ("ANWR"). In 1988, the legislature of the State of Alaska also adopted Legislative Resolve No. 83 calling for the United States Congress to allow certain economic activity in the Tongass National Forest ("Tongass"). Both resolves were adopted by the Governor of Alaska. I was the prime sponsor of Legislative Resolve No. 83 and a co-sponsor of Legislative Resolve No. 47. Since their passage, I have endeavored to achieve the objectives of those resolutions.

3. In September 1988, James F. Clark, who represents the Alaska Loggers Association ("ALA"), contacted me regarding a planned program by which ALA would seek to educate non-Alaskan citizens of the United States regarding the economic impact on Alaska of various existing and proposed federal restrictions on the use of Alaskan lands. Mr. Clark inquired as to whether

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I would be willing to participate in such a program, and whether I would assist in coordinating the participation of other Alaskan officials in such a program. At that time, I indicated to Mr. Clark that I thought the proposed program would benefit Alaskan interests, and that I would be willing to participate and assist in the implementation of such a program. I am sure that Mr. Clark made this approach to me because of my association with the ALA, of which I previously was President.

4. In October 1988, Mr. Clark provided me with a list of target organizations and publications for the ALA education program. Among the targets suggested by Mr. Clark were the Long Island Association ("LIA"), a business group in New York, and two New York based daily newspapers, the New York Times and Newsday. These targets were selected because they served the constituency of Congressman Robert Mrazek, a principal sponsor of legislation affecting the use of Alaskan lands. It was my hope that through my participation in the presentation to the LIA, I could demonstrate to Cong. Mrazek's constituents that, contrary to his representations, Alaskans were acting as responsible stewards of the Tongass, were developing the land in an ecologically sound manner, and were preserving the beauty of the Tongass for future generations. I further hoped that by educating segments of Cong. Mrazek's constituency regarding the environmental and economic impact of his proposed legislation, that constituency could influence Cong. Mrazek to modify his legislative position regarding the

Tongass. The Tongass use issue is of particular importance to me in that is has a significant impact on the employment base in Alaska, particularly in my Senate District. I also understood the ALA hoped to obtain a statement of support for the Alaskan position regarding Tongass from a Long Island group in order to counteract Cong. Mrazek's oft-made argument that certain communities in Alaska supported his legislative efforts.

5. I understand that Mr. Clark's education program was presented and approved at the October 15, 1988 meeting of ALA's Board. I also understand that the Board authorized Mr. Clark to begin the immediate implementation of the program.

6. During the week following the ALA Board meeting, Mr. Clark contacted me regarding the possibility of addressing LIA. I responded that I would be willing to do so anytime before the Alaska State Legislature began its session on January 9, 1989. Mr. Clark later informed me that although there would be no opportunity to address the entire Long Island Association before my legislative session began, there would be an opportunity to address that organization's environmental committee at a meeting scheduled for November 3, 1988. Mr. Clark also informed me that his personal schedule, which included plans for an extended trip to China, limited his availability to participate in any of the environmental committee's other scheduled meetings. I informed Mr. Clark that I would be willing to participate in a November 3, 1988

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presentation to the evnironmental committee, and agreed to contact my colleague, Senator Jan Faiks, to see if she would be available to participate in a presentation on that date. When contacted by me, Sen. Faiks indicated her schedule called for her to be in Washington, D.C. during the same approximate time period, and that she would be willing to rearrange her travel schedule so as to return from Washington to Alaska through New York. I informed Mr. Clark of Sen. Faiks' availability and willingness to participate in the program.

7. My records indicate that I spoke with Mr. Clark confirming the New York presentation on October 25, 1988. It is my recollection that it was during this telephone conversation that Mr. Clark confirmed the presentation date. My records also indicate that I contacted Sen. Faiks on October 26, 1988. It is my recollection that the purpose of my contacting her on this date was to confirm the scheduling of the November 3, 1988 presentation in New York.

8. On my trip to New York, I was accompanied by my teenage son. We departed Alaska on November 2, 1988 and arrived in New York early on the morning of November 3, 1988.

9. On November 3, 1988, Mr. Clark, Sen. Faiks and I made a presentation to the environmental committee of the LIA. My presentation addressed issues relating to Tongass, and Sen. Faiks' presentation addressed issues relating to ANWR. These presentations were limited to the discussion of environmental and economic issues affecting these areas. At no time during our direct presentations did Mr. Clark, Sen. Faiks or I

mention Cong. Mrazek's name. During a question and answer period following our direct presentations, Mr. Clark, in response to a question from our audience, identified Cong. Mrazek as the sponsor of a bill affecting the Tongass issues which has been the subject of our presentations.

10. In addition to our presentations before the environmental committee of LIA, Mr. Clark, Sen. Faiks and I met with Elizabet Von Nostrand, an editorial writer for Newsday, and with the editorial board of the New York Times. Both of these meetings addressed issues relating to Tongass and ANWR.

11. My son and I remained in New York City until November 5, 1988, when we returned by airplane to Alaska.

12. At no time during my November 3-5, 1988 visit to New York did I discuss Cong. Mrazek's reelection campaign, promote the candidacy of his opponent, or solicit contributions with regard to any federal election. My participation in the issues presentations in New York were not arranged through or coordinated with Mr. Mrazek's campaign opponent or any member of the opponent's staff.

13. My participation in the presentations in New York were undertaken by me in futherance of my responsibilities as a representative of my constituency. In doing so, I acted in the tradition of a long line of elected Alaskan officials who have joined with Alaska's citizenry and industry in past efforts to educate the rest of the country regarding Alaskan issues.

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14. The cost of my round trip airfare, ground transportation to the environmental committee meeting, and other expenses was paid out of the Senate's portion of the Legislative Interim Budget Account. These costs totalled $1544.22. The Interim Budget Account is maintained by the Alaska State Legislature for the purpose of meeting legislators' official expenses during periods the legislature is not in session. The costs charged to the Interim Budget Account were incurred in futherance of my duties as a member of the Alaska State Legislature. The balance of my expenses during my trip to New York, and all of the expenses attributable to my son, were borne by me, personally.

IN WITNESS WHEREOF, I have set my hand and seal this 3/14/89 day of March 1989.

Lloyd Jones

LLOYD JONES

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AFFIDAVIT OF JAMES F. CLARK

I, James F. Clark, under penalty of perjury, hereby declare and state as follows:

1. I am a partner in the law firm of Robertson, Monagle & Eastaugh, which maintains offices in Anchorage and Juneau, Alaska and in Washington, D.C. My practice includes representation of clients with regard to federal and state legislative and regulatory matters.

2. My clients include the Alaska Loggers Association ("ALA"). Among other matters, the ALA is interested in federal legislative attempts to limit or govern the use of the Tongass National Forest ("Tongass") and the Arctic National Wildlife Refuge ("ANWR"). Extensive hearings were held on these issues during the 100th Congress. Legislation regarding Tongass, H.R. 1516, passed the House in 1988, but expired in the Senate without action.

3. In September 1988, in preparation for ALA's semi-annual Board of Directors meeting, I developed a program by which ALA would endeavor to convey its concerns regarding federal land use restrictions to the rest of the United States. I anticipated seeking the assistance of various Alaskan officials in this endeavor, and to that end, in mid-September 1988, discussed the concept with Senator Lloyd Jones, a member of the Alaska State Legislature and a former President of ALA. During our early discussions regarding this matter, Sen. Jones indicated his willingness to participate in the program, and to assist in the coordination of other state officials' participation.

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4. From early September to mid-October 1988, I developed a list of organizations and publications to be contacted as part of the ALA educational campaign. I also made initial contact with several of the targeted organizations and publications to gauge their receptiveness to the program.

5. After developing a full educational program proposal, I presented the proposal to the October 15, 1988 meeting of ALA's Board. Attached to this declaration is a copy of the list of organizations and publications I recommended to be contacted as part of the ALA education program. The ALA Board approved the program and authorized me to begin implementation of the program as soon as possible.

6. During the week immediately following the Board meeting, I contacted several of the listed organizations and publications to arrange for presentations to them. One of the organizations contacted was the Long Island Association ("LIA"), a business association in New York. I had been introduced to the LIA by my law school classmate, Peter Kiernan, whose law partner, James LaRocca, was actively involved in the LIA. Mr. LaRocca, in turn, put me in contact with Mitch Palley, a member of the LIA staff. When I contacted Mr. Palley, he indicated it would not be possible to make a presentation to the entire LIA for several months because speakers had already been scheduled for several upcoming LIA meetings. Mr. Palley indicated, however, that the LIA's environmental committee would be an appropriate forum and had a number of scheduled meeting dates for which full agendas had not

8. In part, the purpose of the visit was to seek the support of a group on Long Island which disagreed with Congressman Robert Mrazek's approach to the Tongass to counter balance the support of H.R. 1516 of certain small communities in Southeast Alaska which Cong. Mrazek was fond of pointing out in Congressional hearings.

9. At no time during our respective presentations to the LIA did Sen. Faiks, Sen. Jones or I name Cong. Mrazek. During a follow up question and answer period, a member of the environmental committee inquired as to the identity of the "New York Congressman" who I had mentioned as having sponsored H.R. 1516. I responded by naming Cong. Mrazek as the sponsor of the bill. At no time during the presentation did we advocate the electoral defeat of Mr. Mrazek, promote the candidacy of his opponent, or solicit campaign contributions with regard to the election then being contested by Mr. Mrazek. It also should be noted that none of the presentations made by Sen. Faiks, Sen. Jones or me were arranged or coordinated by or through Cong. Mrazek's opponent, or any representative of Cong. Mrazek's opponent.

10. During our trip to Long Island, Sen. Faiks and Sen. Jones and I also met with Elizabet Von Nostrand, an editorial writer for Newsday, a daily newspaper published on Long Island. We also met with the editorial board of the New York Times in New York City.

11. From the earliest stages of development of the ALA education program, it has been viewed strictly as an issues program, and has not had as one of its purposes the influencing of any election, federal or state. In fact, the education program has

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been continued after the completion of the election cycle, as demonstrated by my presentations to the Atlanta Constitution and the NFPA. I also made a presentation to the Tacoma Tribune in 1989. In each case, Cong. Mrazek's name came up as the sponsor of the bill. It is anticipated that further presentations will be made by or on behalf of the ALA, and that some future presentations will include the participation of Alaskan officials. My next presentations are scheduled to take place before the Southern Forest Products Association on March 14, 1989, and before the Western Forest Industries Association later this month.

12. All of my expenses with regard to the trip to New York were borne by ALA. To the best of my knowledge and belief, ALA did not bear any portion of the expenses occasioned by the appearances of either Sen. Jones or Sen. Faiks in New York.

13. Upon returning to Alaska and learning of Cong. Mrazek's allegations regarding the nature of Sen. Jones and Sen. Faiks participation in the trip, I immediately wrote the Congressman denying and describing its real purpose. The letter is attached. Cong. Mrazek never responded to that letter.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13 day of March, 1989.

James F. Clark

James F. Clark

ALL-STATE LEGAL SUPPLY CO., ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

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TONGASS: THE NEED FOR A BALANCED RESOLUTION OF ISSUES

INTRODUCTION

In the 100th Congress, the House passed HR 1516, which would make major changes in the Alaska National Interest Lands Conservation Act's (ANILCA) management of the Tongass National Forest. HR 1516 was proposed by the Wilderness Society in order to "restructure the timber industry in Southeast Alaska." While the bill died in the Senate, we expect its early passage in the House next year and strong efforts made thereafter for Senate concurrence during the 101st Congress. The Alaska Congressional Delegation and the Governor oppose the legislation because it would greatly reduce timber availability during rising markets, thus making major job losses in the timber industry inevitable. This, in turn, would have a major adverse impact upon the economy of Southeast Alaska, which is based upon fishing, tourism and timber. When one considers that only 56,000 acres of the 17,000,000 acre National Forest was harvested between 1978 and 1987, the anti-jobs impact of this legislation cannot be justified on environmental grounds.

BACKGROUND

Congress made the Tongass different from every other National Forest in 1980 when, in Section 703, as part of ANILCA, it designated so much wilderness on the forest that the non-wilderness lands which remained open to timber harvest could not support the then existing level of jobs on a sustained yield basis. Section 705 of ANILCA was based upon an alternative recommended by the Regional Forester in the Tongass Land Management Plan (TLMP) of 1979 to resolve this problem. The idea was to use intensive management monies to increase the yield from the non-wilderness lands open to timber harvest and thus, provide a sustained yield harvest of 4.5 billion board feet per decade. The amount sold in any one year, of course, depends upon market demand, but the Forest Service is required to retain a sufficient land base so that, using intensive management monies, it can achieve a harvest level of 4.5 billion board foot per decade level. Jobs are to be retained by harvesting timber when markets are good and by constructing transportation facilities (roads, log transfer facilities, etc.) when markets are poor.

During the period 1981-1986, there was a major drop in international and domestic markets for solid wood products and pulp. This market reduction was quite pronounced in Alaska. Accordingly, the industry in Alaska harvested far below the authorized timber volume level and thus, Tongass stumpage receipts to the federal treasury were greatly reduced. Meanwhile, the Forest Service followed the TLMP program of countercyclical

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spending to construct a transportation infrastructure during bad markets (to cushion the bad market's impact on jobs).

Using data from the market slump, environmental organizations proposed HR 1516 to freeze the industry into the low end of the market cycle, thus permanently reducing the jobs the Tongass could produce. HR 1516, which passed the House last year, but died in the Senate, would have repealed Section 705 and with it, the intensive management program and the directive that the Forest Service maintain a sufficient land base to produce 4.5 billion board feet per decade. This would have reduced the timber available on a sustained yield basis to 3.38 billion board feet per decade, a 25% reduction. In addition, Title III of the House passed bill would have designated 19 areas for non-timber in advance of TLMP and would have further reduced the potential allowable sale quantity of the Tongass.

Markets for wood products from the Tongass are now excellent. Stumpage prices, and thus the return to the federal treasury are going up. Three new sawmills have opened, creating several hundred new jobs. Southeast Alaska native corporations, which have harvested most of the timber from the lands they received under the Alaska Native Claims Settlement Act are now purchasing timber from the Tongass. In short, all of the volume provided in Section 705 of ANILCA is needed to maintain an integrated, competitive industry.

The Draft TLMP EIS is due for public consideration in December 1989. TLMP is an administrative process pursuant to the Forest and Rangeland Renewable Resources Planning Act (RPA) to select a land plan from among alternatives considered by the public. Land allocations or dispositions outside of, and in advance of, this process (such as HR 1516) would be in contravention of the RPA's planning and public input provisions and would set the wrong precedent as plans are revised on National forests in the Lower 48. Congress should not pass Tongass legislation until it has at least seen and held a hearing on the Draft Plan.

