

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

May 1, 2004
5:35 p.m.

MEMBERS PRESENT

Representative Carl Morgan, Chair
Representative Kelly Wolf, Vice Chair
Representative Tom Anderson
Representative Ralph Samuels
Representative Albert Kookesh

MEMBERS ABSENT

Representative Pete Kott
Representative Sharon Cissna

COMMITTEE CALENDAR

HOUSE BILL NO. 562

"An Act relating to the establishment of the Interior Rivers Port Authority; and providing for an effective date."

- MOVED HB 562 OUT OF COMMITTEE

CS FOR SENATE BILL NO. 382(CRA) am

"An Act relating to replat approval; relating to the platting of right-of-way acquired through eminent domain proceedings; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 387 am

"An Act authorizing the making of certain commercial fishing loans to eligible community quota entities for the purchase of certain fishing quota shares; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 562

SHORT TITLE: INTERIOR RIVERS PORT AUTHORITY

SPONSOR(s): COMMUNITY & REGIONAL AFFAIRS

05/01/04 (H) READ THE FIRST TIME - REFERRALS
05/01/04 (H) CRA
05/01/04 (H) CRA AT 2:00 PM CAPITOL 124

WITNESS REGISTER

PAUL FUHS

Anchorage, Alaska

POSITION STATEMENT: Explained HB 562 and what the Interior Rivers Port Authority could accomplish.

SALLY SADDLER, Legislative Liaison

Division of Community Advocacy

Department of Community & Economic Development

Juneau, Alaska

POSITION STATEMENT: Testified that the concept embodied in HB 562 has merit, but requested more time to review the legislation.

BOB CHARLES

Calista Corporation

Anchorage, Alaska

POSITION STATEMENT: Informed the committee that the Calista Corporation wholeheartedly supports HB 562.

JOHN MACKINNON, Deputy Commissioner of Highway & Public Facilities

Office of the Commissioner

Department of Transportation & Public Facilities

Juneau, Alaska

POSITION STATEMENT: Testified that the concept embodied in HB 562 has merit, but requested more time to review the legislation.

ACTION NARRATIVE

TAPE 04-16, SIDE A

Number 0001

CHAIR CARL MORGAN called the House Community and Regional Affairs Standing Committee meeting to order at 5:35 p.m. Representatives Morgan, Wolf, Anderson, Samuels, and Kookesh were present at the call to order.

HB 562-INTERIOR RIVERS PORT AUTHORITY

CHAIR MORGAN announced that the only order of business would be HOUSE BILL NO. 562, "An Act relating to the establishment of the Interior Rivers Port Authority; and providing for an effective date."

Number 0053

CHAIR MORGAN, as chair of the House Community and Regional Affairs Standing Committee, sponsor of HB 562, drew attention to the sponsor statement, which is included in the committee packet.

Number 0110

PAUL FUHS informed the committee that he was asked to help with this legislation because he has worked on most of the existing state port authority legislation. He also informed the committee that he has been the chair of the Alaska Industrial Development & Export Authority (AIDEA), the Alaska Energy Authority (AEA), and the Municipal Bond Bank. Therefore, he offered to answer questions regarding the financial sections of this legislation. Mr. Fuhs explained that HB 562 is merely permissive and allows the people in the [Interior] region to have a framework for regional cooperation in which [the Interior Rivers Port Authority (IRPA)] could contract, receive funding, could bond and enter into agreements with other entities, and directly administer state lands in the area as a state agency with regard to rights-of-way. This is all about transportation, energy, and waste management.

MR. FUHS directed attention to page 15 of the legislation and the provision entitled "Credit of state not pledged". He explained that if [IRPA] enters into revenue bonds, it's the debt of the authority itself rather than the state. Therefore, the authority can't pledge the full faith and credit of the state to a project. The aforementioned creates a good third-party due diligence on anything proposed because the authority would have to go to the market to sell the bonds. Mr. Fuhs highlighted that IRPA would be able to do transfer of responsibility agreements (TORA) with agencies in order to implement state projects. A port authority provides a clear focus on the project, and therefore it isn't lost as part of some large administrative function.

