

Introduced: 4/11/85
Referred: Resources
and Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 280

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the authorization of bonds or notes for the DeLong Mountain transportation project, establishing conditions under which the bonds or notes may be issued; and providing for an effective date."

7

8

9

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12

* Section 1. The Alaska Industrial Development Authority is authorized to issue bonds or notes in a principal amount not to exceed \$175,000,000 to provide financing for the DeLong Mountain transportation project. Bonds or notes may not be issued under this section until

16

(1) Cominco, Ltd. agrees in writing to terms and conditions under which

18

19

(A) adequate access to the road and port constructed as part of the DeLong Mountain project is guaranteed to other users;

20

21

22

23

(B) Cominco, Ltd. will pay for all or a portion of the operation and maintenance of facilities constructed as part of the project based on the use Cominco, Ltd. makes of the facilities compared to the use made by others;

24

25

26

(C) Cominco, Ltd. will repay all expenditures by the state for the project through toll fees for the use of facilities constructed as part of the project and other payments;

27

28

29

(D) payments by Cominco, Ltd. to the state will be accelerated if the price of zinc rises above a level determined by the Alaska Industrial Development Authority to yield a reasonable profit;

1 (2) the United States Congress approves the Cape Krusenstern
2 National Monument land exchange between NANA Regional Corporation and the
3 United States Department of the Interior;

4 (3) NANA Regional Corporation agrees in writing to convey to the
5 Alaska Industrial Development Authority, at no more than fair market value,
6 land needed for the port and road constructed as part of the DeLong Moun-
7 tain transportation project and land needed for future expansion of the
8 road and port;

9 (4) NANA Regional Corporation agrees in writing to lease land
10 for the Red Dog Mine to Cominco, Ltd. and to provide easements and right-
11 of-ways needed to operate the mine to Cominco, Ltd.;

12 (5) the Alaska Industrial Development Authority obtains a ruling
13 from the Internal Revenue Service that bonds or notes issued under this
14 section will qualify for tax exempt status; and

15 (6) the Alaska Industrial Development Authority establishes a
16 toll schedule for use of facilities constructed as part of the DeLong
17 Mountain transportation project that ensures the greatest return on the
18 state's investment in the project and guarantees equitable access to the
19 facilities by all users; the toll schedule may be periodically adjusted.

20 * Sec. 2. Notwithstanding limitations on the establishment of a capital
21 reserve fund under AS 44.88.105, the authority may covenant and agree with
22 the trustee or holders of the bonds or notes authorized under sec. 1 of
23 this Act that the authority will establish a capital reserve fund for the
24 purpose of securing the bonds or notes, that the chairman of the authority
25 will, by January 2 of each year, certify in writing to the governor and the
26 legislature the amount required to restore the capital reserve fund to the
27 capital reserve fund requirement, and that the legislature may appropriate
28 to the authority the amount certified by the chairman. Nothing in this
29 section creates a debt or liability of the state.

1 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
2 10.070(c).