REQUEST FOR ASSISTANCE

We ask that the Long Island Association consider the matter. If you agree that this issue should be resolved in a compromise manner fair to all sides, please urge your Senators and Congressional Representatives to seek a balanced resolution on the Tongass which the Alaska Congressional Delegation and Governor can support and which protects the integrity of the land planning and public input processes set out in the Forest and Rangeland Renewable Resource Planning Act.

STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

July 11, 1988

The Honorable Jim Wright
Speaker of the House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Mr. Speaker:

I am writing to ask your help in defeating H.R 1516, the Tongass Timber Reform Act, which is scheduled for House floor action on Tuesday, July 12. My principal concern with this measure is that it creates uncertainty in the Alaska timber industry, which depends upon wood supplies from the Tongass National Forest, by repealing certain provisions of the Alaska National Interest Lands Conservation Act (ANILCA).

During the ANILCA deliberations of the late 1970's, one of the most difficult issues was how to designate a substantial amount of wilderness in the Tongass while maintaining employment in the existing timber industry. This issue was settled by providing a continuing appropriation of at least $40 million per year to the Forest Service in order to make available a timber supply of 4.5 billion board feet per decade for the dependent timber industry. H.R. 1516's repeal of this funding mechanism and supply goal could harm the industry by reducing the amount of timber below that which is needed to sustain employment.

In addition to the unacceptable impact of the present legislation, I understand that an amendment may be offered which would cancel the fifty year contracts held by the Sitka and Ketchikan pulp mills. We strongly oppose cancellation of these contracts because such action could lead to the closure of one or both of these mills. Together, the mills are the largest private sector employer in the region. Face to face negotiation, rather than unilateral cancellation, is the appropriate procedure for addressing issues raised by the current terms of the contract. Moreover, contract cancellation could expose the federal government to substantial damages for breach of contract.

During the last six months, Alaska's elected officials have been working with members of the House Interior Committee to develop legislation which would address many of the concerns raised regarding management of the Tongass. I still believe

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that an acceptable resolution is within reach and am concerned that a vote in favor of H.R. 1516 would make it far more difficult to develop a compromise which would immediately and finally resolve this issue.

For these reasons, I encourage you to vote against H.R. 1516.

Sincerely,

John W. Katz
for Steve Cowper
Governor

cc: Senator Stevens
Senator Murkowski
Congressman Young

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ALASKA STATE LEGISLATURE

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907-225-9675

While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

JONES TAKES TIMBER FIGHT TO MRAZEK'S HOME TURF

"It's time we let the people of Congressman Mrazek's (Mer-Az-Ik) district know that we have opinions and will fight for what is right." Says District One Senator Lloyd Jones of a trip to Long Island, New York. Jones and Alaska Timber Lobbyist Jim Clarke are currently in Long Island for two days to meet with area business groups and the New York Times newspaper. The purpose of the trip is to plead the case of Southeast Alaska's economy. Congressman Bob Mrazek of Long Island, is a leading proponent in the U.S. Congress of locking up more of the Tongass National Forest. Mrazeck has proposed a bill that changes ANILCA and which results in job losses and jeopardizes two of the largest manufacturing plants in Alaska, the Ketchikan and Sitka Pulp mills. It will also impact independent logging contractors, who employ many in Southeast Alaska.

"These people have to be made aware that we have a healthy economy with a tremendous amount of potential." Jones continues, "I am hopeful we will get our point across to the business people of the area who will in turn get it to Mrazek. With so many jobs at stake in our area I feel obligated to do everything in my power to resolve this issue."

Legislation critical to continued timber harvest in the Tongass has been a political football in Congress for several years, with environmental groups anxious to designate more of the forest as wilderness thus making timber harvest impractical.

For More Information Contact
Ray Matiashowski 225-9082

Please Embargo Until 5:00 AM
November 3, 1988

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Exhibit "I" is Senator Faiks' packet of materials on the Arctic National Wildlife Refuge. It contains numerous booklets, pamphlets and other printed materials. Due to the bulk of this packet, it has been excluded from the summary file. It is available for review with consent from the General Counsel's office.

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Exhibit "J" is a tabloid newspaper entitled "Keeping Alaska Alaska." It has been excluded from the summary file due to its size. It also is available for review with consent from the General Counsel's office.

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TONGASS SPEECH

by

SENATOR LLOYD JONES

When most of you think of Alaska, you envision mountains, snow, and great expanses of ice. You're right if you think that Alaska is the largest state in the union. It covers one-fifth the area of the lower 48 states. And it is true that when the sun rises in Barrow, Alaska on May 10, it doesn't set again for nearly three months, making it the land of the midnight sun.

With all these natural phenomenons, it's understandable that you and other people living in the lower 48 have misconceptions about Alaska. We are not all frozen under as was reported on CNN during the whale rescue story recently. Because of the great expanse, the state enjoys varying degrees of temperature from one region to another. It's a well kept secret that in the summer months, it's not uncommon for parts of the state to experience 80-degree sunshine. And as for snow, the white stuff usually falls in the midwest first, before we see a flurry in Southeast Alaska.

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Alaska is a vast wilderness with unique beauty--a land of mystery and intrigue. It's no wonder writers depict it as a romantic land. We have a special environment that we must protect for future generations. But the state is also a land rich in natural resources, such as ~~mining,~~ mineral, seafood, fishing, oil, and timber. Producing these resources is a way of life for many of our residents. And many believe, myself included, that protecting the jobs of future Alaskans is just as important as protecting our natural beauty. We believe we can do both.

Recently, articles in national magazines have negatively portrayed our use of the natural resources. One such article in, Sports Illustrated last year, blatantly refused to acknowledge how important the timber industry is to Southeast Alaska. These types of articles do Alaska a great injustice, as do hearings solely held in Washington D.C. over the Tongass National Forest.

The majority of Alaskans who work and live in the Tongass National Forest understand that there is a delicate balance between harvesting the forest and keeping it a renewable resource--one which our children and their children can enjoy for years to come--both asthetically and economically.

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I am heartened to know that there will be a series of congressional hearings regarding the Tongass held throughout Southeast Alaska. It is time the powers-that-be in Washington talk to the people who live and work in the Tongass. Maybe the misconception placed on Alaska and its residents can finally be put to rest.

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ADMITTED IN WASHINGTON D C **
AND ALASKA

ALL OTHERS ADMITTED
IN ALASKA

November 10, 1988

The Honorable Robert J. Mrazek
UNITED STATES HOUSE OF REPRESENTATIVES
Washington, D.C. 20515-3203

Dear Congressman Mrazek:

Last week, Senator Jan Faiks, Senator Lloyd Jones and I visited the Long Island Association to ask for its support for reasonable Tongass legislation. A copy of the briefing paper which we provided the Long Island Association is enclosed for your reference.

When we returned from that trip, we found the attached article from the Juneau Empire, which made it sound as if we had gone to Long Island to campaign against your re-election. While we certainly disagree with your position on Tongass legislation and the opening of ANWR, we did not campaign against you. One of the things which most Alaskans resent, is your effort through your legislation to micro manage the Tongass which you have visited only once and about which you really only know what the Wilderness Society has told you. For us to come into your district and tell the people of the 3rd Congressional District how to vote, would make us guilty of the same conduct which we find objectionable when done by you.

In short, we talked in favor of balanced and fair legislation for the Tongass, not about your re-election. Indeed, your name only came up once when someone asked me to name the "New York Congressman" (as I referred to you) who had introduced the Tongass legislation. Telling someone that you had introduced the legislation is not "campaigning against you."

I just thought it important to clear the air on this point. We have no doubt that early next year, you will do your utmost to pass legislation which will put up to one-third of our work task force on the Tongass out of work and close one of our pulp mills. While you have the right to do that, we think it is wrong and will resist it on the merits. On the other hand, we do not intend to campaign against you and have not done so.

Yours very truly,

James F. Clark

JFC:sd
Enclosures

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United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

FEDERAL ELECTION COMMISSION
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Mon 2811

March 1, 1989

Danny L. McDonald
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. McDonald:

Pending before the Federal Election Commission is a complaint against two Alaska State Senators who traveled to Congressman Robert Mrazek's district to discuss legislation threatening a major Alaska industry. Before completing consideration of this complaint, filed by the Democratic Congressional Campaign Committee (DCCC), the FEC should consider facts which are relevant to the complaint but not included in the document.

The State of Alaska paid the expenses of Senators Jan Faiks and Lloyd Jones to talk to Long Island, New York media representatives and business leaders about Congressman Mrazek's legislation to end commercial timber harvests in the Tongass National Forest. As president of the Alaska Senate, Senator Faiks was working to protect one of the state's largest industries. As the senator from Ketchikan, Senator Jones was representing the concerns of many of his constituents who would lose their jobs with the enactment of Congressman Mrazek's legislation.

I talked with Senators Faiks and Jones before their trip and I know their intent was to generate public support for Alaska's position on Congressman Mrazek's legislation. I encouraged them to travel to Congressman Mrazek's district to take a stand for Alaska's interests.

If Senators Faiks and Jones violated federal law by using public funds to advocate a position on federal legislation, then the same must be said of Congressman Mrazek.

In 1987, Congressman Mrazek traveled to Alaska -- at federal expense -- to generate support for the same legislation. During his three day tour of Southeast Alaska, including Senator Jones' district, Congressman Mrazek conducted at least five interviews, met with community leaders and attended public rallies with political overtones.

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Prior to t[illegible] t[illegible], the Congressman i[illegible]iat[illegible] contact with the Alaska press to generate support for his legislation through interviews and opinion columns. Newspaper clippings from Congressman Mrazek's trip and his earlier media contacts are attached.

If Congressman Mrazek is entitled to exercise his First Amendment rights in Alaska, then Alaskans should have the same rights in New York.

The DCCC complaint charges that Senators Faiks and Jones campaigned against Congressman Mrazek in the November 1988 election. In fact, their activities were limited to meetings with community leaders and the media. They did not participate in rallies, purchase political advertising or advocate the election of Congressman Mrazek's opponent.

After the FEC's thorough review of the DCCC complaint, I am confident you will find that Senators Faiks and Jones were acting in the best interests of Alaskans rather than Congressman Mrazek's opponent.

With best wishes,

Cordially,

TED STEVENS

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Wrangell Sentinel, May 21, 1987

New York congressman wants annual vote on Tongass timber funds

Congress should vote each year on how much money to spend on timber harvesting in the Tongass National Forest, a New York congressman says.

Rep. Bob Mrazek, sponsor of the Tongass Timber Reform Act now pending in the United States House, told the Sentinel he believes the "permanent" appropriation of $10 million a year to the Tongass Timber Supply Fund should be abolished.

"As a member of the Appropriations Committee, I feel the committee should determine each year the appropriate level of funding based on the world market for timber, the management practices of the U.S. Forest Service and environmental concerns," Mrazek said in a letter to the Sentinel. "No other item in our budget receives a 'permanent' appropriation, without annual congressional review."

Mrazek's May 7 letter to the Sentinel was written in response to a request from the publishers that the congressman open up a dialog with the people of Wrangell. Mrazek's Tongass Timber Reform Act was the subject of hearings in the House interior committee this week.

The bill seeks to eliminate the $40 million-a-year Tongass Timber Supply Fund as well as the requirement of the Alaska National Interest Lands Conservation Act (ANILCA) that 4.5 billion board feet per decade be put up for timber sales in the Tongass.

In response to a question from the Sentinel about the future of timber harvesting in Southeast, Mrazek said he did not know if it was the national policy of this country to stop such harvesting in the future.

"Certainly, this is not the present national policy, and I'm not in a position to tell you what the future policy will be," his letter said. "Although I have introduced legislation which is fairly clear cut, it is one of approximately 7,000 bills introduced in this session of Congress.

"Whether it survives committee hearings in its present form, is brought to the floor of the House for a vote, is approved by the House, approved by the U.S. Senate and signed into law by President Reagan, are questions that no one can yet answer."

In listing his reasons for introducing the Tongass legislation, Mrazek said he felt "infusion of millions by way of the Tongass Timber Supply Fund has not served to maintain a strong economy or timber jobs in Southeast Alaska. The number of jobs has plunged from 3,500 to 1,800 in the past five years."

He said he felt annual timber harvest levels should be set to demand for lumber "rather than by unattainable targets."

"The USFS is losing 99 cents for each dollar it spends in the Tongass," the letter said. "I am very concerned with our rapidly expanding deficit. H.R. 1516 will give us an opportunity to save $1 billion over the next 20 years.

"Roads are being built at a rate that far exceeds demand for timber," the letter added. "In addition, many previously untouched sections of this old-growth rain forest are being destroyed to reach timber for which there is no market."

The Sentinel also has asked Rep. Morris Udall, the other sponsor of the House bill, as well as Sen. William Proxmire, sponsor of a similar measure in the Senate, to respond to questions from the newspaper and open up a dialog with the people of Wrangell.

Ketchikan Daily News
July 13, 1987

Different opinions are trademark of Tongass debate

By JASON VONDERSMITH
Daily News Staff Writer

Differences of opinion.

In Southeast Alaska, environmentalists view the Tongass Timber Reform Act one way while pro-timber people see it another. None of those views change in Washington, D.C.

Rep. Bob Mrazek, D-New York, introduced the timber legislation in March and the House Appropriations Committee fueled it by placing a $41 million cap on federal funding to the Tongass National Forest last month. The House Interior Committee will tour the forest in Southeast Alaska and determine the future of the legislation from there.

The bill looks to change Section 705 of the 1980 Alaska National Interest Lands Conservation Act (ANILCA) which gives the U.S. Forest Service $40 million or "whatever the Secretary of Agriculture finds necessary" to make 4.5 billion board feet of timber available to the timber industry each decade.

The bill, Mrazek said, wouldn't take away the funding, but allow the Appropriations Committee to do an annual budget review on spending in the Tongass. He said the chief reason he introduced the bill was to clean up spending in the Tongass.

"There is federal spending going on at a loss in an industry that doesn't give it back," said Mrazek in an interview with the Daily News. "One of our main objectives in the House is to work with other members to bring the federal budget under control.

"I can understand the sensitivity of Alaskans on why a congressman from Long Island is butting in their affairs," he added."

Mrazek said his intent isn't to take jobs away from Alaskans, but to help foster more jobs with better control of spending in the Tongass.