MR. FUHS pointed out that the fiscal note is indeterminate because until everything is fleshed out, there won't be knowledge with regard to the meetings required. He noted that

many agencies, including the Denali Commission, are interested in this regional cooperation and look for efficiencies in areas such as electrical interties, bulk fuel purchases, and waste management. He explained that [IRPA] could be a potential funding source, in which case the [port authority] would go through the Joint Committee on Legislative Budget and Audit to receive the funds.

MR. FUHS directed attention to page 23, line 23, where the provision requires a regional development plan within a year after the first meeting of IRPA. The plan must identify some regional plans and potential projects in energy, transportation, and opportunities for private resource development. Mr. Fuhs turned to a map of the area included in the committee packet. He pointed out that the map illustrates the confluence of the railroad, the main roads of Alaska, the rivers, and the potential interconnectivity of some of these areas. Therefore, part of [the Interior River Port Authority] is focused on economic development and keeping money within the region while looking for efficiencies that would lower the cost of living.

Number 0456

REPRESENTATIVE KOOKESH asked if Mr. Fuhs envisioned IRPA returning to the legislature next year for money. He highlighted the language that specifies "The authority may receive funding subject to appropriation by the legislature", and inquired as to when that would happen.

MR. FUHS answered that it could happen this session or it could happen in between [sessions] during which someone would have to approach the Joint Committee on Legislative Budget and Audit. Mr. Fuhs clarified that the fiscal note is really an indeterminate fiscal note.

REPRESENTATIVE KOOKESH likened this to a user fee.

CHAIR MORGAN pointed out that the Interior River Port Authority would be a nine-member organization. He informed the committee that he has received support from all the major landowners, such as Doyon, Limited, and Tanana Chiefs Conference, Inc. He specified that IRPA will have one member from each of the following entities: Doyon, Limited; Tanana Chiefs Conference; Gana-A'Yoo, Limited; the MTNT Limited; the Kuskokwim Corporation; the Kuskokwim Native Association; Calista, Corporation; and an individual [employed by a private company] with a physical presence in the area. The IRPA will also have

one public member and two ex officio members. The two ex officio members will be the commissioner of the Department of Transportation & Public Facilities or his or her designee and the commissioner of Department of Community & Economic Development or his or her designee. Chair Morgan noted that all the positions, save the two ex officio members, will be appointed by the governor from the list of names provided by each of the entities to be represented.

MR. FUHS highlighted that a transportation network in this area will more closely tie the area to Fairbanks and its businesses.

Number 0703

SALLY SADDLER, Legislative Liaison, Division of Community Advocacy, Department of Community & Economic Development, explained that the department has had a chance to perform a preliminary review of HB 562, which it believes to have merit. The department believes that establishing a regional development authority such as IRPA would help the area take control of its economic destiny. However, the department would like to have a few more days to review the legislation and understand all of its details.

CHAIR MORGAN informed the committee that a request to place HB 562 on Monday's calendar has been made.

Number 0810

BOB CHARLES, Calista Corporation, informed the committee that the Calista Corporation wholeheartedly supports HB 562. The IRPA is a worthwhile effort to help revitalize the economy of both the Kuskokwim and the Yukon River systems. Furthermore, it provides the ability to address the economic development needs that exist throughout the area. With regard to Calista Corporation, the IRPA would help forward its other projects. Mr. Charles concluded by saying that he looked forward to the legislature passing HB 562.

Number 0908

JOHN MACKINNON, Deputy Commissioner of Highway & Public Facilities, Office of the Commissioner, Department of Transportation & Public Facilities, echoed comments similar to Ms. Saddler regarding only having a few days to review the legislation. He further echoed comments regarding the belief

that the concept is meritorious, although the department would like more time to review the legislation.

CHAIR MORGAN, upon determining no one else wished to testify, closed public testimony.

Number 0958

REPRESENTATIVE ANDERSON moved to report HB 562 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 562 was reported from the House Community and Regional Affairs Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 5:47 p.m.