

certain amount of revenue sharing. The revenue sharing is to continue for only ten years and may not exceed \$100 million in any given year. In theory, a billion dollars could be received over this ten-year period. But in fact, the revenue sharing will produce, at most, a very small fraction of that figure. The nature of the Federal Field Bill's revenue sharing provisions (§12) and the economics of oil production demonstrate why this is so.

The only source of substantial revenue for the foreseeable future is the production of oil on the North Slope. However, because of the great engineering and transportation problems which must be overcome before oil can be produced on a large scale in Alaska, a substantial portion of the ten-year period will have elapsed before there will be any meaningful production from this area.

Even when there is substantial production, the owner's share will be 12-1/2% of that production and the Natives' share, under the Federal Field Bill (§12), will be 1/10th of that 12-1/2%, or 1.25% of the total production. At that rate, and using present values for crude oil, the commercial oil production from the sources specified in section 12 of the bill would have to average almost 5-1/2 million barrels per day before the Natives would receive \$50 million in a year -- one-half of the maximum amount permitted by the bill. Oil and Gas Journal, July 28, 1969,