In the past five years, Mrazek said, federal jobs have shrunk from 3,500 to 1,800 in the Tongass. He also said the U.S. Forest Service spent $50 million in the Tongass last year and received only $82,000 in cash receipts back — a return of only one cent on each dollar spent.

"I think the spending could be

See 'Opinions' on page 2

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Ketchikan Daily News
July 13, 1987

Opinions

Continued from page 1

better allocated to protect jobs," he said.

Mrazek said with 85 co-sponsors in the House, including Interior Committee Chairman Morris Udall, D-Arizona, the bill should be cleared by the Interior Committee and be sent on to the full House "but it may not be in the same form.

"When a bill has the endorsement of some environmental and conservative groups, I think it has to be taken seriously," he said. The bill is also backed by the National Taxpayers Union, a group that monitors suspect federal spending, and several conservative Republicans in the House, he said.

"It's not a limited Democrat-liberal backing," said Mrazek. "The supporters go right across the board."

Opponents see the effort by the environmentalist-backed congressmen in a different light.

Rep. Larry Craig, R-Idaho, said Mrazek is establishing a "smoke screen" in saying all he wants is an annual review of appropriations.

In the Democrat-controlled House, each committee is chaired by someone from that party and the Appropriations Committee is now chaired by Sid Yates, D-Illinois, who, in Craig's words, is a "devout preservationist."

Craig said "annual appropriation review is a nice sounding term," but is used by the environmentalists to help negotiate a settlement and allow a base for them to strike back later.

"They play up on the premise that institutional memory of Congress will fade in that time," he said.

He said the environmentalists would have an ideal situation because Yates is chairman of the Appropriations Committee.

One of the reasons he opposes the legislation is because when ANILCA was passed, both sides agreed on certain terms — the environmentalists would get 5.4 million acres of wilderness, and the timber industry would get the subsidy and would have to cut certain areas of timber, mainly economically marginal timber. Now, the environmentalists want to break the promise, said Craig.

"This is another way for the environmentalists to totally bar or restrict the timber industry," he said.

If the bill goes through, Craig said jobs in Southeast Alaska would be lost "without question."

Craig is one of two congressmen from Idaho and serves the western side of the state — the part that has the largest extent of the national forest in the state.

The Interior Committee, which has Alaska Rep. Don Young as its ranking Republican, will visit the Tongass in August. Both Mrazek and Craig feel the bill will be approved by the Interior Committee, but they also think the Tongass visit will help the committee get a better grasp on what Congress is dealing with in the Tongass.

"Easterners think the Tongass is like a small piece of property in the backyard," said Craig. "Even though the bill will be propelled by constant pressure from environmentalists, the visit should tone down some of the efforts."

If the bill makes it to the full House, it must be approved there and then approved by the Senate, then the president must sign the legislation before it takes effect.

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Daily Sitka Sentinel
July 28, 1987

Letters to the Editor

Tongass Reform Act

Dear Editor: As you are probably aware, I have introduced legislation in the House of Representatives to restructure a failed government timbering practice in the Tongass National Forest. The bill, H.R. 1516, already has garnered its share of controversy among some of your readers, a fact I can understand completely.

It occurs to me that I have the responsibility to explain my reasoning for this legislation to those whose livelihoods could be affected by the bill. As such, I submit the enclosed piece for publication.

Sincerely,
Robert J. Mrazek
D-New York

Tongass Timber Reform

By what right should a congressman from Long Island become involved in the future of a tract of forest a continent away?

Well, one reason is that since the establishment of the world's first national park a century ago, then continuing through the administration of Long Islander Teddy Roosevelt and ahead to the present, the federal government has made a commitment to the preservation of our seemingly boundless (yet increasingly threatened) natural splendor. Paradise, after all, can be lost.

But in the case of the Tongass National Forest, there is another compelling reason: federal spending that, to a large extent, accomplishes nothing. That's why I've filed legislation (H.R. 1516) to revamp a failed government timbering practice in the Tongass and save the federal government perhaps $1 billion in the next 20 years. I also hope that this bill simultaneously serves to help protect the first largely unspoiled rain forest in the world's temperate zones and the home of the largest concentrations of bald eagles and grizzlies in the world.

Alaskans, I've been told in no uncertain terms, often resent the intrusion of the long arm of the federal government, since much of the state has been placed under federal protection. I find it entirely understandable that some Alaskans may lean toward an us-versus-them mentality when your citizenry is standing astride some of the most spectacular vistas on the planet and someone from 3,000 miles away decides that he knows more than you about your best interests.

For this reason, I don't take it personally that my Alaskan colleagues in congress might not be inclined to support my bill. Standing up against Washington (or in this case, Long Island) gets you re-elected in Alaska, and I like to think that I'm no stranger to political reality. I've also been criticized for never having been to Alaska, a fact I hope to rectify in the near future.

Fair enough. But let's set some facts straight and let the votes fall where they may in Congress regarding the Tongass.

H.R. 1516 seeks to rework Section 705 of the landmark 1980 Alaska Lands act. This section requires an annual permanent appropriation of at least $40 million for U.S. Forest service (USFS) timbering operations within the Tongass. The provision came about as a hasty, 11th-hour compromise to placate both timbering and environmental interests.

The Tongasss stands alone among the nation's 156 national forests in terms of this permanent subsidy. At the same time, its remoteness guarantees extrememly high costs of logging and transportation within the forest. While it's not unusual for USFS operations to lose money in national forests, no other forest gets a guaranteed yearly windfall.

Let's look for a moment at the type of return that the U.S. taxpayer is getting on the investment in the tongass. For each dollar spent, 99 cents is lost. Each working day, another $200,000 is sunk into the destruction of the Tongass, and last year the gross receipts from timber sales in the Tongass were $82,000—enough to cover four-hour's costs paid by taxpayers. One reason for this is the artificially low prices charged for Tongass timber, the result of sweetheart deals signed by the government with two pulp-producing companies in Alaska in the 1950s.

Section 705 ostensibly was intended to preserve timber jobs in the panhandle region. But employment has dropped from 3,500 workers in 1980 to less than 2,000 today, according to USFS estimates. The reason: No one wants to buy the pulp produced from Tongass timber. There is about 1.4 billion board feet of timber waiting to be sold.

USFS also estimates that more than 6,000 full-time workers are employed in the fishing and tourism industries in the Tongass. Ironically, the continued exploitation of the forest could stand to hurt both of these growth industries. Spawning grounds in Tongass creeks are being fouled by the runoff that results from roadbuilding and clearcutting in the forest. And if the clearcutting continues, the aesthetic value of the land will drop, and the tourists will disappear.

Roadbuilding itself is another classic tale of make-work governmental interference in the Tongass. A forest with some trees that date to the Middle Ages is becoming laced in certain areas with "roads to nowhere," at the cost of $150,000 per mile. The damage to the ecosystem is bad enough, but when mountains of Tongass timber stand unsold, continued roadbuilding in the forest amounts to nothing less than an outrage.

The members of Congress from Alaska have suggested that H.R. 1516 represents a case of the federal government reneging on its promise to maintain the timber industry in exchange for the designation of more of the Tongass as wilderness, and an undercutting of the communities which have developed in the panhandle. But 14 town councils within the Tongass have passed resolutions in support of H.R. 1516.

Americans who live in the Lower 48 recognize Alaskans as a hardy and independent lot inhabiting our nation's last frontier. It is a reputation to be proud of, as I'm sure Alaskans are. With this in mind, it becomes apparent that the ultimate irony of the Tongass timber program is that its multi-million dollar appropriation does nothing to enhance what is now a non-competitive industsry. This contradicts the spirit of what Alaska stands for, and my legislation promises to deliver to federal bureaucrats a swift kick off of the gravy train and into reality.

Members of Congress often are criticized with some justification for a failure to cut the fat from federal spending. As a member of the House Appropriations Committee, I occasionally have the opportunity to do something about this criticism. No one is suggesting that the USFS presence in the Tongass will be eliminated, or that timbering in the forest won't go on. Instead, the Tongass should be managed in the same fashion as every other national forest, on the basis of its worth.

Whether you're from Juneau, Alaska or Jericho, Long Island, this should be obvious.

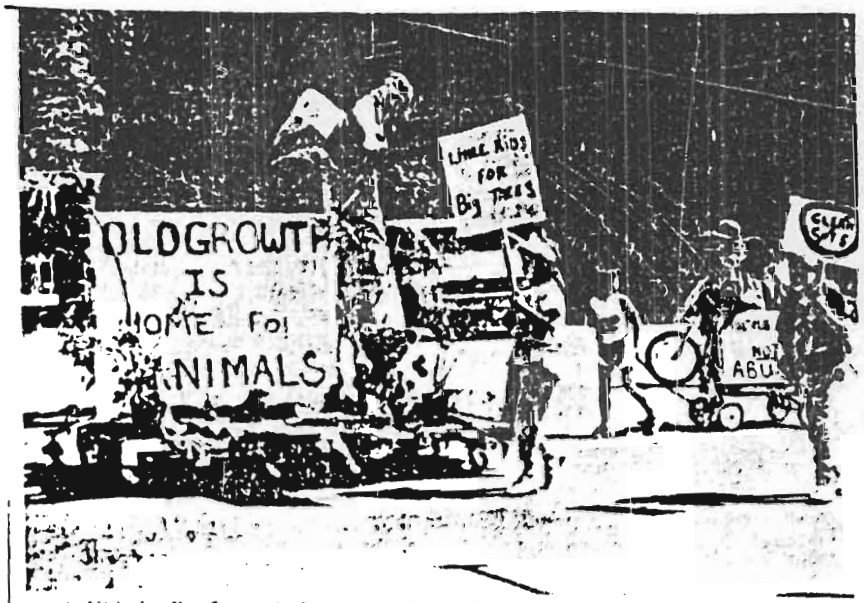
Alaska plates, New York bumpersticker

"I'm proud of my Congressman, Bob Mrazek"

Have you been wondering about the number of New Yorkers moving to Juneau recently? Not so, if you look closely, you'll see that it's the bumpersticker, not the license plate, that's shiny and new. These cars belong to people who've been here for awhile, they've just sort of adopted the New York Congressman who sponsored the the Tongass Timber Reform Act, which Alaska's Representative Don Young opposes. Young has criticized Mrazek, who is from Long Island, for sponsoring the legislation without ever having been to Alaska. In a letter published in the *Sitka Sentinel* July 28, Mrazek cited the national conservation efforts of "Long Islander Teddy Roosevelt" and defended his right, as a member of the national Congress, to further the federal government's commitment to the preservation of "our seemingly boundless (yet increasingly threatened) natural splendor." "Paradise, after all, can be lost," he wrote. Ending "federal spending that to a large extent accomplishes nothing is another compelling reason for his involvement, added Mrazek. Mrazek is one of the committee members who will be on the Tongass tour, so he and the others will have gotten their feet wet in the forest before they vote on H.R. 1516 this fall.

SEACC board members, staff and supporters express their appreciation to Rep. Bob Mzarek for introducing H.R. 1516, the Tongass Timber Reform Act (Photo courtesy of SEACC)

Don Young, who is the ranking Republican and vice-chair of the committee, has chosen not to accompany his colleagues on this trip to his home state. A member of his Washington staff said that Young "was just up there dedicating an oil tanker and to spend the 4th in Sitka." Although Congress is in recess, he said "people don't realize that he has a whole state to cover, and most of these guys just have a district." Young will be meeting up with the delegation for a social event in Anchorage, and several of his aides will travel with the group "so we'll be well represented, we just won't have Don," he said.



"Little Kids for Big Trees" in Juneau's 4th of July parade. Representative Don Young was in Sitka for the 4th

Photo courtesy of Danelle McCarthy

"Spawning grounds in Tongass creeks are being fouled by the runoff that results from roadbuilding and clearcutting in the forest. And if the clear-cutting continues...the tourists will disappear... A forest with some trees that date back to the Middle Ages is becoming laced with roads to nowhere at the cost of $150,000 per mile. The damage to the ecosystem is bad enough, but when mountains of Tongass timber stand unsold, continued road-building in the forest amounts to nothing less than an outrage."

Representative Bob Mrazek.

Southeastern Sun and Salmon Wrapper

Early August 1987

SERVICE
Anchorage Daily
News
Anchorage, AK
AUG 3 1987

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Tongass should be managed on basis of its worth

By REP. ROBERT J. MRAZEK

WASHINGTON — By what right should a congressman from Long Island become involved in the future of a tract of forest a continent away?

Well, one reason is that since the establishment of the world's first national park a century ago, the federal government has made a commitment to the preservation of our seemingly boundless (yet increasingly threatened) natural splendor.

But in the case of the Tongass National Forest, there is another compelling reason federal spending that, to a large extent, accomplishes nothing. That's why I've filed legislation (H.R. 1516) to revamp a failed government timbering practice in the Tongass and save the federal government perhaps $1 billion in the next 20 years. I also hope that this bill simultaneously serves to help protect the last largely unspoiled rain forest in the world's temperate zones and the home of the largest concentrations of bald eagles and grizzlies in the world.

Alaskans, I've been told in no uncertain terms, often resent the intrusion of the long arm of the federal government, since much of the state has been placed under federal protection. I find it entirely understandable that some Alaskans may lean toward an us vs. them mentality when your citizenry is standing astride some of the most spectacular vistas on the planet and someone from 3,000 miles away decides that he knows more than you about your best interests.

For this reason, I don't take it personally that my Alaskan colleagues in Congress might not be inclined to support my bill. Standing up against Washington (or in this case, Long Island) gets you re-elected in Alaska, and I like to think that I'm no stranger to political reality. I've also been criticized for never having been to Alaska, a fact I hope to rectify in the near future.

Fair enough. But let's set some facts straight and let the votes fall where they may in Congress regarding the Tongass.

H.R. 1516 seeks to rework Section 705 of the landmark 1980 Alaska Lands Act. This section requires an annual permanent appropriation of at least $40 million for U.S. Forest Service timbering operations within the Tongass.

The Tongass stands alone among the nation's 156 national forests in terms of this permanent subsidy. At the same time, its remoteness guarantees extremely high costs of logging and transportation within the forest. While it's not unusual for USFS operations to lose money in national forests, no other forest gets a guaranteed yearly windfall.

Let's look for a moment at the type of return that the U.S. taxpayer is getting on the investment in the Tongass. For each dollar spent, 99 cents is lost. Each working day, another $200,000 is sunk into the destruction of the Tongass, and last year the gross receipts from timber sales in the Tongass were $82,000 — enough to cover four hours' costs paid by taxpayers. One reason for this is the artificially low prices charged for Tongass timber, the result of sweetheart deals signed by the government with two pulp-producing companies in Alaska in the 1950s.

