

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

April 9, 2002

8:22 a.m.

**COMMITTEE CALENDAR**

OVERVIEW: DENALI COMMISSION

**TAPES**

02-21, SIDE A

**CALL TO ORDER**

Representative Carl Morgan, Co-Chair, convened the House Community and Regional Affairs Standing Committee meeting at approximately 8:22 a.m.

**PRESENT**

Committee members present were Representatives Morgan, Meyer, Murkowski, and Scalzi.

**SUMMARY OF INFORMATION**

JEFF STASER, Federal Co-Chair, Denali Commission, presented an overview of the commission's progress on bulk fuel tank projects. He stated that the commission is closing in on completion of the entire program. The next step is closure, which may take five to eight years. Other projects are connected to the bulk fuel storage and are less defined. Mr. Staser reported that the Denali Commission has about 240 projects under contract at this time.

BILL ALLEN, U.S. Department of Agriculture (USDA), commented on USDA activities to improve efficiencies and effectiveness of programs with state and federal agencies. The USDA's primary goal is making programs and funding more accessible. State and federal agencies have signed a memorandum of understanding regarding activities in rural Alaska. Mr. Allen briefly discussed the need for coordination of infrastructure development in rural Alaska.

BOB POE, Executive Director, Alaska Industrial Development and Export Authority (AIDEA) and Alaska Energy Association (AEA), Department of Community & Economic Development, gave an overview

of AIDEA'S activities in rural Alaska. Mr. Poe discussed sustainability and cost reduction.

REPRESENTATIVE SCALZI and MR. POE discussed written screening analyses about diesel fuel, conservation, heat reduction, and wind/hydro energy.

REPRESENTATIVE MURKOWSKI commented that it would be nice to have an energy plan for the entire state.

REPRESENTATIVE MURKOWSKI asked Mr. Allen what the legislature should do regarding implementation of sustainability recommendations.

MR. ALLEN responded that although it is too early to comment at this time, there will be recommendations next year. He offered to make a presentation at that time.

REPRESENTATIVE MURKOWSKI asked about the effects of the ultra-low sulfur diesel fuel requirements.

MR. POE and MR. STASER indicated serious impacts are possible, and Mr. Staser added the rule is an unfunded federal mandate.

MR. ALLEN commented on the new EPA [Environmental Protection Agency] arsenic count for water systems in Alaska and stated the rule will be expensive to implement and will come without any funding.

MR. STASER encouraged all involved to focus on the issue of environmental standards driving how project money is spent.

There was additional discussion among the committee and the panel on funding of programs, priorities, planning, and related topics.

There was additional comment and discussion on the ultra-low diesel fuel requirements, the new designs for fuel storage, and the next generation of fuels.

CO-CHAIR MORGAN asked Mr. Staser and Mr. Poe about the working relationship between their respective agencies and was told the results are speaking for themselves. That is, what gets done in the rural communities is the evidence.

CO-CHAIR MORGAN asked about the working relationship between the Alaska Village Electrical Cooperative (AVEC) [and the Denali Commission].

MR. STASER and MR. POE both commented that all Denali Commission partners are working well together and have an improved working relationship over past years.

DON GRAVES, Unalaska, commented on a power generation project in his community that uses fish oil. Mr. Graves commented on other potential Denali Commission projects in the schools in Unalaska. He offered further comments on fish oil use.

MR. POE also commented on the fish oil project in Unalaska.

#### **ANNOUNCEMENTS**

CO-CHAIR MORGAN announced that at the next meeting, Thursday, April 11, 2002, the committee would take up HB 500.

#### **COMMITTEE ACTION**

The committee took no action.

#### **ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee was adjourned at approximately 9:50 a.m.

NOTE: The meeting was recorded. A copy of the tape(s) may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address) (907) 465-2214, and after adjournment of the second session of the Twenty-Second Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.