

SCOMM

#9:181

Minutes

House Special Committee on
the Alaska Permanent Fund

PUBLIC HEARING
Fairbanks Borough Assembly Chambers
February 3, 1978

The hearing was called to order by Chairman Gruening at
10:00 AM.

Present were members of the Committee; Rep. Gardiner,
Rep. Haugen, Rep. Hayes, and Rep. Schaeffer; Chairman of
the Senate Permanent Fund Committee Senator Hohman and
staff Rob Kocsis and Mike Dooan.

Chairman Gruening welcomed the public and invited testimony
and comments on the bills before the Committee.

Mr. Robert Rogesh suggested the permanent fund might be
used for loans for structures with high energy efficiency.
These structures are more conducive to use of alternate
energy sources for heating and loans are not readily available.

Ed Calhoun expressed his opinion that the Perm. Fund could
be used as a tool to constrain state spending for now and
later on as an instrument to replace other methods the
state now uses to take in funds. The state should use
every effort to maximize the amount going into the PF
with a view to using those funds to run the economy in the
future.

Ole Larsen suggested setting aside 10-20 million for support
facilities for the farmer in the Tanana Valley to act at
a catalyst to get farming started. Rep. Gardiner pointed
out that HB 682 was directed at just such ventures.

Charlotte Dutcher requested that an Ombudsman be appointed
for the state investment and Permanent revolving fund.

Earl Beistline suggested that including non-renewable resources
with renewable resources in the Committee's bills would
allow risk money for mining exploration purposes and would fill
a need abandoned by US Dept of Minerals and Energy Management
discontinued OM&E programs. He also cited the need for
matching funds for the Coal Research Lab mandated by
PL 95-87.

Monte Shay expressed that he was against the subsidizing of both non profit and profit motivated organizations directly or through low interest loans. It is an intrusion on the free enterprise system.

Clas Knasky testified that the Permanent Fund should be separate from politics, a certain proportion should be set aside for enrichment of renewable resources and it should not be used to subsidize hard rock industries.

Mr. Elson Lausen concurred with Mr. Rogesh on the need for loans for private energy efficient structures and with Mr. Knasky on the non funding of mineral resource projects. He complemented HB 682 for its establishment of a public corporation and particularly the grants section because the private sector is not able to step into these risky investments.

Former Senator Paul Haugland was recognized in the audience and made some comments about his experience in Alaska. He advised the Legislature to obtain the best financial consultants possible.

The Committee recessed for lunch and returned at 1:30 PM.

Alan Bloom recommended use of a percentage of interest returned from primary investment of the permanent fund specifically for welfare and social service delivery to allow cutting back appropriations from the General Fund thereby directly benefiting all taxpayers.

Tim Wallace, President of Doyon, Ltd., offered some amendments for HB 682: Page 1, line 24 and 27, change language to show a more optimistic financial outlook to outside investors; Page 3, line 23 change it so a board member is answerable to the Governor instead of two bodies. He also suggested the need for bond guarantees for small contractors.

Harold Gillam suggested permanent fund monies should be available for purchase of low interest rate bonds offered by municipalities.

There was no further testimony so the hearing adjourned at about 2:30 PM.

IE

ADDRESS

DO YOU WISH
TO TESTIFY?

NAME	ADDRESS	DO YOU WISH TO TESTIFY?
Allen D Blume	Box 1267, Hwy	yes
Gail Brittain	Truck Services, SR Box 20247, Fbks 99701	Send Information please.
Harold Gilliam	1041 - 2 nd Ave	yes

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND

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528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501

[POUCH V, JUNEAU, AK. 99811]
(907) 465-3073



MEMBERS

REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
~~XXXXXXXXXX~~

Rep. Joe Hayes

House of Representatives

January 26, 1978

Dear Legislator:

The House Special Committee on the Alaska Permanent Fund will hold public hearings on House Bills 4, 298, 595, 596 and 682 beginning at 10:30 AM February 3 in the Fairbanks Borough Assembly Chambers, 520 5th Avenue and February 4 beginning at 10:00 AM in the Jury Assembly Chambers, Room 402, of the Anchorage Court Building. Those wishing to hear or offer testimony on these bills are invited to attend.

Alaska State Legislature

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~~REP. FRANK DUNN~~

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House of Representatives

Public Service Announcement for all Anchorage radio stations:

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~~REP. JOE HAYES~~
Rep. Joe Hayes

House of Representatives

To the Anchorage Times and Anchorage News:

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To run February 2 and 3 in both newspapers as a 2 x 4 add.

Please place immediately and bill to this Committee

Alaska State Legislature

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Greater Fairbanks

CHAMBER OF COMMERCE

550 First Avenue

Member:

U. S. Chamber of Commerce
Alaska State Chamber of Commerce
Pacific Northwest Trade Ass'n.
National Better Business Bureau

FAIRBANKS
ALASKA 99701

February 3, 1978

Representative Clark Gruening, Chairman
House Special Committee on the
Permanent Fund
528 West 5th Street
Anchorage, Alaska 99501

Dear Representative Gruening:

The Legislative Affairs Committee of the Greater Fairbanks Chamber of Commerce would like to voice its concern over the notice given by your committee of the hearings that took place today in Fairbanks. We noticed only one announcement in the February 2nd edition of the Fairbanks Daily News-Miner. We feel that the community was not given sufficient notice of the hearings to prepare testimony on the issues.

We urge you to consider our request to give earlier notice to the public of all hearings. We feel that this would result in more input and better fulfill the purpose of the hearings.

Thank you for your consideration.

Sincerely,

Terry Palczer, Chairman
Legislative Affairs Committee

TLP:ew
cc: Fairbanks Legislative Delegation



Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433

528 W. 5TH, SUITE 270
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REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
~~REP. TERRY GARDINER~~
Rep. Joe Hayes

House of Representatives

February 16, 1978

Mr. Terry Palczer, Chairman
Legislative Affairs Committee
Fairbanks Chamber of Commerce
550 First Avenue
Fairbanks, Alaska 99701

Dear Mr. Palczer:

Thank you for your letter of February 3, 1978. I apologize for any inconvenience the Committee's lack of public notice may have caused you. If you have any comments to make on HB 596 or HB 682 we would be pleased to receive them.

We did plan an additional notice to be in the paper February 1st but it missed the deadline at the Fairbanks Daily News-Miner because it failed to arrive as scheduled at our Legislative Affairs Office in Fairbanks. However, radio stations KFRE and KFAR did air our notice of public hearing on February 1st and 2nd "at least 26 times".

Although the Committee just completed its last public hearing in Juneau on February 9 before starting "mark up" on these bills, additional testimony is welcome. If you have any written comments to share with us please send them as soon as possible and the Committee will give them full consideration.

Again, thank you for your comments and please don't hesitate to write or call me again.

Cordially,

Representative Clark Gruening