> *"It becomes apparent that the ultimate irony of the Tongass timber program is that its multimillion-dollar appropriation does nothing to enhance what is now a non-competitive industry. This contradicts the spirit of what Alaska stands for . . ."*

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☐ Robert J. Mrazek, a Democrat, represents New York's third district in the House of Representatives.

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Congressional Group to Make Sitka Stop

By Sentinel Staff

Members of the U.S. House Committee on Interior and Insular Affairs are scheduled to begin arriving in Southeast Alaska next Monday on inspection tours of the Tongass National Forest.

For much of the tour, the congressmen will be accompanied by spokesmen for industry and the environmental community, as well as the U.S. Forest Service.

Rep. Sam Gejdenson, the Connecticut Democrat who is chairman of the Interior Committee's subcommittee on general oversight and investigations, is to be in Southeast Alaska next Monday through Wednesday.

Nine other Interior Committee members, including the chairman, Rep. Morris Udall of Arizona, are to arrive in Southeast the following Saturday, Aug. 15, and tour the communities, logging operations and industrial operations in the Tongass before departing for Washington on Tuesday, Aug. 18.

Accompanying the Udall group will be two congressmen who are not members of his committee, Rep. John Porter, R-Ill., and Rep. Robert J. Mrazek, D-N.Y.

Committee members on the tour will be Democrat members George Miller and Richard Lehman of California; Bill Richardson, New Mexico; George Darden, Georgia; James Clarke, North Carolina; and Wayne Owens, Utah. Republican members of the committee in the group will be John Rhodes, Arizona, and Richard Baker, Illinois.

Gejdenson, on his individual tour, is to meet with Bob Lesher of Sealaska Corp. after arriving in Juneau Aug. 10. The following day he is to meet with the state interagency working group on the Tongass and tour a stand of old growth timber.

At 10 a.m., accompanied by Alaska Pulp Corp. Vice President Jim Rynearson and Bart Koehler, executive director of the Southeast Alaska Conservation Council, the Connecticut congressman is to visit Hoonah and tour the community and the Forest Service facilities there. On the way, they are to overfly the Greens Creek mine and the Admiralty Island National Monument.

They are to have lunch with the townspeople in Pelican and visit the mouth of the Lisianski River. Departing for Sitka, they are to overfly Tenakee Springs, Corner Bay and the Kadashan River.

In Sitka Gejdenson is to tour the APC mill and later have dinner with several union representatives.

On Wednesday, the congressman is to leave Sitka for Wrangell and visit the Wrangell Forest Products mill. In two events arranged by Koehler, he is to have lunch with commercial fishermen at Steamboat Bay on Noyes Island, and later meet with Native subsistence users at Hydaburg. Later, enroute to Ketchikan, he is to overfly Prince of Wales Island to observe forest timber harvest areas.

He is to have dinner with representatives of LP-K, operator of the Ketchikan pulp mill, and U.S. Borax Corp. representative Don Finney. He is scheduled to depart for Connecticut the following day.

The Udall group is to arrive in Juneau from Anchorage on Aug. 15, after five days of touring central and northern Alaska.

At Juneau, the party is to board the state ferry Malaspina at 9 a.m. Aug. 15, and depart for Sitka accompanied by Gov. Steve Cowper and other state officials, the regional forester of the U.S. Forest Service and representatives of the timber industry and environmental community.

During the nine-hour trip to Sitka, the group will be addressed by Udall, the governor and the regional forester, and an informal discussion among representatives of various viewpoints will be held from 1:30 to 5:30 p.m.

The next day the group will depart for Pelican in three float planes and have lunch with residents. Returning to Sitka one plane will overfly Greens Creek, the Shee Atika holdings on Admiralty and the village of Angoon. At 3:10 p.m. the group is to be driven to the pulp mill, with briefing on the bus to and from the mill. A reception is slated for 6 to 7 p.m. at the Sheffield-Shee Atika Hotel that evening with timber, Native and environmental groups.

The party leaves Monday for Wrangell to view the sawmill and Forest Service facilities there, with part of the group then leaving for Ketchikan, overflying Misty Fiords National Monument, and the other group going to Steamboat Bay to lunch with commercial fishermen and later visit Thorne Bay for a tour with USFS officials and residents.

After returning to Ketchikan, the group is to depart for Washington, D.C., the next morning, Aug. 18.

Sitka Daily Sentinel
August 6, 1987

Juneau Empire, August 17, 1987

Ferry turns into 'lobby boat' for congressmen

By KIRK McALLISTER
THE JUNEAU EMPIRE

While the MV Malaspina may have seemed like the "love boat" to some of its vacationing passengers on Saturday, for the nine visiting members of Congress on board the vessel it must have seemed more like the "lobby boat."

A majority of the Washington, D.C., visitors were members of the House Interior and Insular Affairs Committee headed by veteran Democrat Morris Udall of Arizona. The committee is wrapping up an eight-day tour of Alaska to get first-hand information to help them resolve two major questions: whether to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration and development and whether to make changes in the management of the Tongass National Forest.

The nine-hour ferry ride between Juneau and Sitka was a floating lobbying and information session for the congressmen. The "Gold Bar" cocktail lounge was closed off to other passengers and served as the meeting room for group.

The ferry trip Saturday appeared to be a relaxing respite for many of the congressmen, some of whom appeared weary from their whirlwind tour of the state, which included trips to Prudhoe Bay, ANWR, Kaktovik, Fairbanks, Anchorage and Katmai, Wrangell-St. Elias, Kenai Fjords and Lake Clark national parks. In addition to Sitka, the congressional troupe will visit Pelican, Steamboat Bay, Thorne Bay and Ketchikan before heading back to Washington on Tuesday.

Aboard the ferry, the visitors from Washington, D.C., were treated to slide shows and presentations by Gov. Steve Cowper and representatives from the U.S. Forest Service, the timber industry and environmental groups. The difference in this lobbying effort and the one the congressmen are used to in the crowded halls of the Capitol is that this time the nation's largest national forest, the 17-million-acre Tongass, was floating by and other passengers kept trundling by asking "Where can I get a drink since they've closed off the bar?"

While there was some talk of ANWR, most of the attention on the ferry trip was focused on the Tongass and a bill introduced by Rep. Bob Mrazek, D-N.Y.

Mrazek, a member of the House Appropriations Committee, has introduced a bill to repeal a section of the Alaska National Interest Lands Conservation Act that mandates the forest service spend $40 million a year in the Tongass to make sure 4.5 billion board feet of timber is made available for cutting each decade.

Mrazek, a thoughtful, taciturn, former basketball player from Long Island, making his first visit to Alaska, was cheered loudly by demonstrators who gathered in a show of support for his bill at the ferry terminals in Juneau and Sitka.

In an interview in the hallway of the Malaspina, Mrazek seemed genuinely befuddled by his hero status and rousing welcome by environmentalists in Southeast. He said his bill is aimed mainly at regaining "congressional oversight" of forest service expenditures in the Tongass and saving taxpayers' money.

He said he has 130 co-sponsors for the bill, coming from all sides of the political spectrum.

"If something is broken, it's time to fix it," Mrazek said. "The policy is not working. After spending half a billion dollars, employment in the timber industry here has dropped from over 3,000 in 1980 to 1,800 now. It doesn't seem to have been a wise investment. When the Australians can grow trees in seven years that are in direct competition with 250 to 300-year-old trees in the Tongass, something's got to give."

Even if his proposal isn't passed by Congress, the measure has served a constructive purpose by encouraging the forest service to reassess its policies in managing the Tongass, said Mrazek, who is also considering introducing legislation to cancel the 50-year contracts between the forest service and the two Southeast pulp mills: Alaska Pulp Co. and Ketchikan Pulp Co.

Cowper, meanwhile, said he opposes Mrazek's bill. While he isn't particularly happy with the forest service management of the Tongass, he said he believes "administrative remedies" should be tried before opening up the web of compromises contained in the 1980 lands act to changes.

Cowper said he is especially concerned with possible negative effects to the economies of Sitka, Wrangell and Ketchikan if management of the Tongass is changed significantly.

Jim Clark, attorney and member of the board of directors of the Alaska Pulp Co., told the committee that the money in the Tongass Timber Supply Fund was part of the compromise that put 5.6 million acres of the Tongass into wilderness status that prohibited logging. "A deal's a deal," he said.

Clark said that if congressmen merely wants the timber industry to return a profit to the federal treasury for use of the Tongass they could do it by removing the "primary manufacture" requirement and allowing the companies to sell unprocessed round logs. But that would mean a significant loss of jobs.

But Udall, who was a major player in the 1980 ANILCA debate, said that the bill was an 11th-hour compromise and wasn't "written in blood."

Jim Rynearson, senior vice president of Alaska Pulp Co., said that there would be "significant impacts" on the mill operations if Mrazek's bill passed. He said APC must be able to sell its saw logs to the sawmills in Southeast since the company can't make its own pulp logs alone.

"I'm not saying it would happen overnight or even at all but there would be a distinct possibility that the mill would close if this bill passed," Rynearson said.

Bonnie Kayden, owner of Alaska Discovery, a long-time guiding service that operates in the Tongass, gave the congressmen a perspective of a tourist-oriented business as it relates to the forest.

"We pay $3 a person to the forest service to take people out to take pictures of trees in the Tongass," Kayden said. "For half that the timber industry can remove 1,000 board feet of timber. Is that fair?"

While besieged with opinions differing from Clark, the lobbyist for the Alaska Loggers Association, to Steven Richardson, lobbyist for the Wilderness Society, committee members appeared to enjoy their trip.

There were drinks available, large tables of food, a couple of staterooms for those who wanted to catch up on their sleep, and even a souvenir package from the ferry system.

Rep. Bill Richardson, ran into a couple of constituents from his district in New Mexico, Rep. John Rhodes, R-Arizona, got a tour of the Malaspina's wheelhouse and Rep. George Miller, D-Calif., who is the likely successor to Udall as chairman of the committee, called it "a dramatic and spectacular day."

(Continued on Page 2)

Tongass...

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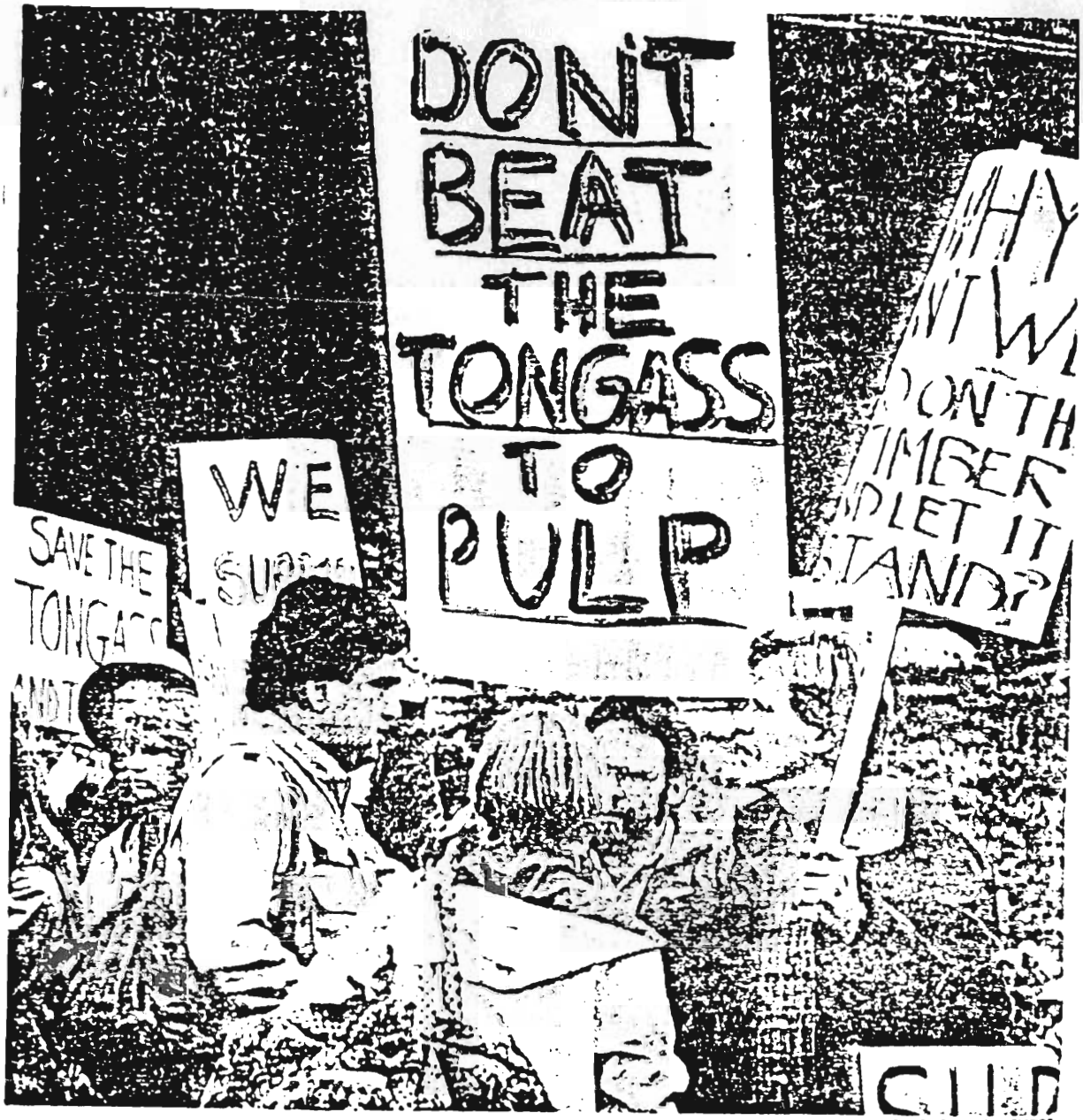
Other congressmen making the trip included Reps. George Darden, D-Georgia, James Clarke, D-N.C., Wayne Owens, D-Utah, and John Porter, R-Illinois.

The dozen or so lobbyists also appeared to enjoy their day having easy access to members of Congress in a relaxed setting without having to travel to Washington.

The only people that were a bit unsure about all the hubbub were the other passengers on the ferry.

"It's interesting that they would travel this way," said a women passenger from Canada observing the congressmen. "If this had been parliament, they would have rented a whole cruise ship and nobody else would have been allowed on board. That's the difference in America."



