

Introduced: 4/10/81
Referred: Finance

1 IN THE SENATE

BY DANKWORTH AND KERTTULA

2 SENATE RESOLUTION NO. 6

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Advising of the present intention of
6 the Senate not to honor a proposed
7 moral obligation.

8 BE IT RESOLVED BY THE SENATE:

9 WHEREAS the Alaska Power Authority and Morgan Guaranty Trust of New
10 York have proposed an agreement by which the authority would borrow
11 \$30,000,000 from that bank for the Swan Lake power project in the Ketchikan
12 area; and

13 WHEREAS the proposed agreement provides that the loan is an indebtedness
14 of the authority and not of the state; and

15 WHEREAS individual legislators were approached to secure agreement from
16 them to provide a "moral" guarantee to pay the principal and interest of the
17 loan in the event of default; and

18 WHEREAS the Senate, on March 10, 1981, unanimously approved companion
19 legislation (CSSSSB 25(Fin)am and CSSB 26(Fin)) establishing a power project
20 development fund and appropriating \$53,000,000 to the fund as a grant for
21 the Swan Lake power project, and on April 2, 1981 approved legislation (CSSB
22 244(Fin)am) forgiving certain loans for the Swan Lake power project;

23 BE IT RESOLVED by the Alaska Senate that the Senate does not and will
24 not support a provision of an agreement between the Alaska Power Authority
25 and Morgan Guaranty Trust Company of New York by which the state may appear
26 to be responsible for payment of the obligation of the authority in the
27 event of default on a loan made to the authority for the Swan Lake power
28 project.

29 COPIES of this resolution shall be provided to Mr. Lewis T. Preston,

1 President, Morgan Guaranty Trust Company of New York, and to Mr. Eric Yould,
2 Executive Director of the Alaska Power Authority.

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