Tongass lobbying: Local environmentalists talk with Rep. Bill Richardson, D-N.M., at the Auke Bay ferry terminal.

Juneau Empire 8/17/87

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Sitka Daily Sentinel

Monday, August 17, 1987

Timber Act Chances In House Said Good

By ALLEN SYKORA
Sentinel Staff Writer

Reps. Morris Udall and Robert Mrazek, two of the key Congressmen urging passage of the Tongass Timber Reform Act, expressed confidence Sunday that they will be able to win passage of the measure in the House of Representatives.

They said the test will come in the Senate, where the measure will meet the opposition of Alaska's two senators, particularly Ted Stevens, author of the Tongass special fund provision that would be eliminated by the Mrazek bill.

A congressman who described himself as undecided on the issue, John J. Rhodes III, says he thinks it's too early to predict what will happen even in the House.

The three congressmen made their comments in Sitka, a major stop in the tour of the Tongass by nine members of Congress and a host of other state and local officials, along with spokesmen for industry and environmental viewpoints.

Dan Kish, an aide to Rep. Don Young, who opposes the legislation, also was in the group. The congressmen's first-hand look at the region affected by their decisions, he said, "keeps the process honest."

"If they wanted to," said Kish of the bill's sponsors, "they could pass this bill tomorrow on the floor of the House."

Their agreeement to see the region first, he said, indicates the respect they have for Young.

The arguments in Washington are marked "by a lot of hyperbole," he said. On the tour, he said, the legislators are having to reconcile the arguments they have heard with what they can actually see. In Sitka, as well as at other places on the tour, they are seeing "the human side of it."

The group boarded a state ferry in Juneau Saturday morning for the nine-hour trip to Sitka, during which time they were lobbied by environmentalists, timber industry officials, the Forest Service and Gov. Steve Cowper, who spoke on behalf of the timber industry.

The group was to have visited Pelican Sunday morning, and Alaska Pulp Corp. in Sitka in the afternoon. But the schedule was switched around when rainy weather in the morning delayed the floatplane trip to Pelican. APC officials conducted a short-notice morning tour of the mill instead, and several congressmen flew to Pelican to meet with residents there in the afternoon.

Sunday evening, they attended a recepoon at the Sheffield-Shee Auka Lodge, sponsored by Sealaska Corp. There, the Congressmen once again mingled with Sitkans, some in favor of and some opposed to the reform bill.

Congressional delegations have visited Sitka periodically over the years on formal and informal information-gathering missions regarding forest management policies. Among those opposing the industry viewpoint and greeting the officials this year were some former mill employees, members of Local 962, the union that staged a long strike against APC that resulted in decertification of the local earlier this year as bargaining agent of the mill employees.

Udall, D-Ariz., is chairman of the Committee on Interior and Insular Affairs, and Mrazek, D-NY, is a member of the House Appropriations Committee who originally sponsored the bill. Rhodes, R-Ariz., is a first-year congressman who is on the Interior Committee.

The primary thrust of Mrazek's bill is to remove certain provisions made for the timber industry in the Alaska National Interest Lands Conservation Act of 1980. In its present form, the reform bill would remove the mandated supply target of 4.5 billion board

Continued on Page 8

ACT'S ARCHITECT — Among those in the Congressional delegation was New York Rep. Robert Mrazek, who introduced the reform act, to the delight of environmentalists and to the dismay of the Southeast timber industry. (Sentinel photo)

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Timber Act . . .

Continued from Page 1

feet of timber per decade, and would remove the automatic entitlement of $40 million to the U.S. Forest Service for the purpose of making the timber available.

The bill would not eliminate the funding, but would make it subject to the year-to-year desires of Congress. The House already has voted to reduce Tongass funding for the next fiscal year, although Alaska's senators are trying to raise the level in any legislation that passes the Senate.

The Alaska congressional delegation and timber industry officials argue that the funding was a compromise in ANILCA needed to maintain a timber industry because some 5 million acres of land was taken out of the timber base and designated as wilderness. They fear that if the funding is not an entitlement, it may be reduced by a federal-deficit-conscious Congress.

Opponents, meanwhile, argue that the U.S. government is losing too much money on timber sales that are far below the cost of making the timber available, and that clearcut logging harms fisheries and wildlife resources.

A majority of the visiting Interior Committee members support passage of the reform act, although some members said they have not made a final decision.

Currently, the bill is in a subcommittee of the House Interior Committee. Two days of public hearings were held earlier this summer, at which a number of Southeast Alaskans testified both in favor and against.

"It's a little hard to predict," said Udall about the future of the reform act. "I think we can pass it in the House.

"But Sen. Stevens has much of the time been successful stopping Alaska lands legislation in the Senate. So I'm not going to claim victory."

Said Mrazek, "I have rarely been involved with an issue that has attracted so many supporters in the House of Representatives across such a wide spectrum."

So far, said the New York Democrat, he has 130 co-signers, which range from "the most conservative Republican to the most liberal Democrat." More than 40 of the co-signers are Republican, he added.

But, like Udall, he said he doesn't know what to expect in the Senate, where Stevens is a member of the Appropriations Committee. Mrazek termed Stevens a "powerful senator," and a "very worthy adversary" who might kill the bill even though control of the Senate has now shifted from Stevens' Republican party to the Democrats.

"Noting that Stevens is also involved in the fight to open the Arctic National Wildlife Refuge to oil development," Mrazek continued, "It would seem to me it would be hard for Sen. Stevens to fight on every front successfully to have his positions approved. But I am not predicting success for my Tongass reform bill."

When asked to assess whether he thinks the timber reform bill will pass the House, Rhodes replied, "A betting man wouldn't bet on this one now."

Although the issue is heatedly debated in Southeast and among some Congressmen, and passage is a priority of national environmental groups, he said, "A significant majority of the members of the House don't even know there's an issue up here, much less what it is. A lot will depend on what is presented and who will present it."

Most members of the delegation that visited Southeast are among the co-sponsors of the bill, noted Rhodes.

He said he believes most of his colleagues remain willing to listen to other viewpoints, however.

"I'm not sure most are prepared to go all the way with (the bill) as it is," he said. If the bill does pass, Rhodes continued, he expects some change in its current form.

Individual views

"I haven't signed onto HR 1516 (the reform act) as a co-sponsor because I didn't feel I knew enough about the issue," said Rhodes.

"After one day up here so far, I'm still not sure how I feel about this. We had an opportunity to visit with opponents and proponents. There are good points on each side...."

In fact, said Rhodes in assessing the impact of this trip on his thinking, "It's made it more confusing, frankly."

Udall, a veteran Congressional spokesman for environmentalist causes who has made previous trips to Southeast Alaska, said:

"I owe it to the people not to sit in an air-conditioned office in Washington, D.C., and make the decision."

He said he now feels "better prepared to make the right decision on the Tongass," commenting that "some impressions were solidified and some were undercut a little."

But the bottom line, he said, is, "My mind is not changed."

He called the timber supply mandate of 4.5 billion and annual $40 million entitlement "a big mistake."

The Alaska congressional delegation, which held out for these guarantees in the compromise legislation that withdrew vast areas of the forest from commercial operations, contend that "a deal is a deal."

Stevens and Young have accused environmental-oriented legislators with unfairly trying to dismantle just one part of the compromise.

"This simply is not true," said Udall, when asked for his response.

Udall said he never agreed to this deal in the first place, and that Stevens negotiated it in the Senate.

"We never got the chance" to be involved in those negotiations, said Udall. If he had been involved, Udall said he might have gone along with the deal, but that he also might have wanted some other changes.

"We don't have to be bound by some backroom deal made by people (over) five years ago," he said.

Mrazek told the Sentinel that he proposed the legislation on economic grounds, and he noted that most taxpayer lobbying organizations support the legislation.

He said the appropriations committee on which he sits reviews 155 national forest management programs — all but the Tongass National Forest.

"I think a good case can be made for the fact it ought to come under our review," he said.

Mrazek made it clear that he opposes logging on environmental grounds as well.

"Personally," he said, "I have reached the conclusion it would be a terrible mistake to clearcut primary old growth stands of forest in the Tongass."

Mrazek also called for the Interior Committee to review the 50-year contracts between the federal government and APC and another pulp mill in Ketchikan, to determine whether the contracts are "in the national interest and if they are in the interest of the Tongass National Forest."

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ALASKA CLIPPING
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Anchorage Daily
News
Anchorage, AK
AUG 18 1987

Congressmen finish Alaska trip with tour of Southeast

The Associated Press

JUNEAU — Nine congressmen wrapped up a whirlwind tour of Alaska this week with excursions in southeastern Alaska, including a nine-hour ferry ride that made them a captive audience to local lobbyists.

The congressmen, scheduled to return home today, spent eight days traveling around the state to learn primarily about two issues now before Congress — oil exploration in the Arctic National Wildlife Refuge and management of the Tongass National Forest.

Seven of the nine congressmen are members of the House Interior and Insular Affairs Committee headed by Rep. Morris Udall, D-Ariz., a veteran of Alaska lands issues.

Their itinerary included trips to the Prudhoe Bay oilfield, the coastal plain of the arctic refuge, and national parks such as Katmai, Wrangell-St. Elias, Kenai Fiords and Lake Clark. In Southeast, the congressmen visited Pelican, Steamboat Bay, Thorne Bay and Ketchikan.

They also took a ferry trip Saturday from Juneau to Sitka, a passage that turned into a floating lobbying session. A cocktail lounge was closed off to other passengers and served as a meeting room.

As the MV Malaspina floated past the forested islands of the 16-million-acre Tongass National Forest, the visiting congressmen were treated to slide shows and presentations by Gov. Steve Cowper, the U.S. Forest Service and representatives of the timber industry and environmental groups.

There was some talk of the arctic refuge, but in Southeast most people were concerned about the Tongass and a bill introduced by Rep. Bob Mrazek, D-New York.

Mrazek wants to repeal a section of the Alaska lands act that requires the Forest Service to spend $40 million a year to ensure that 4.5 billion board feet of timber is available for cutting each decade.

Environmentalists support the bill. Loggers don't.

Mrazek was cheered loudly by environmentalists at demonstrations in support of his bill at the ferry terminals in Juneau and Sitka.

He said his bill is aimed at regaining congressional oversight of the Forest Service's expenditures in the Tongass. He said he had 130 co-sponsors, including liberal Democrats and fiscally conservative Republicans.

Mrazek said that even if his legislation isn't passed by Congress, the measure has at least encouraged the Forest Service to rethink its Tongass management. He said he is also considering legislation to cancel the 50-year contracts between the Forest Service and the two Southeast pulp mills.

Some tourists aboard the ferry grumbled about not being able to get a drink because the cocktail lounge was closed. Others took it in stride, treating it as yet another attraction on a sight-seeing vacation.

"It's interesting that they would travel this way," said one woman from Canada. "If this had been Parliament, they would have rented a whole cruise ship and nobody else would have been allowed on board. That's the difference in America."

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Congressman convinced bill is needed

Ketchikan Daily News
August 18, 1987

By JASON VONDERSMITH
Daily News Staff Writer

After touring areas of the Tongass National Forest and talking with several Southeast Alaskans the past three days, Rep. Robert Mrazek, D-N.Y., is convinced that some form of legislation is necessary to change the forest's administration.

"My general conclusion is many people are dissatisfied with the present administration of this forest," Mrazek told the Ketchikan Daily News Monday.

Mrazek said he talked to fishermen who were concerned about fish habitat and independent loggers who say they're limited by present long-term 50-year timber harvesting contracts held by Alaska Pulp Co. of Sitka and Ketchikan Pulp Co.

Mrazek's bill, the Tongass Timber Reform Act (HR 1516), would subject the $40 million Tongass Timber Supply Fund established by the 1980 Alaska National Interest Lands Conservation Act (ANILCA) to an annual appropriations review.

Mrazek's also interested in introducing legislation aimed at repealing the long-term contracts - contracts he said are doing more damage than good.

"Commercial fisherman pay a substantial amount for their licenses, but that doesn't guarantee them any fish," he said. "The same concept applies with the long-term contracts.

"The industry is more worthwhile for people in Japan than for the people of Southeast Alaska," he added.

Mrazek and Illinois congressman John Porter, have been accompanying Chairman Morris Udall, D-Ariz., and seven members of the House Committee on Interior and Insular Affairs on an oversight inspection of Alaskan areas that are the subject of current legislation in Congress.

Porter and Arizona congressman John Rhodes are the only Republicans on the trip. The group was to leave for Washington, D.C. early this morning.

Earlier, they visited the Arctic National Wildlife Refuge, an area on the North Slope that was found to hold vast amounts of oil. Current legislation, if passed, would permit oil drilling on the refuge.

The administration of the Tongass and the supply fund are also a focus of attention. The Southeast visit, which started Saturday in Juneau and continued in the Sitka area Sunday, has only solidified Mrazek's belief that something must be done.

"I think there is a way timber, fishing, and private industry can co-exist," he said. "The real growth in jobs propelled by private sector initiative is stunted by these 50-year contracts.

"The present program with the 50-year contracts and the $40 million has stunted controlled development of the area," he added.

With the $40 million fund, administration of the forest is more like "a welfare system" and private industry is "more socialistic."

Chairman Udall agrees with Mrazek. "The old system is fair," he said. "It's not fair to have separate amenities like the appropriation.

"It's all a big blur," he added.

Udall also said most everyone agrees some harvest must come out of the Tongass, but the ANILCA compromise was a rush job and the $40 million fund is "an uncalled for subsidy that permits ravishing of areas that should be wilderness."

"We need to search for a reasonable compromise," he said.

Mrazek, a member of the House Appropriations Committee, was looking into sectors of the federal budget that he deemed suspect when he came across the supply fund. He believes it hasn't fulfilled its purpose and is a waste of taxpayers' dollars.

Other areas of the federal budget, not only the supply fund, are being evaluated, he said.

Although he doesn't "know what the specific long-term solution would be," Mrazek feels the federal spending isn't accomplishing what it was designed to do.

"I will go back to Washington with a lot more knowledge of the complexity of the issue," he said. "I'll also go back with far more insight on the 50-year contracts."

In Thorne Bay, Mrazek came across about 15 supporters of his bill out of the 20 residents attending a briefing. "I expected to be strung up in Thorne Bay," he said. "But I found a lot of resentment about forest administration."

Mrazek is the congressman from New York's 3rd congressional district, which is located on the north shore of Long Island. He represents about 518,000 people and the district is the third wealthiest in the United States.

"I sympathize with Don (Alaska Rep. Don Young)," he added. "He has to represent everything from Native claims to ANWR to the Tongass because of the immensity of the state."

Despite Mrazek's feelings toward the forest administration, he's loved the visit.

"This is the most spectacular state I've ever visited," he said.

Both Udall and Mrazek said the Interior committee would act on the reform bill before the end of the year.

Ketchikan Daily News
August 18, 1987

Tour includes ferry ride

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There was some talk of the Arctic Refuge, but here in Southeast most people were concerned about the Tongass and a bill introduced by Rep. Bob Mrazek, D-New York.

Mrazek was cheered loudly by environmentalists at demonstrations in support of his bill at the ferry terminals in Juneau and Sitka.

While the lobbyists talked, committee members appeared to enjoy their trip aboard the Alaska ferry. There were drinks, large tables of food, and a couple of staterooms in case they needed to catch up on sleep.

Rep. Bill Richardson ran into two constituents from his district in New Mexico, and Rep. John Rhodes, R-Arizona, got a tour of the Malaspina's wheelhouse. Rep. George Miller, D-Calif., called it "a dramatic and spectacular day."

Lobbyists also appeared to enjoy having easy access to members of Congress in a relaxed setting.

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Wrangell Sentinel
August 20, 1987

S. Rep. Bob Mrazek is interviewed at the Wrangell Airport as state Rep. Robin Taylor listens.

Mrazek, Udall say Stevens holds fate of Tongass issue

By ANN KIRKWOOD

Alaska Sen. Ted Stevens' ability to block legislation — and whether he'll stand firm on logging in the Tongass National Forest — will determine whether legislation to do away with the $40 million-a-year Tongass Timber Supply Fund will pass congressional muster.

That's the opinion of the prime sponsor of the Tongass Timber Reform Act, Rep. Bob Mrazek of New York, and his Democratic colleague, Rep. Morris Udall of Arizona.

These lawmakers and eight others toured Wrangell this week, accompanied by an entourage of about 20 spouses, assistants, legislative aides and Forest Service officials.

During interviews with the Sentinel Monday after arriving at the Wrangell airport, both Mrazek and Udall said they expected some form of Tongass legislation to be marked up by the House Interior and Insular Affairs Committee this legislative session. However, the fate of that bill when it reaches the U.S. Senate remains a question mark, they said.

"It's a question of how many chips Senator Stevens wants to put on the table for this particular issue," Mrazek said, noting that Alaska's congressional delegation is "stretched thin" this year with not only the Tongass issue to address, but also oil development in the Arctic National Widlife Refuge and the 1991 deadline over Native claims legislation.

"There are a lot of obstacles," Udall said in another interview in assessing the chances of the Tongass Timber Reform Act. "Senator Stevens, in particular, in the Senate."

But both Mrazek and Udall said Congress cannot ignore the amount of money that has been spent in the Tongass to spark economic development — and they said those expenditures have created too much of a burden for the American taxpayer to bear.

Mrazek said he felt a consensus of the committee was to recognize "there should be reform in management of the Tongass." While he has held his bill up as a method of moving toward such reform, he said he expects the committee to discuss the matter — and likely could move out a bill that is different from the measure Mrazek proposed.

"It's a way that people look at it

Continued on BACK PAGE

Tongass . . .

Continued from FRONT PAGE

stop the hemorrhaging and spending that apparently isn't saving jobs here or adding to economic growth," Mrazek said in describing his bill. "Either the money isn't being spent wisely or there are some other factors here affecting the industry's competitive posture."

While Udall said the 50-year contracts given to Alaska Pulp Corp. and Louisiana Pacific-Ketchikan to log in the Tongass should be seriously reviewed, Mrazek called for their elimination.

Asked whether that would mean the U.S. government would have to buy out the remaining years on those contracts or face a lawsuit, Mrazek noted that some research is needed to determine whether the companies already have broken the contracts due to alleged antitrust violations.

The ownership of the Wrangell Forest Products Ltd. sawmill and the nature of its ties to the Japanese-owned Alaska Pulp drew great interest from the congressmen and their aides, who asked repeated questions during their tour of Wrangell and the mill property.

Mill owner Steve Seley Jr. said he had pre-paid a 10-year lease on the mill property in 1984 with $4 million, with all of the lease payment to go toward purchase of the facility from Alaska Pulp. In its first two years of operation under Seley's ownership, he said, the mill lost $2.2 million. He spent another $3.5 million in improvements, he said.

"Today, we're profitable," he said. And, the more profitable the mill, he said, the more money paid in stumpage fees to the Forest Service.

While Udall took one of the Etolin Bus Co. buses that gave the visitors a tour of town and visit to museum and Shakes Island, Mrazek — on his first trip to Alaska — boarded the second bus, bound for an extensive mill tour.

On a swing through town, Mrazek and the other congressmen listened to a history lesson offered by Forest Service Wrangell District Ranger Steene Kohrt. When the subject came to churches, Mrazek asked whether Wrangell has a Methodist congregation.

"No, not Methodist," Kohrt responded.

"Well, Mrazek, you can come to Wrangell and be a missionary," another congressman joked.

"Repent, ye, your logging ways," Mrazek responded, mimicking a Sunday sermon, as those on the bus laughed in response.

Aides to the Interior and Insular Affairs Committee and aides to various congressmen toured the mill with Seley, while Mrazek, state Rep. Robin Taylor, R-Wrangell, Petersburg Mayor Tom Gustafson and others headed on another mill tour with Roy Martin.

In discussions with local officials, many of the aides acknowledged how complicated the Tongass issues are — but they noted that most committee members agree there are problems to be addressed. The solution is the question now, they said.

They noted that virtually all sides in the Tongass controversy agree that changes need to be made in the way the Forest Service manages the Tongass. And they said it appears, at least from Washington, D.C., that factions in the Tongass are competing among themselves for different kinds of uses.

On the return trip in the bus, Mrazek posed several questions to mill officials — engaging in an informal debate with those who have lobbied against his bill. It was a debate that saw Mrazek get the last word, just before congressmen got off the bus and headed for float planes to take them to their next stop.

Why would it be a mistake to require congressional approval for the Tongass National Forest funding on a yearly basis, Mrazek asked. One year, the funding may reach far above the $40 million, while in another year it may be less.

"The reason you can't do that is that Congress and government can't react quickly enough to the market," Seley said.

Taylor, in joining the discussion, said plans for logging next year, two years from now or even four years from now must begin with roads today. If Congress jumps in and changes funding levels each year, he said, the long-term planning won't be available.

Mrazek noted loggers in all other national forests are able to survive despite yearly congressional review.

And Seley responded that loggers in the Lower 48 don't have to develop the roads and other infrastructure required before the first log can be removed in the Tongass.

Asked what he'd like Congress to do about timber management in the Tongass if he had his wishes, Seley said he'd like to see all wilderness removed.

"I'll log it out and pay you for it," he said.

"That's optimum all right," one aide responded.

The questioner then asked Seley what his wishes would be, short of removing all wilderness designations.

"Sit back a year and look at our operation and how management has changed," Seley said.

The Forest Service has changed its management techniques, he said, and the government is receiving more income from its timber sales.

"I don't think we can chop the funding on the Forest Service," Seley added. "The Forest Service has to have the funds . . . Don't choke those guys off right now because you're going to choke me the quickest."

"I'm not aware of any proposal to cut back on funds for the Forest Service," Mrazek responded as the bus tour ended. "The only proposal is to allow Congress to review funding on an annual basis."

U.S. Rep. Morris Udall leaves the Shakes Tribal House during a visit to Shakes Island on Monday.

ALASKA CLIPPING
SERVICE

Frontiersman
Palmer, Alaska

AUG 21 1987

Congressmen wined and dined on state ferry

Associated Press

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Ketchikan Daily News

Ketchikan, Alaska, Wednesday, October 28, 1987

Timber bill introduced

JUNEAU (AP) – A bill that would end the 50-year timber contracts between the U.S. Forest Service and the two Southeast Alaska pulp mills was introduced in Congress Tuesday.

The Alaskan Timber Contract Modification Act, if passed, would cancel the government's long-term contracts with Louisiana Pacific Ketchikan and Alaska Pulp Co in Sitka.

The sponsor, Rep. Robert Mrazek, D-N.Y., told the Juneau Empire he hoped the bill would strengthen the timber industry by increasing competition.

"I'm convinced there's an opportunity for timber, tourism and commercial fishing to coexist in the Tongass," Mrazek said. "As long as the two mills control the resource you won't see the entrepreneur spirit develop."

But members of timber industry and the Forest Service were skeptical about the legislation. They view it as a threat to the industry and the local economy.

Jim Clark, counsel for the Alaska Loggers Association, said Mrazek's call for the cancellation of the contracts was premature and shouldn't be considered until the Forest Service completes its review of the Tongass Land Management Plan in late 1989.

"There's no reason to rush into this when we have a study process already going," Clark said. "We're not opposing looking at any of these issues, but this is an extremely bad idea that would pull the rug out from under the industry."

The pulp mills are central to the regional timber industry because they offer a market for half the timber in the Tongass, which isn't of a high enough grade to be made into saw logs.

"This bill certainly doesn't point to keeping the industry healthy in this area," Clark said. "We need to take a careful look at this and be sure people understand the interrelationships the pulp mills have with the sawmills instead of rushing to judgment on something they know nothing about."

Dave Heerwagen, director of program planning and budget for the Forest Service office in Juneau, said the agency is concerned about the possible cost to taxpayers if the 50-year contracts are ended. Cancellation also might harm the Sitka and Ketchikan economies, he said.

"It would definitely mean a shift in our policy and it would require the owners of the mills to decide whether it is viable for them to continue without a guaranteed amount of timber," Heerwagen said. "It wouldn't necessarily be a foregone conclusion that they (the mills) would close, but it would be a possibility."

Environmentalists hailed the bill as long overdue reform.

"This will put the Forest Service back in charge of the forest. It's high time the Tongass came into the '80s," said Steve Kallick, attorney for the Southeast Alaska Conservation Council.

"This will help independent loggers and Native corporation operators since it will put the mills on equal footing to bid on timber sales like everyone else," Kallick said. "It's taking away a competitive advantage that's akin to a monopoly. This won't cure all the ills in the Tongass, but it will go a long way."

Sitka Daily Sentinel
October 28, 1987

Bill Entered to End SE Mill Contracts

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Tongass battles go to Congress

Juneau Empire
November 3, 1987

By KIRK McALLISTER and CHUCK KLEESCHULTE
THE JUNEAU EMPIRE

TIMBER: Industry In Turmoil

PART VII

At 16.7 million acres, the Tongass National Forest is the largest national forest in the United States. Encompassing nearly all of Southeast Alaska, it is larger than New Jersey, Massachusetts, Rhode Island, Delaware and Connecticut – combined. Residents of Southeast Alaska had hoped the many issues surrounding the forest and the timber industry it supports were settled seven years ago when President Jimmy Carter signed the Alaska National Interest Lands Conservation Act (ANILCA) into law. But the controversy over its management continues. This is the seventh installment of an eight-part series on the Tongass.

ABOARD THE MV MATANUSKA – Rep. Bob Mrazek seems genuinely puzzled by all the fuss.

During his first visit to Alaska, the New York congressman has been met by boisterous demonstrations in Juneau and Sitka organized by groups supporting his call for changes in the management of the Tongass National Forest.

But the tall, serious former basketball player also faces a wall of opposition from the Southeast Alaska timber industry, Gov. Steve Cowper and the Alaska congressional delegation.

Mrazek is author of the Tongass Timber Reform Act, which would repeal section 705 of the Alaska National Interest Lands Conservation Act (ANILCA), also called the Alaska Lands Act. That section of ANILCA authorizes the U.S. Forest Service to spend up to $40 million to make 450 million board feet (mmbf) of timber available for harvest each year. About two-thirds of that is needed to fulfill the terms of the 50-year contracts the Forest Service has with Alaska Pulp Co. in Sitka and Louisiana Pacific's Ketchikan Pulp Co.

Why would a congressman from Long Island, N.Y., take on a national forest 4,000 miles from his home district as a pet project?

The reason, Mrazek says, isn't just to protect the resources of the largest of the 156 national forests. It's to save money.

As a member of the House Appropriations Committee, Mrazek considers the way the Tongass is now managed a waste of taxpayers' money.

He argues that for each tax dollar spent in the Tongass, 98 cents is lost. He characterizes the timber supply fund as a "permanent subsidy" that should be brought under annual congressional review, as are all other federal appropriations.

He says that in the past 10 years Tongass operations have cost taxpayers $365 million and federal losses in the forest will total about $20 million this year alone. Unless changes are made, the treasury will lose as much as $1 billion over the next 20 years, he predicts.

Telling it to Congress: Demonstrators talk with Rep. Bill Richardson of New Mexico during a summer visit to the Tongass.

Juneau Empire
November 3, 1987

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Critics target 50-year contracts, timber supply fund

'The situation in the Tongass truly gives new meaning to the word boondoggle.'
— Rep. Bob Mrazek

In addition, Mrazek argues that one of the reasons for the existence of the timber supply fund was to keep timber industry jobs in Southeast Alaska. But since the passage of ANILCA in 1980, the number of timber jobs has dropped from more than 3,000 to about 2,150 this summer.

He also contends that the Forest Service uses the fund to build roads at $150,000 a mile to timber sales no one wants to buy. Under Mrazek's bill, timber sales would be restricted to an amount that could be expected to sell.

"This legislation will provide a long-overdue remedy to the waste of taxpayer money and natural resources taking place each year in the Tongass National Forest," Mrazek states in a letter to his congressional colleagues. "The situation in the Tongass truly gives new meaning to the word boondoggle."

He says he has garnered 130 cosponsors for his bill, including 30-40 conservative Republicans.

"I think this legislation has served a constructive purpose already, as the Forest Service is reassessing its expenditures," says Mrazek, a Democrat.

Mrazek's foe in the House, Alaska Rep. Don Young, says the bill is a serious threat to the industry, but that its passage is far from a foregone conclusion.

"When an outsider comes into my backyard to try to change legislation of particular interest in my state, it's when I can stop being reasonable," Young says. "There are a myriad of things I can do to stop action on that bill. It will be tiring and unpleasant, but they know what I can do if I have to. The bill hasn't passed yet."

Others say the bill is based on erroneous information and is a threat to the timber industry and the economy of Southeast.

Jim Clark, counsel for the Alaska Loggers Association, says the $40 million in the timber supply should not be termed a subsidy. There are two parts to the fund, the Forest Service timber management budget, which was $23.5 million when ANILCA was passed and the additional $11.7 million (in 1978 dollars) for roadbuilding and forest thinning to offset some of the value of commercial timber lost to logging when it was designated wilderness.

Clark also says that one of the reasons the government loses money on the Tongass is the "primary manufacturing" requirement in which logs exported from the Tongass must be either cut into rough-cut cants or converted into pulp. This requirement was meant to create more jobs within Southeast Alaska.

He says the money in the timber supply fund is not a subsidy to the timber industry, but rather a subsidy to timber industry workers. The primary manufacturing requirement for trees cut from the Tongass creates eight additional jobs per 1,000 board feet of timber, compared to exporting round (unmilled) logs.

Clark says federal treasury losses quoted by Mrazek don't take into account the timber industry contributions to the region in terms of wages to workers as well as state and federal taxes.

Clark also is concerned by House efforts to cut Forest Service funding for managing the Tongass and capping the annual allowable cut at 250 mmbf per year. It is about 450 mmbf now.

"This (the 250 mmbf limit) would lock us into the low end of the business cycle just when our markets are improving," Clark says. "With more housing starts in Japan we could probably sell more than 450 mmbf this year. These reductions would make the failure of the Tongass Timber Supply Fund a self-fulfilling prophecy."

Last June, the House approved a bill slashing $22 million from funds to manage the Tongass. But Alaska Republican Sens. Frank Murkowski and Ted Stevens are expected to be able to reverse the cut when the funding bill makes its way to their chamber later this month.

During early committee debate, Alaska Gov. Steve Cowper objected to the reduction, saying "this would have a serious effect. We will fight against this reduction because jobs are threatened."

In his letter to Subcommittee Chairman Sidney Yates, Cowper says slashing Tongass spending "jeopardizes public recreation, timber management, fisheries enhancement and new mineral projects.

"Federal expenditures for Tongass management currently amount to approximately $63 million. Reduction of this allocation by one-third would prevent achievement of the Forest Service's multiple-use mandate," Cowper said.

Juneau Empire, November [illegible] 1987

(3)

The funding cuts and Mrazek's bill also would mean layoffs in the Forest Service's Tongass workforce, which currently numbers between 700 and 800, says Regional Forester Mike Barton.

Jim Rynearson, retiring vice president of Alaska Pulp Co., says the Mrazek bill, if passed, would have a "significant impact" and could eventually lead to the demise of the region's pulp mills.

Martin Pihl, president and general manager of the Ketchikan pulp mill, says the loss of the timber supply fund would not necessarily affect the industry in 1987.

"But eventually for this industry to be viable it has to process the poorer-quality wood. In times of bad markets the industry is going to have to have the supply fund money to be viable," says Pihl, warning that timber jobs in the region will be lost if the money is repealed.

Ending the automatic funding has received the support of a variety of groups. For example, the National Taxpayers Union, a conservative fiscal group, is in favor of the bill, as are environmental groups led by the Wilderness Society and the Sierra Club.

The town councils of 14 small Southeast Alaska fishing communities over the past year have passed resolutions questioning the 450 mmbf cut level and timber supply funding – resolutions that have angered some in the region's larger communities, which depend on timber. Timber industry officials argue that the 14 communities represent only 5 percent of the population of Southeast, but a resolution opposing Mrazek's bill was passed by a regional group representing 95 percent of the population.

Dick Behan, professor of forestry at Northern Arizona University at Flagstaff, a former U.S. Forest Service employee in the Tongass, says the current economics of harvesting, given the wilderness set asides, is "folly," and a "quagmire" that the federal government has to get out of.

But Behan says the supply fund was a reasonable political solution to the demand for more wilderness set asides in 1980 and probably still is.

"Gradually over time the government should get out of supporting or bumming the timber industry in Southeast and let market forces determine the fate of logging ... When you have a good market you should be able to mill the timber and make a profit on your own," says Behan.

Opponents of the timber supply fund's immediate repeal include the Alaska State Society of American Foresters, which in a chapter position paper says the law should remain in effect until completion of the revision of the new Tongass Land Management Plan (TLMP) in late 1990. A draft of the revised land plan is due out in 1989.

The state's congressional delegation also strongly supports continuing the fund.

"The fund shouldn't be viewed as a subsidy for timber. It should be viewed as a subsidy for environmentalists, subsidizing all the wilderness created in the forest," says Young.

The delegation has been adamant that the timber supply fund was the price the state and industry received for passage of ANILCA. They argue the fund should continue, because a "deal is a deal."

"The fund is the price America says it would pay for the wilderness created," says Alaska Sen. Frank Murkowski. The Senate Energy and Environment Committee, of which Murkowski is a member, has scheduled hearings on the Timber Reform Act and related issues starting today.

Supporters of the industry argue that if the fund is altered or reduced then the entire lands act should be reopened, allowing the timber industry to cut some of the wilderness areas that were set aside.

Don Finney, executive director of the Alaska Loggers Association based in Ketchikan, says it is clear that the 1980 lands act probably wasn't the best bill that could have been crafted.

"There are some sensitive areas out there that probably shouldn't be logged. But there is some land in wilderness that really isn't wilderness quality. Let's let TMLP run its course and then go back in and do a better job of making lasting allocation decisions," says Finney.

Bob Loescher, senior vice president of resources for Sealaska, the regional Native corporation, however, has argued that the Forest Service is so tied down in defending past practices and past congressional mandates that the agency will have a conflict of interest in making wide-ranging, independent recommendations for its future. He has proposed that Congress hire an independent forestry management firm to conduct a complete review of federal policy in the forest.

Each side is suspicious of the other when it comes to reopening the lands act.

"What's mine is mine and what's yours is negotiable," quips Bill Horn, undersecretary of the Interior, concerning environmentalists' arguments for changes in the lands act.

Bart Koehler, executive director of the Southeast Alaska Conservation Council, the umbrella organization for regional environmental groups, has a different view.

"The industry is fond of saying 'a deal's a deal' when it comes to the lands act," Koehler says. "But for them, the timber contracts have been a steal for 30 years – so I say a steal's a steal."

Mrazek, meanwhile, has unveiled his second surprise for the Forest Service and the timber industry in Southeast. He introduced a bill last week that will, if passed, terminate the 50-year contracts the Forest Service has with the Ketchikan and Sitka pulp mills.

Under the terms of the bill, neither mill would be compensated and the Forest Service would again be put in charge of the contract areas that were guaranteed to the mills.

According to the legislation, the bill would give the Forest Service more flexibility to protect key areas of the Tongass since the agency wouldn't be obligated by contract to supply such large amounts of timber to the mills. In addition, it would make the industry more competitive since the mills would have to bid for each timber sale, just like other operators.

While repeal without compensation would likely be challenged successfully in court, a repeal of the contract with compensation this year would produce an interesting legal question as to how to appraise the remaining 6.4 billion board feet of timber remaining to be cut.

While the mills would argue the timber has a value of hundreds of millions of dollars plus seek damages for hundreds of millions of plant and equipment costs, at current low base stumpage rates the mills would only pay the government about $13 million for all the remaining timber – far less than one year's cost of the supply fund if Congress is intent on getting out from under the program.

Juneau Empire

November 3, 1987

(4)

A third surprise for the industry was unveiled over the weekend when aides to a California congressman confirmed that work is underway on a bill that would designate up to 1 million acres as wilderness in the Tongass, removing several of the high-value, old-growth timber tracts currently available for logging.

Rep. George Miller, D-Calif., a ranking member of the House Interior Committee, apparently is working on the bill that he is likely to introduce by year's end, according to his staff. The bill would affect tracts environmentalists have been fighting in court to prevent from being logged in recent years.

In advance of the debate on the three Tongass-related pieces of legislation, environmental organizations have held talks with at least one of the two pulp mills to see if it would be willing to accept a contract buyout. Pihl confirmed recently that before he took over as president of KPC this spring company officials and members of the Wilderness Society met on at least two occasions to discuss the cost of buying out the mill's contract.

"Anything is for sale at an high enough price, but just because we listened to their offer doesn't mean we are interested in selling. In fact, there is no interest whatsoever on our part in leaving the Southeast industry now," says Pihl.

Wednesday: What have been the legal issues and where is land planning process headed?

FEDERAL ELECTION COMMISSION
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SENSITIVE

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR 2811
DATE COMPLAINT RECEIVED
BY OGC: January 27, 1989
DATE OF NOTIFICATION TO
RESPONDENTS: February 3, 1989
STAFF MEMBERS: Phillip Wise
George Rishel

COMPLAINANTS: Democratic Congressional Campaign Committee and Richard M. Bates, executive director

RESPONDENTS: Jan Faiks

Lloyd Jones

Senate Leadership Fund

James Clark

RELEVANT STATUTES: 2 U.S.C. § 431(4)(A)
2 U.S.C. § 433
2 U.S.C. § 434
2 U.S.C. § 441b

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On January 27, 1989, the Democratic Congressional Campaign Committee ("DCCC") and Richard M. Bates, its executive director, filed a complaint in which they alleged that Jan Faiks and Lloyd Jones, members of the Alaska State Senate, had made expenditures in excess of $1,000 for the purpose of influencing a federal election but had failed to register and report as a political committee and that they had used prohibited funds to make the expenditures. Because the source of the funds was identified as

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the Senate Leadership Fund, a copy of the complaint was also forwarded to it.

On February 17, 1989, a response was received from Tim Kelly, president of the Alaska State Senate, on behalf of the Senate Leadership Fund. See Attachment 1. Senator Ted Stevens, R-Alaska, made an unsolicited submission regarding this matter on March 6, 1989. See Attachment 2. The individual respondents filed their response along with 12 exhibits on March 16, 1989. See Attachment 3.[1]

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), defines a political committee to include any committee, association, or other group of persons which either receives contributions or makes expenditures, aggregating in excess of $1,000 in any calendar year. 2 U.S.C. § 431(4)(A). Political committees under the Act must register with the Commission and file periodic reports of their receipts and disbursements. 2 U.S.C. §§ 433 and 434. The Act prohibits any corporation whatever from making any contribution or expenditure in connection with any federal election. 2 U.S.C. § 441b. In Advisory Opinions 1977-32 and 1982-26, the Commission determined that incorporated municipalities were corporations for the

1. Exhibits I and J are not included in the attachment because of the difficulty in photocopying them. Exhibit I is Senator Faiks' packet of materials on the Arctic National Wildlife Refuge and consists of numerous booklets and pamphlets and other printed materials. Exhibit J is a tabloid newspaper called "Keeping Alaska Alaska." A set of these materials are in the permanent file in OGC Docket, and a second set is with the staff attorney assigned to this matter.

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purposes of Section 441b. In MUR 1686, however, the Commission treated payments by the State of North Carolina for aircraft used by then Governor Jim Hunt during his campaign for the U.S. Senate as subject to the contribution limitations of 2 U.S.C. § 441a(a)(1)(A) rather than the prohibition of Section 441b.

A. The Complaint

The complaint alleges that during the week prior to the November 8, 1988, election Alaska State Senators Faiks and Jones made appearances to discuss issues related to Alaska's Tongass National Forest in the congressional district of Rep. Robert Mrazek, the sponsor of a bill opposed by the Alaskan legislators. The complaint states Mrazek was seeking re-election and that his position on this issue was a campaign issue. The complaint alleges that the travel and other expenses were paid for by the Senate Leadership Fund, an account of appropriated state funds, in excess of $1,000.

In support of these contentions, the complaint relies on these principal factors: (1) the timing of the appearances only one week before the election, although Rep. Mrazek's bill had initially been introduced in July 1986; (2) the location of the appearances in Rep. Mrazek's district; (3) statements by Faiks and Jones to the effect that they hoped Rep. Mrazek's constituents would convey the Alaskans' point of view to the congressman; and (4) the Republican challenger's making an issue of Rep. Mrazek's role in the Alaskan issue. The complaint cites to several news clippings, editorials, and letters to the editor in support of the contention that an electioneering purpose was

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clearly and widely understood. The complaint also relies on three advisory opinions, 1983-12, 1984-62, and 1985-14,[2] for the conclusion that these cited "facts and circumstances are legally conclusive on the question of an electioneering 'purpose'." Thus, it further contends the expenditures for these activities are subject to the Act's requirements for disclosure and for sources of funds. In this regard, it also questions whether the participation in these activities by an executive of the Alaskan Pulp Corporation, who is also a lobbyist for the Alaska Loggers

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2. The complaint cites to Advisory Opinion 1984-14, but the reference to the Commerce Clearing House publication is to 1985-14.

Advisory Opinion 1983-12 involved a constituent congratulations program by the National Conservative Political Action Committee. In reaching the conclusion that payments for this program would be either contributions or expenditures under the Act, the Commission relied principally on the organizational purpose of the organization, the absence of any non-election related purpose for the activity, and the content of the activity's message. It noted that "the purpose and function of an organizational entity are material and relevant to the Commission's characterization of the underlying purpose of a specific activity or program of that entity."

Advisory Opinion 1984-62 involved a corporate undertaking of a general public slate mailer listing nonpaying federal candidates. The Commission concluded a portion of the costs would be a contribution or expenditure to such candidates because the content of the message was "designed to urge the public to elect a certain candidate or party" and the mailer was sent to voters 1 to 4 days before the election despite a claimed business purpose for including nonpaying candidates.

Advisory Opinion 1985-14 involved a party committee's proposed ads relating to candidates or incumbent officeholders of the opposing party. The Commission concluded that a mailer criticizing the opponent's position on oil spills and detailing his contributions from the oil industry in which the incumbent was clearly identified and which was disseminated to the incumbent's district would be considered a coordinated party expenditure subject to the Act's limitations.

Association, resulted in the use of funds from unlawful sources.[3]

B. The Responses

The response from Senator Tim Kelly, president of the Alaska State Senate, states that the Senate Leadership Fund is part of appropriated state funds under the Legislative Operating Budget. It is under the control of each house's presiding officer and is used for legislative travel, committee expenses, staff expenses, and "whatever else the Presiding Officer deems a public purpose." At times relevant to the issues in this matter, the Senate Leadership Fund was under the control of Senator Jan Faiks, who was then the president of the state senate.

The response from counsel for Senators Faiks and Jones points out that Senator Faiks has supported the economic development of the Arctic National Wildlife Refuge ("ANWR") and that Senator Jones has taken an interest in logging activities in the Tongass National Forest, located in his district. The response states that in the 100th Congress, the House of Representatives passed a bill sponsored by Rep. Mrazek that sought to curtail logging activities in the Tongass. According to the response, after the bill died when the Senate failed to act on it, Rep. Mrazek indicated he intended to reintroduce it in the 101st Congress. The response contends that while the bill was pending in Congress, Rep. Mrazek traveled to Alaska to enlist support for

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3. A copy of the complaint was not sent to this lobbyist. The complaint did not identify him by name, although he was mentioned by name in one of the accompanying news articles. The response from Senators Faiks and Jones, however, includes an affidavit from James Clark, the lobbyist referred to in the complaint and the news article.

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his bill and then attempted to portray statements from a few Alaskan groups who supported the bill as reflective of the opinion of a majority of Alaskans.

In response to the bill and Rep. Mrazek's travels, the response notes that the Alaska state legislature adopted a resolution sponsored by Senators Faiks and Jones that urged support for the continued development of the Tongass and another resolution cosponsored by Faiks and Jones that urged oil and gas exploration and development in the ANWR. During the fall of 1988, James Clark, a lawyer for the Alaska Loggers Association, prepared a program to educate the rest of the country regarding Alaskan land use issues and obtained approval of the program from the association's board of directors. He enlisted the support of Senator Jones, who in turn enlisted the participation of Senator Faiks.

Among the organizations that Clark contacted for opportunities to present this program was the Long Island Association, a nonpartisan business group in New York. He arranged for a presentation at a November 3, 1988, meeting of the group's environmental committee. Clark provided the Long Island Association with a briefing paper in advance of the presentation. Senator Jones issued a press release in advance of his travels to Long Island from Alaska at total expenses of $1,544.22. Senator Faiks was already scheduled to be on the East Coast on other state business and joined Clark and Jones in New York for the presentation at an additional cost to her trip of $466.48. The expenses of Jones and Faiks relating to this presentation were

paid for by the Senate Leadership Fund. The senators spoke at the committee meeting and held an interview with an editorial writer for Newsday, the major daily newspaper on Long Island.

The response argues that the expenses of Jones and Faiks relating to the Long Island trip were related solely to issue advocacy regarding the Tongass and ANWR and were not incurred for the purpose of influencing any federal election and, thus, were not expenditures under the Act.[4]

C. Application and Analysis

Senator Faiks, Senator Jones, and James Clark in their sworn affidavits state that their participation in the meetings in New York were not arranged through or coordinated with Rep. Mrazek's campaign opponent or any member of the opponent's staff. The complaint does not allege or present any evidence of any coordination between the Alaskans and Rep. Mrazek's opponent but merely states that the opponent had made Rep. Mrazek's involvement in the Tongass an issue in his campaign. The Newsday article attached to the complaint states that Rep. Mrazek's involvement in the Tongass had also drawn opposition from his Republican challenger, but makes no suggestion and contains no information regarding any coordination or collusion between the

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4. An unsolicited submission was also received from Senator Ted Stevens, R-Alaska, that included numerous news articles relating to Rep. Mrazek's trip to Alaska. Senator Stevens states that the intent of the New York trip was "to generate public support for Alaska's position on Congressman Mrazek's legislation." He adds that he "encouraged them to travel to Congressman's Mrazek's district to take a stand for Alaska's interests." He then suggests that if the expenses for Senators Faiks' and Jones' trip to New York violated any federal law, the same must be said of Rep. Mrazek's trip to Alaska.

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Alaskans and the challenger. Therefore, there is no reason to believe the expenses paid for the Alaskans' trip to New York constituted an in-kind contribution to the campaign of Rep. Mrazek's opponent.

The Alaskans also state in their affidavits that at no time during their visit to New York did they discuss Rep. Mrazek's reelection campaign, promote the candidacy of his opponent, or solicit contributions with regard to any federal election. They further state that at no time during their presentation to the Long Island Association committee did they make any reference to Rep. Mrazek, although they acknowledge that in response to a question from the audience, Rep. Mrazek was identified as the New York congressman who had sponsored legislation affecting Alaska. Senator Jones states in his affidavit that he addressed issues relating to the Tongass and a copy of Senator Jones' remarks to the committee lacks any reference to Rep. Mrazek or the upcoming election. See Attachment 4 at pages 76-77 and 97-99. Senator Faiks states in her affidavit that she addressed issues relating to the ANWR and the materials she distributed were informational brochures on the ANWR and do not contain any election or candidate references. See Attachment 4 at pages 69-70. The briefing paper provided to the Long Island group by Clark discussed issues relating to the Tongass and asked for support for the Alaskans' position on Tongass legislation. It also lacks any election or candidate references. See Attachment 4 at pages 86-87. The Respondents also point to the quotation in the Anchorage Daily News article attached to the complaint in which

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Jim Larocca, president of the Long Island Association, states:

> He [Clark] said they would provide an overview of this issue and what impact the issue had on their economy, but we said it was not appropriate in terms of discussing it in terms of congressional politics. They kept to that pledge.

See Attachment 1 at page 10. None of the other news articles attached to the complaint provide any information that the content of the presentations by Faiks, Jones, or Clark to the Long Island group or to Newsday included any references to Rep. Mrazek's reelection campaign or any links to the congressional election.

What the complaint appears to do is rely on the opinions and characterizations of third parties that the Alaskans had an underlying, implicit purpose of influencing a federal election. Among the items attached to the complaint are an editorial in the Anchorage Daily News, three letters to the editor, and a "Soapy Smith" column. These items all appear to be reactions to the news stories which appeared regarding the trip to New York and represent the perceptions of their authors that the trip had a political or campaign overtone or purpose. None of them, however, provide any specific or explicit information that the Alaskans engaged in any campaign appearances or references during their trip to New York.

In addition, the complaint attached three news articles. The Newsday article's only references to an alleged campaign purpose for the trip include a quotation from Rep. Mrazek and one from a representative of an Alaskan environmental group supporting Rep. Mrazek's legislation. This article also describes the trip as

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the kick-off of a "national lobbying effort." The only reference to an alleged campaign purpose in the Anchorage Daily News article is a quotation from Rep. Mrazek. The November 4 Juneau Empire article describes the trip as an alleged campaign trip. It quotes Rep. Mrazek to this effect and mentions a statement by an aide to Senator Jones but appears to principally rely on its characterization of Senator Jones' press release for imputing a campaign purpose to the trip. The reporter claims that Jones said in his statement that he intended to campaign against Rep. Mrazek in New York. Both the complaint and the response included a copy of this press release, which stated in part:

> "It's time we let the people of Congressman Mrazek's ... district know that we have opinions and will fight for what is right."
> ...
> "These people have to be made aware that we have a healthy economy with a tremendous amount of potential. ... I am hopeful we will get our point across to the business people of the area who will in turn get it to Mrazek. With so many jobs at stake in our area I feel obligated to do everything in my power to resolve this issue.

See Attachment 1 at page 8 and Attachment 4 at page 91. Nowhere in the press release does Jones explicitly say he intended to campaign against Rep. Mrazek. The quotations attributed to him may be as easily interpreted as reflecting a grassroots lobbying purpose as any alleged campaign purpose. Furthermore, on November 10, Clark wrote to Rep. Mrazek to reject the suggestion in the Juneau Empire article that the purpose of the trip was political. Clark states in his letter that "[w]hile we certainly disagree with your position on Tongass legislation and the opening of ANWR, we did not campaign against you."

In his affidavit, Clark also states that "[i]n part, the purpose of the visit was to seek the support of a group on Long Island which disagreed with Congressman Robert Mrazek's approach to the Tongass to counter balance the support of H.R. 1516 of certain small communities in Southeast Alaska which Cong. Mrazek was fond of pointing out in Congressional hearings." He further avers that "[f]rom the earliest stages of development of the ALA education program, it has been viewed strictly as an issues program, and has not had as one of its purposes the influencing of any election, federal or state." He adds that similar presentations were also made in other locations after the election cycle. Senators Faiks and Jones state in their affidavits that their participation was "undertaken in furtherance of [their] responsibilities as a representative of my constituency...to educate the rest of the country regarding Alaskan issues."

The complaint also asserts that the timing (five days before the election) and location of the presentation indicate a campaign or election related purpose to the trip. In his affidavit, Clark states that his contact with the Long Island Association arose, in part, because a law school classmate was involved with the organization. As previously noted, he also unambiguously states that Long Island was chosen in order to create support for the Alaskans' position on the Tongass in Rep. Mrazek's district as he had allegedly sought to do for his bill during his trip to Alaska. Clark adds that his "own schedule was the principle [sic] factor in the selection of the November 3,

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1988 environmental committee meeting date for our presentation." He says that this date "was the only one which allowed me to return to Alaska to finish various client matters before making a similar presentation on behalf of the ALA before the Atlanta Constitution on November 9, 1988, and to attend the National Forest Products Association ("NFPA") Convention in Ft. Lauderdale, Florida from November 11-15, 1988" prior to his departure for China. Senator Faiks states in her affidavit that her schedule called for her to be in Washington on November 1, 1988, therefore permitting her to participate in a November 3 meeting in New York. Senator Jones states that he informed Clark he could participate in any presentation prior to the beginning of the legislative session on January 9, 1989.

In addition to the November 9 presentation to the Atlanta Constitution, Clark states in his affidavit that he has made similar presentations at the NFPA convention in November 1988 and in Tacoma, Washington, in 1989 and was scheduled to do so before the Southern Forest Products Association and the Western Forest Industries Association in March 1989. This schedule supports Clark's claim that he had organized and was engaged in a national lobbying effort rather than campaign activity.

D. Conclusion

As noted above, there is no evidence these appearances were coordinated with any candidate or political committee. Moreover, there is no evidence that the content of the presentation, either to the Long Island group or to Newsday, included any candidate or election references. The information that the complaint advances

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in support of its allegation the appearances were campaign or election related consists solely of the perceptions, opinions, and characterizations of third parties, derived from news articles that in turn rely primarily on quotations from Rep. Mrazek. Although the appearances were made only a few days before the general election, the Respondents have presented affidavits to show other legitimate reasons for the scheduling of the appearances at that time. The Respondents do acknowledge they specifically chose to make these appearances in Rep. Mrazek's district but did so because he was the sponsor of legislation affecting Alaska and hoped to generate support among Rep. Mrazek's constituents for the Alaskans' position on this legislation as part of a grassroots lobbying effort. The Respondents, in sworn affidavits, have adequately presented a legitimate non-election related purpose as the reason for their trip to New York. Also, the expenses for the trip by Senators Jones and Faiks were paid for by the Senate Leadership Fund, which is organized for legislative, not election, purposes. See Advisory Opinion 1983-12. Therefore, there is no reason to believe that these payments were expenditures under the Act or that the individual Respondents became a political committee under the Act.

Accordingly, this Office recommends that the Commission find no reason to believe Jan Faiks, Lloyd Jones, James Clark,[5] and

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5. Because James Clark was not served with a copy of the complaint (though he did execute an affidavit as part of the response by Senators Jones and Faiks), the notification letter to him is the one for internally generated respondents.

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the Senate Leadership Fund violated any provision of the Act on the basis of the complaint filed in this matter.

III. **RECOMMENDATIONS**

1. Find no reason to believe Jan Faiks, Lloyd Jones, James Clark, and the Senate Leadership Fund violated any provisions of the Federal Election Campaign Act of 1971, as amended, on the basis of the complaint filed in MUR 2811.

2. Approve the attached letters.

3. Close the file.

Lawrence M. Noble
General Counsel

6-21-89
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments
1. Complaint
2. Response of Senate Leadership Fund
3. Submission of Senator Ted Stevens
4. Response of Jan Faiks and Lloyd Jones
5. Proposed letters(5)

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN
COMMISSION SECRETARY

DATE: JUNE 26, 1989

SUBJECT: OBJECTION TO MUR 2811 - FIRST GENERAL COUNSEL'S RPT. SIGNED JUNE 21, 1989

The above-captioned document was circulated to the Commission on Thursday, June 22, 1989 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	X
Commissioner Thomas	X

This matter will be placed on the meeting agenda for July 11, 1989.

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Jan Faiks	)	
Lloyd Jones	)	MUR 2811
Senate Leadership Fund	)	
James Clark	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of July 11, 1989, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2811:

1. Find no reason to believe Jan Faiks, Lloyd Jones, James Clark, and the Senate Leadership Fund violated any provisions of the Federal Election Campaign Act of 1971, as amended, on the basis of the complaint filed in MUR 2811.

2. Approve the letters attached to the General Counsel's report dated June 21, 1989.

3. Close the file.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

Attest:

July 12, 1989
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 1989

A. Thomas Carroccio, Esquire
Santarelli, Smith, Kraut & Carroccio
1155 Connecticut Ave., N.W.
Washington, D.C. 20036

RE: MUR 2811
Senator Jan Faiks
Senator Lloyd Jones

Dear Mr. Carroccio:

On February 3, 1989, the Federal Election Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 11, 1989, the Commission found, on the basis of the information in the complaint and information provided by you, that there is no reason to believe Jan Faiks and Lloyd Jones violated any provision of the Act on the basis of the complaint filed in MUR 2811. Accordingly, the Commission closed its file in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 1989

The Honorable Tim Kelly, President
Alaska State Senate
P.O. Box V
Juneau, AK 99811

RE: MUR 2811
Senate Leadership Fund

Dear Senator Kelly:

On February 3, 1989, the Federal Election Commission notified the Senate Leadership Fund of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 11, 1989, the Commission found, on the basis of the information in the complaint and information provided by you and the other respondents, that there is no reason to believe the Senate Leadership Fund violated any provision of the Act on the basis of the complaint filed in MUR 2811. Accordingly, the Commission closed its file in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 1989

James F. Clark, Esquire
Robertson, Monagle & Eastaugh
P.O. Box 21211
Juneau, AK 99802

RE: MUR 2811
James F. Clark

Dear Mr. Clark:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission considered the issue of whether you had violated any provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making a presentation to the Long Island Association on November 3, 1988. On July 11, the 1989, the Commission found no reason to believe that you had violated any provision of the Act on the basis of the complaint filed in MUR 2811. Accordingly, the Commission has closed the file in this matter.

This matter will become part of the public record within 30 days. If you wish to submit any materials to appear on the public record in this matter, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Richard M. Bates
Executive Director
Democratic Congressional
Campaign Committee
430 South Capitol Street
Washington, D.C. 20003

RE: MUR 2811

Dear Mr. Bates:

On July 11, 1989, the Federal Election Commission reviewed the allegations of your complaint dated January 27, 1989, and found that on the basis of the information provided in your complaint, and information provided by the respondents, there is no reason to believe Jan Faiks, Lloyd Jones, James Clark, and the Senate Leadership Fund violated any provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, on July 11, 1989, the Commission closed the file in this matter. The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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